
2023

Food & Beverage

BENCHMARK FINDINGS REPORT



TABLE OF CONTENTS

FOREWORD	3
EXECUTIVE SUMMARY	4
FORCED LABOUR RISKS IN GLOBAL FOOD & BEVERAGE SUPPLY CHAINS	9
KEY FINDINGS & BENCHMARK ANALYSIS	14
KEY FINDINGS	15
Findings by theme	16
Change since 2020	17
Subsector performance: Supermarket spotlight	18
Performance by region	19
BENCHMARK ANALYSIS	20
Human rights due diligence	20
Traceability and supply chain transparency	20
Risk assessment	24
Purchasing practices	27
Stakeholder engagement	29
Board accountability	30
Recommendations	31
Responsible recruitment of migrant workers	32
Policies	32
Risk prevention	33
Remediation of worker-paid recruitment fees	35
Recommendations	36
Remedy	37
Access to remedy: Grievance mechanisms	37
Remedy process	38
Remedy outcomes	39
Recommendations	41
APPENDIX 1: COMPANY SELECTION	42
APPENDIX 2: BENCHMARK METHODOLOGY	44

FOREWORD

Of the three sectors benchmarked by KnowTheChain, none is more critical to our daily lives – or scores lower – than Food & Beverage.

An estimated 2.1 million agriculture workers are in conditions of forced labour. Another 3.2 million victims of forced labour are in the manufacturing sector, which can include the preparation and packaging of food and beverages.

Much of the work of putting food on our plates is done by migrant workers, who are often targeted for exploitation. These workers generally have few, if any, legal protections, rarely have either the right or the opportunity to organise or speak up about mistreatment, and are sent to some of the most isolated locations in the world to work – whether fishing on a distant water fleet or picking crops on a farm the size of a large metropolis.

The complexity of global supply chains means that it's often a challenge for companies within the food value chain to track where their products originate, and to ensure workers are being paid a living wage, on time, and have not paid recruitment fees – leading to conditions of debt bondage, exploitation and forced labour. But that challenge does not absolve these companies of their responsibility. And this is the critical role KnowTheChain and benchmarking initiatives can play in holding companies to account.

It is through benchmarking, aligned with the UN Guiding Principles, that companies' efforts to address forced labour in their supply chains can be rigorously evaluated and their performance compared with their peers. Leading companies can be held up as an example for laggard companies, and the industry as a whole can see where it's falling short.

Importantly, the KnowTheChain benchmark methodology – focused on policy implementation and worker outcomes – pushes companies to go beyond disclosure of surface-level or top down policies and to transform business practices to enable shared responsibility for human and labour rights throughout their supply chain relationships.

KnowTheChain provides an invaluable tool for those who strive to improve corporate practice, many of whom sit within companies themselves, including sustainability and human rights teams. Other important stakeholders include investors, NGOs, regulators and consumer groups who seek to hold companies to account. We are thankful for all the work that has gone into this year's benchmarks and look forward to seeing KnowTheChain's continued impact.

Philippe Sion

Managing Director, Humanity United

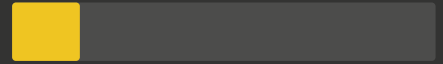
EXECUTIVE SUMMARY

The food system is a cornerstone of the global economy, accounting for up to two-thirds of all jobs. People who harvest, pick, catch, process and pack commodities and products in global food supply chains are relied upon as essential workers – in increasingly volatile conditions. Their livelihoods bear the brunt of the climate crisis, conflict, economic instability and soaring inflation, and social unrest, often leading to distress and desperation. Given the seasonal and precarious nature of the work, often in isolated rural regions, farm-workers face high risks of exploitation: agriculture accounts for the fourth-largest share of forced labour by sector globally.

KnowTheChain's 2023 food and beverage benchmark highlights the widening gap between sector profit margins and the working conditions of those who make them possible. With an average score of just **16/100** among the largest 60 companies in the sector, the entire industry needs to urgently improve its performance when it comes to identifying and remedying forced labour risks in its supply chains. This is achievable: benchmark frontrunners such as **Woolworths Group** and **Tesco**, with scores of over **50/100**, demonstrate that better practice through greater respect, engagement and care for vulnerable workforces is both possible and profitable in the food and beverage sector.

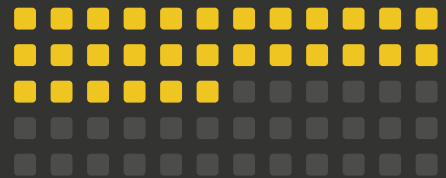
The food and beverage benchmark assesses companies across the entire food value chain including agriculture, food and beverage processing, packaging and retail. The report outlines forced labour risks in food and beverage supply chains, and highlights KnowTheChain's key findings and trends in the sector, including company progress over time. It then sets out findings and recommendations in detail on three key areas: human rights due diligence, responsible recruitment and the protection of migrant workers, and remedy. The associated Investor Briefing provides analysis and recommendations for food and beverage sector investors.

16/100



average score of food and beverage companies' efforts to address supply chain forced labour

Only half



of companies scored above 10/100

Purchasing practices, worker voice & remedy

were among companies' weakest-performing areas

Only 8%



of companies disclosed examples of remedy outcomes for workers

Overall policy and practice gap, with some examples of better performance

KnowTheChain's 2023 [revised methodology](#) prioritises policy and process implementation in assessing whether companies' actions to address forced labour risks in their supply chains result in meaningful improvements for workers. While most companies demonstrate policy commitments to address forced labour in their supply chains, they consistently overlook the power of preventative measures including supporting freedom of association and access to effective grievances mechanisms. This, coupled with a lack of evidence on remedy outcomes for workers, signals the existence of policies alone is insufficient to materially address forced labour risks and improve outcomes for workers.

To this end, **only half of companies assessed score more than 10/100**. Five companies provided no relevant information whatsoever on how they were addressing forced labour in their supply chains: **Foshan Haitian** (China's [largest soy sauce manufacturer](#)), **Inner Mongolia Yili Industrial Group** (Asia's [largest dairy company](#)), **Vietnam Dairy Products** (Vietnam's [largest dairy company](#)), **Want Want China Holdings Limited** (China-based packaged foods company), and **WH Group Limited** (the world's [largest pork producer](#)). Generally low sector scores, combined with a lack of transparency by such significant market players, should be cause for alarm for companies and their investors.

The gap between the lowest and highest scoring companies within the benchmark is also significant. While there is still room to improve, **Woolworths Group** (56/100) and **Tesco** (52/100) provide examples of better practice in addressing forced labour risks within the sector, posting particularly stronger scores on key themes such as Recruitment. Others in the benchmark have no excuse for not following this lead.

Amid intersecting crises, critical worker vulnerabilities go unaddressed

As the risks of forced labour [increase globally](#), food and beverage sector workers are at particularly high risk due to the nature of their work. Crop growing is **labour-intensive**, and food processing often involves **low-skilled**, manual labour, meaning groups in already-vulnerable conditions are the most likely to work such jobs. Many farm jobs are part of the **informal economy** and offer lower wages than other sectors or adopt [payment systems](#) conducive to exploitative conditions.¹ The employment of migrants is common, seasonal work is prevalent, and obstacles to worker organisation are significant – augmenting forced labour risks through these supply chains.

These risks are also likely to grow. As a result of converging geopolitical, economic, and – in particular – climate crises, the food and beverage sector exists at the intersection of global food and human security. Conflict and changing weather patterns are prompting mass relocations, and reports of dismal working conditions as a result of climate change are growing – including labouring [in floods](#), in the [face of extreme heat](#), and in increasingly [unsafe circumstances](#).

Against this background, it is striking that companies scored lowest in categories linked to some of the highest risks for the food and beverage sector. In spite of the well-documented exploitation of seasonal and migrant workers in the sector, for example, most companies are failing in a rudimentary duty to address the obvious risk of abusive recruitment practices in their supply chains. They score just **13/100** on the theme of **Recruitment**: only 28% of companies disclosed a policy prohibiting worker-paid recruitment fees specifically (a key forced labour indicator), while only 12% disclosed processes for actually implementing their policy requirements to prevent fees.

Equally, effective and efficient identification of forced labour risks and remedy depend upon engagement with workers and their organisations. Here again, most companies fail to ensure this rudimentary due diligence task is properly undertaken. Companies score poorly on the themes of **Worker Voice (9/100)** and **Remedy (6/100)**, and **only 8% of companies** disclosed examples of remedy outcomes for workers in their supply chains. Given the well-known and endemic instances of forced labour in the sector – the [US Department of Labor](#) has designated over 20 food and beverage commodities as “high risk for forced labour” – this failure demonstrates not an absence of labour rights violations, but rather a failure to identify, acknowledge, and remedy them.

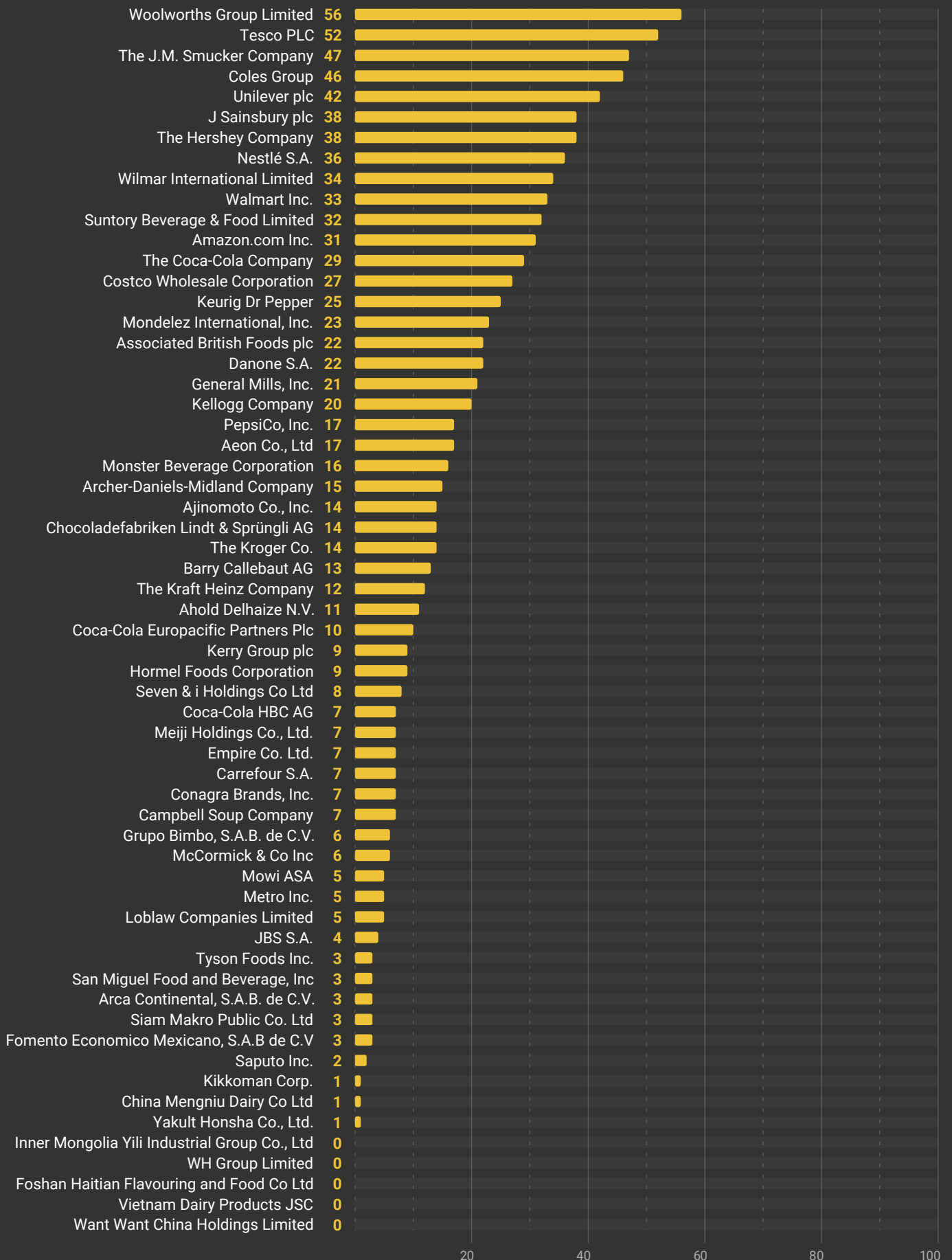
Regulatory momentum may counter industry stagnation

Benchmarked companies also showed disappointing progress over time in addressing forced labour risks. Almost a **third of companies (29%)** assessed in both the 2020 and 2023 benchmarks disclosed **no improvements at all over that period**. While there were welcome exceptions, with **Hershey, Smucker, Suntory**, and **Woolworths Group** all disclosing notable advances, worker-driven monitoring was particularly weak across all companies.

However, food and beverage companies now face a fast-changing regulatory environment, which suggests that the glacial pace of change – and even stagnation in the case of some companies – will not hold. Powerful governments in home states of many food giants have recognised the systems-change required will not be delivered by voluntary action. Emerging mandatory human rights and environmental due diligence (mHREDD) regulation in [European Union \(EU\) states](#) and [Norway](#), regulatory instruments banning imports of goods produced using forced labour in the US, and developing regulation in [Canada](#), [Mexico](#) and the [EU](#) augur fundamental change where voluntary corporate efforts have clearly fallen short. The benchmark highlights a worrying lack of effective due diligence policy and practice, and therefore preparedness for the advent of this regulation. More than a third (37%) of companies have yet to disclose how they carry out a human rights risk assessment on their supply chains, including meat companies **Hormel (9/100)**, **JBS (4/100)**, **Tyson (3/100)**, and **WH Group (0/100)**. In addition, only 17% of companies disclosed detail on forced labour risks across the tiers of their supply chains. Most notably, company purchasing practices was the **lowest scoring theme of the benchmark, with an average score of just 2/100** and extremely limited improvement in this area since 2020.

With scores on key indicators of human rights due diligence some of the lowest for companies in the benchmark, the findings in this year’s Food & Beverage Benchmark spotlight a sector with significant ground to cover to prepare for the wave of new regulation, putting the onus on businesses and their investors to step up or face significant legal, financial and reputational risk.

Food & beverage benchmark: 2023 ranking



Key recommendations for companies:

As the benchmark reveals the detrimental impact poor corporate human rights performance has on farm and food workers, KnowTheChain's recommendations focus on key actions proven to help reduce forced labour risks for workers:

Adopt a worker-centric approach to due diligence by ensuring workers and other key stakeholders, such as unions and civil society organisations, play a central role in the design, implementation, and monitoring of key due diligence processes, including:

- Risk assessment (including safe engagement with workers affected or potentially affected);
- Grievance mechanisms; and
- Supplier monitoring.

Address risks to migrant workers, who may be subject to exploitative recruitment practices, by:

Adopting and disclosing a policy that aligns with the [Employer Pays Principle](#), specifying that the employer must bear the costs of recruitment rather than the worker.

Implement the Employer Pays Principle by ensuring employers pay recruitment fees and related costs in accordance with the [ILO definition](#), and preventing fees and costs being charged to workers, including obtaining verifiable proof that employers are paying fees.²

Take steps to ensure the effective, timely and transparent remediation of worker-paid fees across supply chains.

Ensure supply chain workers receive remediation for harm, including supporting reimbursement of recruitment fees.

Key recommendations for investors:

For a full list of recommendations, please refer to the [investor briefing](#).

Investment and stewardship

Develop own internal due diligence procedures

to ensure appropriate human rights risk management in the changing regulatory environment and ensure deep-dive research for high-risk areas identified, and where salient and severe abuse appears likely.

Adopt a stewardship policy and voting

guidelines which specifically call for respect for labour rights, as defined by ILO conventions with no tolerance of forced labour. Engagement priorities should include:

Expectations on improved disclosure and effective due diligence, particularly related to workers voice, risk assessments, risk mitigation plans, and access to remedy and remedy outcomes for workers; and

Commitment to escalation for persistent non-improvement.

Maximise leverage by joining investor

coalitions and collaborative engagements on the topic of forced labour like those of the ICCR and CCLA's [Find it, Fix it, Prevent it](#), Rathbones' [Votes Against Slavery](#) and the [FAST Initiative](#).

Public policy

Ensure all lobby and influence is consistent with the international standards of the [UN Guiding Principles on Business and Human Rights](#) (UNGPs) and [revised OECD Guidelines](#).

Provide active and public support for mandatory human rights and environmental due diligence and increased sustainability disclosure regulations, and alignment of frameworks.



FORCED LABOUR RISKS IN GLOBAL FOOD & BEVERAGE SUPPLY CHAINS



Angel, from South Africa, worked on Dearnsdale fruit farm in Staffordshire, which supplies UK supermarkets including **Co-Op**, **Lidl** and **Tesco**. Alongside hundreds of other workers, she picked strawberries in polytunnels designed to retain heat during the summer of 2022. Angel, like many others, took out a UK£1,250 (approx. US\$1,575) loan to pay for visas and flights to get to the UK, an amount which she has not been able to pay off after working for five months. Workers at the farm reported being shouted at to meet targets so unrealistic that there was no time to go to the toilet. *“Even before we start work the supervisors would be screaming at us... they would treat you like an animal,”* Angel said. If workers failed to meet their targets, they could be punished by having their shift cut short, making it more difficult to pay back their loans. Some say they were threatened with deportation by recruiters.³

Angel’s story is sadly not unique. Forced labour risks are increasing globally, as a result of converging geopolitical, economic and climate crises. These risks are particularly pertinent in the food and beverage sector, which sits at the intersection of global food and human security. According to the [International Labour Organisation](#), there are currently 27.6 million people in situations of forced labour in the world, with 13% of adult forced labour exploitation occurring in agriculture. The fruits of such labour are [reaped](#) by corporations which continue to post profits, while workers in supply chains are trapped in deplorable conditions.

Increasing forced labour risks today

Forced labour is defined by the International Labour Organisation (ILO) as “situations in which persons are coerced to work through the use of violence or intimidation, or by more subtle means such as manipulated debt, retention of identity papers or threats of denunciation to immigration authorities.”

Climate crisis

A leading contributor to climate change, the world's agri-food systems generate 31% of human-caused GHG emissions. The agricultural supply chain is also disproportionately affected by climate change, absorbing the bulk of the financial losses – as much as US\$110 billion – wrought by disasters which have grown in frequency and intensity in the last 10 years. The destruction caused by extreme weather events destroys livelihoods and forces victims to migrate and often work under precarious conditions around the world, including amid floods, extreme heat and associated unsafe working conditions. Floods in California have destroyed the homes of migrant workers and the strawberry farms they work on, rendering them climate migrants once again. Climate change is hampering production of tea in India, leading to poor wages for workers. In Brazil, the deforestation of the Amazon for cattle ranching and both soy and corn cultivation contributes to both the climate crisis and the invasion of Indigenous territories.

Climate change also has ramifications for workers in the fishing sector as, exhausted fish stocks mean vessels remain at sea longer and often fish illegally in other nations' territorial waters, just to bring in diminishing catches. A black hole in terms of human rights conditions, operators are using forced and bonded labour to crew their vessels and depress costs.

Geopolitical context

Conflicts and political instability augment the vulnerability of workers to forced labour. The Russian invasion of Ukraine sparked a period of historically high inflation in energy and food prices, contributing to the increase of almost 200 million people facing acute food insecurity globally in 2022 compared with pre-pandemic levels. The wars in Ukraine and Syria and economic turmoil in Venezuela have left thousands of people destitute, unemployed and in search of work.

Cost-of-living crisis

Despite the world now entering a post-pandemic phase, extreme poverty and inequality is expected to remain higher than pre-pandemic levels. As the cost-of-living crisis pushes people into poverty, they are likely to become more susceptible to exploitation and abuse by unscrupulous employers. As farms struggle with increased costs, some employers might be tempted to push workers' wages down or engage in exploitative labour practices to cover the distance.

Vulnerability of workers in the food and beverage sector


Nature of food and beverage supply chains


The food and beverage sector is particularly prone to forced labour due to the nature of work. Crop growing is labour-intensive, and food processing often involves low-skilled, manual labour. Vulnerable groups such as minorities and migrant workers, whose job choices are too often limited by circumstance, are over-represented in the sector. Many farm jobs are part of the informal economy and offer lower wages than other sectors or adopt payment systems conducive to exploitative conditions.⁴ Such **payment systems**, including piece-rate payment schemes, can also result in **children assisting their families** to work to meet or exceed quotas. Farm workers often depend on their employers for accommodation in remote locations – and their isolation can further increase their vulnerability to exploitation.⁵


Large number of high-risk commodities

As a result, the **US Department of Labor** has designated 21 commodities “high risk” for forced labour. Exploitative practices and forced labour incidents are frequently reported in these commodities – for example recent allegations of **debt bondage** in palm oil plantations in Malaysia and Indonesia, **sexual abuse** on Kenyan tea plantations, **trafficking and killing** of Indonesian workers on fishing vessels, and **abuse of sugarcane cutters** in the Dominican Republic.⁶

HIGH-RISK COMMODITIES:


 Fish (including dried fish)

 Beans (green, soy, yellow)


 Brazil nuts/chestnuts

 Cattle

 Chilli peppers


 Coca (stimulant plant)


 Cocoa


 Coffee


 Corn


 Palm fruit


 Peanuts

 Rice


 Sesame

 Shrimp

 Sugarcane

 Sunflowers

 Tea

 Tomatoes

 Wheat

Widespread reliance on migrant workers

Reliance on migrant workers is prevalent in food and beverage supply chains.⁷ These workers are at particularly high risk of forced labour as they often incur debt during the recruitment process through labour recruiters, and their dependency on their visa status for work, including access to [healthcare](#), housing and other benefits makes them vulnerable to threats of dismissal and deportation.⁸ [Increasing urbanisation](#) leads to further issues with a reliance on migrant workers who may leave rural areas, resulting in a shortage of workers and increased risk of coercive or fraudulent means of recruitment and employment to keep people working on farms.

Such risks are present both in high and low income countries and frequently manifest in forced labour instances across commodities, both at farm level and at the processing stage. Migrant workers on [tomato and strawberry farms in Spain](#) which supply major UK supermarkets, for example, report an inability to change jobs, wages below the legal minimum and physical, verbal and sexual abuse, among other forced labour indicators. Reports of similar exploitation, including the charging of exorbitant recruitment fees, have been recorded in the [berry sector](#) in Mexico, [Europe](#) and [Australia](#).

Exploitation and forced labour are also rampant in the meat and seafood industries. Migrant workers in the European [meat processing sector](#), as well as on [livestock farms](#), reported exploitative conditions as well as passport retention. [Fishermen in Ireland](#), for example, and foreign workers in [Canadian seafood processing plants](#), report unpaid wages, 20-hour days and high recruitment fees.

SEASONAL WORKERS

The use of seasonal workers on farms is common given the seasonal nature of agriculture, and many of these workers are migrants.⁹ Many countries have in place special visa schemes to bring in foreign seasonal workers. Despite the government-sanctioned nature of their employment, migrant workers employed through such schemes are no less susceptible to forced labour risks. In the **UK**, [seasonal workers from Nepal](#) and [Indonesia](#) working on fruit farms that supply major supermarkets have been recruited through unlicensed labour brokers who charge illegal recruitment fees, creating debt bondage. In the **US**, similar abuse of [Mexican watermelon workers](#) and farm [workers from Guatemala and Honduras](#) has resulted in prosecution against the respective farms and labour contractors. Similar accounts have been reported in [Canada](#) and [Australia](#), with workers referring to their situations as “slavery.”

Obstacles to worker organisation

As many workers in the agricultural sector work on a temporary or informal basis or as contracted workers, the level of organisation and unionisation in the agricultural sector is low. Laws limiting the formation of unions exist in many countries, such as Thailand where only citizens are allowed to form unions, leaving the many migrants from Myanmar with little representation. Even where such legal limitations do not exist, anti-union activities are common such as punishing or even firing workers for striking or joining union. Other limitations are present in industries such as fishing, where the lack of internet access at sea prevents workers from contacting their labour unions or other external actors to seek help. Ensuring that workers in supply chains are able to organise is a critical way to enabling them to challenge abusive conditions; additionally, low levels of unionisation allows for greater levels of exploitation.

Building regulatory momentum

Legislation is emerging in jurisdictions around the world which introduces further reporting requirements, such as in Canada, and in some cases an obligation to conduct human rights due diligence, such as under Norway's Transparency Act and the EU's Corporate Sustainability Due Diligence Directive (CSDDD) This is on top of existing reporting requirements in California, the UK and Australia. Australia is also introducing regulation designed to tackle migrant worker exploitation specifically. Countries are increasingly prohibiting the import of products made by forced labour, with the US implementing the Uyghur Forced Labour Prevention Act (UFLPA) and related trade instruments like the Customs and Border Protection's Withhold Release Orders, as well as Canada and Mexico adopting similar bans and the EU following close behind. Companies are increasingly facing litigation for labour violations in their supply chains, both from workers themselves for failure to provide safe working conditions, and from civil society organisations for deceptive marketing claims regarding their labour practices.



KEY FINDINGS & BENCHMARK ANALYSIS





KEY FINDINGS

Only 50% of companies assessed in the food and beverage benchmark scored more than 10/100 when it comes to addressing forced labour in their supply chains. The gap between the highest-scoring company, **Woolworths Group** (56/100), and the average food and beverage company (16/100) is significant, revealing a grossly unlevel playing field within the sector.

Five companies provided no relevant information whatsoever on how they are addressing this challenge: **Foshan Haitian** (China's largest soy sauce manufacturer), **Inner Mongolia Yili Industrial Group** (Asia's largest dairy company), **Vietnam Dairy Products** (Vietnam's largest dairy company), **Want Want China Holdings Limited** (China-based packaged foods company), and **WH Group Limited** (the world's largest pork producer).

Among those scoring below 10/100 are Canadian companies **Empire** (owner of Sobeys's), **Loblaws** (Canada's largest retailer), grocery retailer **Metro**, and **Saputo** (one of the world's largest dairy processors). None of these companies disclosed comprehensive tracing or transparency of their supply chains across the commodities they source – at first tier, below, or at raw material level. In addition, only one (**Loblaws**) disclosed conducting a human rights risk assessment on its supply chains, and no companies disclosed identifying forced labour risks in their supply chains, despite sourcing an average of seven high-risk commodities¹⁰ between them. US companies **Hormel**, **McCormick** and **Tyson** did not disclose any information on their first-tier suppliers or raw material sourcing countries of commodities despite the introduction of regulatory instruments that require companies to know where their products are being made.

Woolworths Group (56/100) and **Tesco** (52/100) demonstrate leadership in addressing forced labour risks within the sector, as the only companies scoring more than 50/100. **Woolworths Group** is the highest scoring company on the themes of Recruitment and Remedy, with strong disclosure on the due diligence measures it takes to support responsible recruitment in its supply chains and implement its policy prohibiting worker-paid recruitment fees.

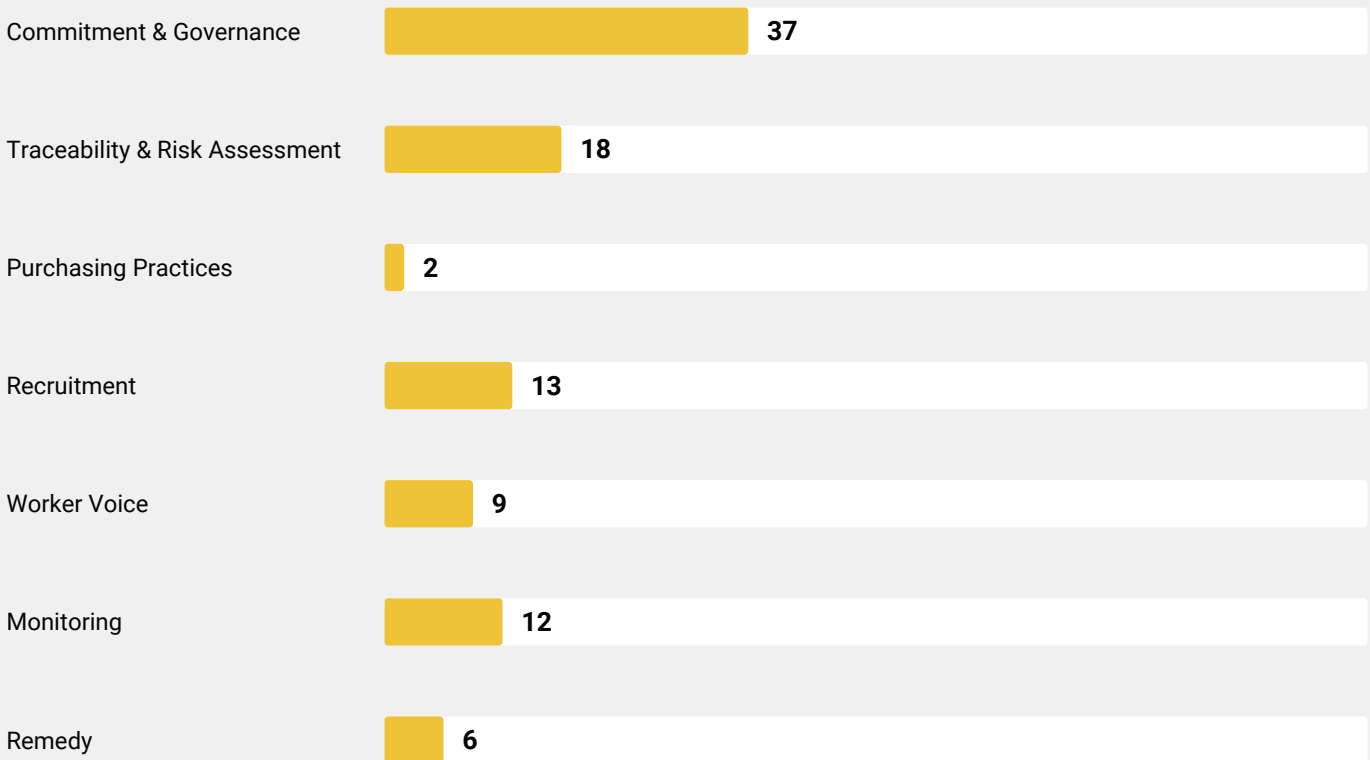
Findings by theme

Of the seven themes assessed by the KnowTheChain benchmark, companies scored highest in **Commitment and Governance**, with 90% of companies disclosing a supplier code of conduct prohibiting forced labour and 57% disclosing information on the internal teams responsible for the implementation of their supplier code. However, companies scored lowest in areas of particular concern for the food and beverage sector, demonstrating urgent need for improvement of its sector-specific risk profile across the themes of **Recruitment**, **Worker Voice** and **Remedy**.

Recruitment: In spite of well-documented exploitation faced by seasonal and migrant workers in the sector, it is alarming companies score a mere **13/100** on the theme of **Recruitment**, which measures how companies address the risks of exploitative recruitment practices in their supply chains.¹¹ Only 28% of companies disclosed a policy prohibiting worker-paid recruitment fees specifically, and a mere 12% of companies disclosed processes for implementing their policy requirements.

Worker Voice and **Remedy:** Companies scored poorly on the themes of both **Worker Voice** (9/100) and **Remedy** (6/100): a concerning combination which suggests companies are not remediating harm, and are failing to take into account the voices and needs of supply chain workers. While 72% of companies disclosed a grievance mechanism for suppliers' workers and/or their representatives, far fewer (18%) demonstrated the use of these mechanisms by disclosing data showing they have been used by workers. In addition, only 8% of companies disclosed remedy outcomes for workers.

AVERAGE THEME SCORES



Change since 2020

Progress in the sector appears to be stagnating. Almost a third of companies (29%) assessed in 2020 and 2023 disclosed no improvements at all. Improvements were weakest in relation to key elements of worker-driven monitoring. No company newly disclosed ensuring that workers or their representatives were involved in the design or performance of grievance mechanisms, despite this being a requirement of the [UNGPs](#), and no additional company disclosed adopting worker-driven monitoring in any part of its supply chains since 2020.

Generally, the higher expected standards set in the 2022-23 methodology revision – with a stronger focus on implementation of processes and outcomes for workers – has resulted in lower company scores across the board.¹² It is also notable that companies benchmarked for the longest by KnowTheChain (since 2016) have experienced the largest score drops (12 points) when assessed against this revised methodology.¹³ This suggests these companies, some of which were once leaders in the space, have fallen behind when it comes to disclosure and practice of policy implementation and outcomes for workers.

Who improved?

Companies disclosing significant improvements since 2020 were **Hershey** and **Smucker**, while the strongest improvements included those of:

| **Suntory** (8/100 to 32/100)

| **Woolworths Group** (52/100 to 56/100)

Comparing those companies which were benchmarked by KnowTheChain in both 2020 and 2023:¹⁴

Risk assessment: Just over a fifth (22%) of companies disclosed improvements in relation to human rights risk assessments. Five companies disclosed conducting a human rights risk assessment for the first time (**Aeon, Ahold Delhaize, Costco, Loblaw** and **Suntory**) and four companies disclosed additional detail on their risk assessment process, such as sources assessed or relevant stakeholders engaged (**Coles, General Mills, Kroger**, and **Wilmar**). Eight companies also improved in relation to the disclosure of risk.¹⁵

Recruitment: While some limited improvements can be seen in relation to companies' responsible recruitment practices, these appear disproportionate to the level of risk faced by migrant workers. It is however encouraging that three companies (**Kraft Heinz, Loblaw** and **Suntory**) newly adopted a policy prohibiting recruitment fees in their supply chains, while three companies (**Hershey, Smucker** and **Woolworths Group**) updated their supplier code to strengthen standards by including the Employer Pays Principle in the policy. Improvements outside of policy changes were fewer, although five companies disclosed the repayment of recruitment-related fees to suppliers' workers for the first time.

Some companies have disclosed little to no improvement in the six years KnowTheChain has been assessing them. This includes meat companies **JBS** (4/100) and **Tyson** (3/100) and Coca-Cola bottler **FEMSA** (3/100). These companies have consistently failed to demonstrate even basic policies and practices to address worker exploitation inherent in the sector.

Subsector performance: Supermarket spotlight

Of the subsectors benchmarked by KnowTheChain, packaged foods perform the worst on average when it comes to disclosing steps to address forced labour in their supply chains.

Supermarkets have a significant role to play in the food and beverage sector due to their purchasing power and ability to affect working conditions in supply chains. They also appear at the forefront of current allegations affecting migrant and seasonal workers in food and beverage supply chains.¹⁶ Despite better overall performance across food retailers, scores vary hugely across regions. The benchmark includes six North American retailers, four European supermarkets, two Australian supermarkets, and two Asian supermarkets. Australian supermarkets disclose the strongest steps to address forced labour risks in their supply chains on average.

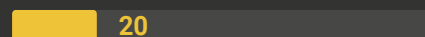
Risk assessment: Australian supermarkets scored the highest compared with the majority of other supermarkets on risk assessment, disclosing robust risk assessment processes as well as risks identified across the tiers of their supply chains.

Traceability and supply chain transparency: UK supermarkets outperform their subsector peers in supply chain transparency: **Tesco** and **Sainsbury's** both disclosed full first-tier supplier lists including the names and addresses of suppliers, a practice not yet adopted by supermarkets in any other region.

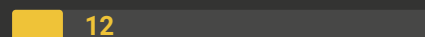
Recruitment-related risks: One third of supermarkets have yet to disclose a policy that prohibits worker-paid recruitment fees in their supply chains (**Ahold Delhaize**, **Carrefour**, **Kroger**, **Metro** and **Seven & I**). Exploitative recruitment practices are prevalent in relation to migrant workers in supermarket supply chains, as such it is critical that these companies step up their efforts to protect migrant workers. Only two of the 14 supermarkets (**Woolworths Group** and **Tesco**) disclosed data on the remediation of fees to workers in their supply chains.

AVERAGE SCORES BY SUBSECTOR

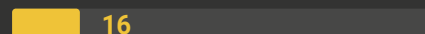
Food retail (15 companies)



Packaged food (32 companies)



Soft drinks (9 companies)



SUPERMARKET SCORES

Woolworths Group



Tesco



Coles



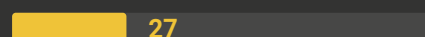
Sainsbury's



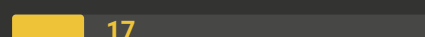
Walmart



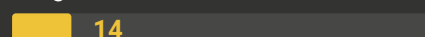
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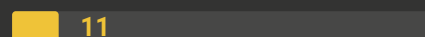
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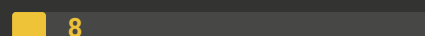
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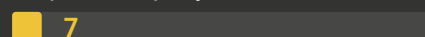
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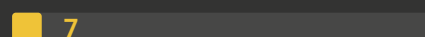
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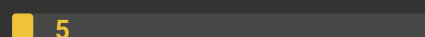
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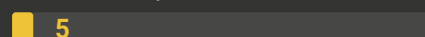
Carrefour



Metro



Loblaw Companies

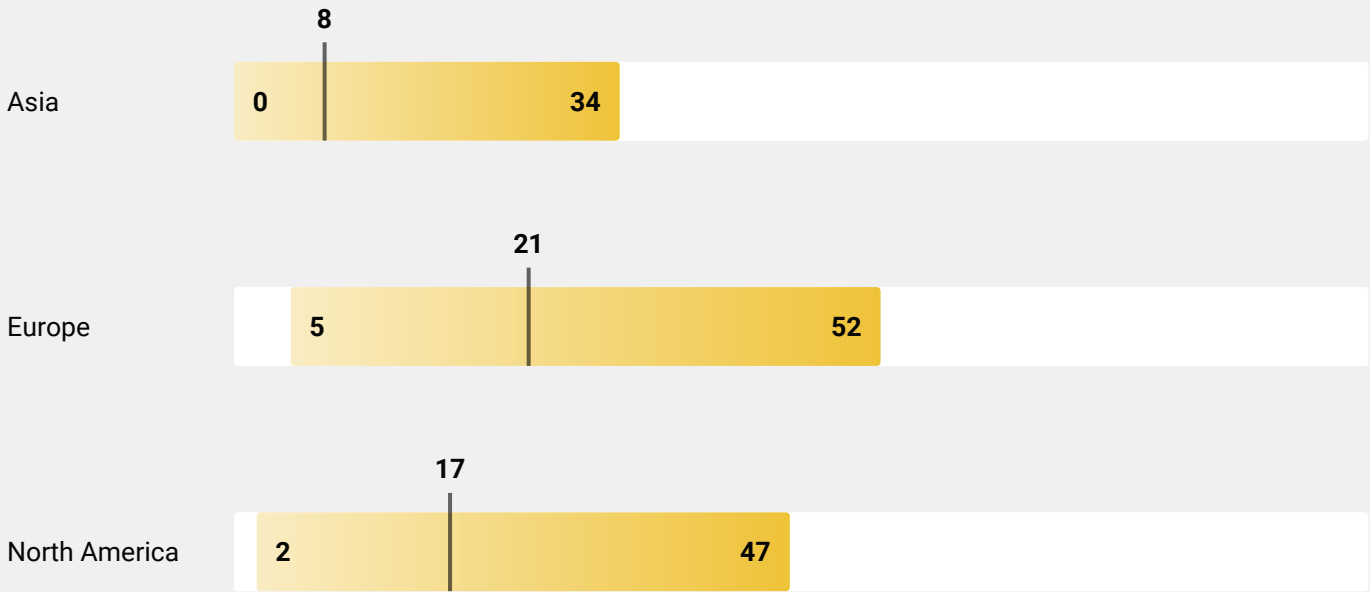


Performance by region

The benchmark includes 16 Asian companies, 14 European companies and 24 North American companies. These companies comprise the majority of those assessed in the benchmark.¹⁷

SCORES BY REGION

SCORES: **MIN** | **AVERAGE** | **MAX**





BENCHMARK ANALYSIS

The following sections of this report outline KnowTheChain's key findings on three key areas: company performance on human rights due diligence; responsible recruitment of migrant workers; and remedy. As well as highlighting gaps in company performance, these sections provide good practice examples from companies and highlight key recommendations.

Human rights due diligence

KnowTheChain's methodology assesses several aspects of human rights due diligence, including how companies identify, assess, prevent, and mitigate risks. This section presents KnowTheChain's findings on how companies perform in tracing and disclosing suppliers at first tier, below, and at raw material level; how they identify and assess risks through human rights risk assessments; assess the impact of their own purchasing practices; engage with stakeholders including workers; and disclose board oversight of policies and programmes addressing forced labour in supply chains.

Traceability and supply chain transparency

18/100 AVERAGE SCORE

Demonstrating an understanding of the company's supply chains is a crucial prerequisite for effective due diligence. Where a company gives limited insight into where its lower-tier suppliers are based or the characteristics of its supply chain workforce that may make it more vulnerable to particular types of abuse, it calls into question its ability to adequately identify and respond to risks.

KnowTheChain assesses whether companies disclose supplier lists (first tier and beyond), the sourcing countries of high-risk commodities at raw material level, and approximate data on its supply chain workforce, such as the percentages of women and migrant workers.

WHY DISCLOSE PUBLICLY?

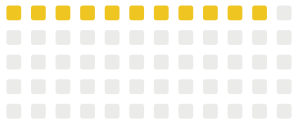
Going beyond internal visibility and making supplier lists, sourcing countries, and data on supply chain workforce allows external stakeholders to better assist a company in meeting its human rights standards. It also yields benefits for the company's human rights due diligence process by, for example, helping identify unauthorised subcontracting and receive early notice from stakeholders when violations in a company's supply chains arise. As such, this public disclosure shows a company is committed to identifying risks and impacts and willing to be held accountable to its stakeholders. This **does not mean that companies are expected to disclose business-sensitive information**, such as volumes or pricing data. Indeed, ample examples from the sector, and across other industries assessed by KnowTheChain, demonstrate **companies face no commercial disadvantage from disclosing their suppliers**, and may reap reputational benefits when external stakeholders are able to identify, and notify a company of, risks or impacts at an earlier stage.

Even as legislation and import bans create an environment in which companies are expected to demonstrate transparency around their suppliers and product sourcing, KnowTheChain data reveals progress in this area since 2020 is limited. Almost half the companies benchmarked (47%) disclosed no relevant supplier data.

More positively, since 2020 four companies disclosed more information on their first-tier suppliers, whether new supplier lists for a particular commodity, or publishing full first-tier supplier lists for the first time (**Amazon, Mondelez, Nestlé** and **Tesco**). Four companies also disclosed more information on the sourcing countries of the raw materials they source (**Conagra, Suntery, Tesco** and **Woolworths Group**). Seven companies (**Amazon, Coca-Cola, Hershey, Smucker, Suntery, Tesco** and **Woolworths Group**) newly disclosed data on the gender breakdown of their first-tier supply chain workforce and, for the first time, four companies disclosed at least partial data on the percentage of migrant workers in the first tier of their supply chains.



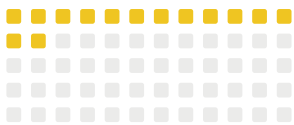
FIRST-TIER SUPPLIER LISTS



82% (more than four in five) of companies in the sector are **yet to disclose** at least a partial first-tier supplier list and nearly all (**93%**) are yet to disclose a list which includes addresses, rather than only names.

Sainsbury's disclosed a full list of all first-tier suppliers, which includes names, addresses, product type, number of workers, gender breakdown, and whether the facility has a union or a worker committee present. **Tesco** disclosed a list of first-tier suppliers of its own-branded products across a range of product categories, including meat and poultry, fruit and vegetables, bakery products, dairy, coffee and tea. The list is full for these product categories and includes names, addresses, and number of workers. Within the agriculture sub-sector, **Wilmar** disclosed the names and addresses or coordinates of all its first-tier suppliers for two high-risk commodities: palm oil and sugar.

SUPPLIER LISTS: BEYOND FIRST TIER



Less than a quarter (23%) of companies disclosed information on the suppliers below the first tier. A further 20% of companies reported undertaking efforts to trace or map its supply chains beyond direct suppliers.

TRACING OF HIGH-RISK COMMODITIES TO ORIGIN



Only 7% of companies disclosed full lists of sourcing countries of at least three commodities it uses which are labelled as high risk of forced labour. This is an alarming finding in a sector with known and widespread risks to workers at raw material level – for example, on fishing vessels, plantations or farms.

An additional **41%** of companies disclosed partial information or efforts to trace commodities in their supply chains. **Over half the companies benchmarked (52%) disclosed no information** on efforts undertaken to understand the origins of the commodities used in its products, even as these companies publicly disclose sourcing an average of seven (and as many as 16) high-risk commodities.

Progress on tracing efforts? Of the companies that reported undertaking efforts to trace their supply chains in 2020, two years later several (eight companies) are yet to disclose the outcomes of these efforts, such as lists of suppliers below the first tier or sourcing countries of high-risk commodities. In these cases, KnowTheChain has found either that there has been no follow-up disclosure on the effort previously reported, or that the same disclosure was repeated in 2022/23.

SPOTLIGHT ON COMMODITY-SPECIFIC REPORTING: PALM OIL

Where companies disclosed only partial information on their supplier base or commodity sourcing, these disclosures tended to cluster around a few high-risk commodities – notably palm oil.

Eleven of the 13 companies which disclosed a partial list of first-tier suppliers focus their disclosure on palm oil, with four providing disclosure limited to palm oil only. Palm oil is (by far) the most referenced commodity in supplier lists beyond the first tier (13 companies, with the next most commonly disclosed commodity – cocoa – at only three), as well as in the tracing efforts reported.

Palm oil has, in the past two decades, attracted the attention of civil society, consumers, policymakers and the industry due to concerns regarding palm oil's role in deforestation and biodiversity loss. The impact of this attention on the sector is clear and has positive consequences for reporting more broadly, with companies disclosing risks and policies related to palm oil significantly more frequently than any other commodity. **This, however, suggests a piecemeal approach, responsive to stakeholder pressure around specific commodities, rather than a robust proactive effort within the sector to identify and respond to risks more broadly.**



UNDERSTANDING THE SUPPLY CHAIN WORKFORCE

Understanding the demographic composition of supply chain workforce is important for companies to ensure they are aware of and can adequately prioritise mitigating risks salient to their workforce – particularly those groups which may face context-specific risks, such as women (for example, sexual harassment, vulnerability related to lack of economic independence in some locations) or migrant workers (unfair recruitment practices, language barriers that impede access to information about rights and grievance channels, recruitment fees, passport retention, etc.) Yet **85% of benchmarked companies did not disclose any data** on their supply chain workforce. **Only 15%** of companies disclosed data on the number or percentage of women working in at least a limited portion of the first tier of their supply chain, and none do so beyond the first tier. **Only 7%** of companies (**Hershey, Smucker, Suntory** and **Woolworths Group**), disclosed data related to the number or percentage of migrant workers in at least a limited portion of their first-tier supply chain, and none report this information beyond the first tier. This is in stark contrast with the number of companies (38%) which recognised in their disclosure migrant workers were an at-risk group.

COMPANY PRACTICE

Suntory Beverage & Food discloses that 26% of workers in its first-tier supply chain are women. It further discloses that it uses Sedex data to identify risks related to women's rights, based on factors such as “the ratio of male to female workers, the ratio of female managers, whether anti-discrimination policies are in place, and rates of absenteeism and turnover among female workers”. It also notes that nearly 4% of workers in its first-tier supply chain are migrant workers. **Amazon** and **Sainsbury's** both disclose supplier-level gender breakdown within their first-tier supplier lists.

Risk assessment

Identifying and assessing actual and potential risks and impacts in a company's supply chains is a baseline step for human rights due diligence. The proposal for the EU CSDDD shows that companies will be expected to identify and assess actual and potential human rights and environmental harms, including meaningful stakeholder engagement, and to communicate its due diligence processes and their outcomes externally.¹⁸

KnowTheChain assesses how companies conduct a human rights risk assessment, disclose the risks identified, and how they work to address specific forced labour risks identified in collaboration with relevant stakeholders.

Human rights risks exist in all large global companies' supply chains. Therefore, all companies must be taking steps to understand and assess these risks. Almost two-thirds of companies in the sector (63%) reported on how they carry out a human rights risk assessment on their supply chains. Those failing to disclose a human rights risk assessment include Canadian companies **Empire** (owner of Sobey's), **Metro** and **Saputo**. Canadian companies are likely to come under scrutiny with upcoming legislation requiring them to report on steps taken to address modern slavery risks. Despite widely reported exploitative and abusive conditions in the meat industry, meat companies **Hormel**, **JBS**, **Tyson** and **WH Group** also did not disclose steps taken to identify human rights risks in their supply chains.

Some companies have stepped up their efforts since the 2020 benchmark: five companies disclosed conducting a human rights risk assessment for the first time (**Aeon**, **Ahold Delhaize**, **Costco**, **Loblaw** and **Suntory**) and four companies disclosed additional detail on their risk assessment process, such as sources assessed or relevant stakeholders engaged (**Coles**, **General Mills**, **Kroger** and **Wilmar**).

Only 12% of companies clearly described how **stakeholders such as workers, unions and civil society organisations** were engaged as part of a human rights risk assessment process and provided detail on the sources used to identify human rights risks. **Kroger**, for example, reported an impact assessment specifically on migrant workers in the production of mixed greens in California, which included farm visits and interviews with rightsholders. **Coles** disclosed an assessment of accommodation standards in the Australian horticulture sector, which included assessment of risk indicators of forced labour and interviews with 21 seasonal workers and three union representatives.

Five companies (**Ajinomoto, Coles, Hershey, Unilever** and **Woolworths Group**) lead with particularly strong risk assessment processes, as well as reporting on the outcomes of these processes by disclosing detail on the forced labour risks identified across the tiers of their supply chains. Reporting on the risks found through their assessment grants stakeholders greater confidence that a company has a better understanding of actual and potential impacts on workers in its supply chains, as well as where to prioritise its efforts.

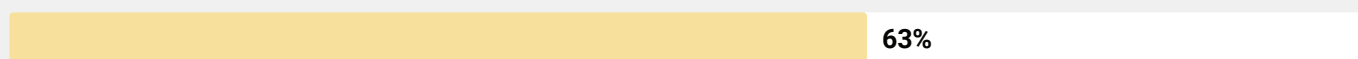
Woolworths Group, for example, reported identifying extreme risks of forced labour in Malaysia and in relation to migrant workers in China and Vietnam, increased risks in Thailand and Vietnam, and high forced labour risks in Bangladesh and India. As well as reporting on high-risk supply chain **locations**, it discloses higher risk **commodities** including Australian horticulture (berries, cherries, grapes, stone fruit, citrus, tomatoes, cucumber and brassica) and highlights where risks are higher at **raw material** level – including seafood and “bulk dry commodities such as rice, cocoa, and dried fruit and nuts”.

Overall, 45% of companies in the sector disclosed at least some information on the forced labour risks identified through their human rights risk assessment. However, detail is often limited, with some companies simply acknowledging that migrant workers in a particular commodity such as palm oil are at risk. Encouragingly, 17% of companies disclosed forced labour risks identified across the tiers of their supply chains, demonstrating a stronger understanding of where risks are prevalent across whole supply chains and geographies.

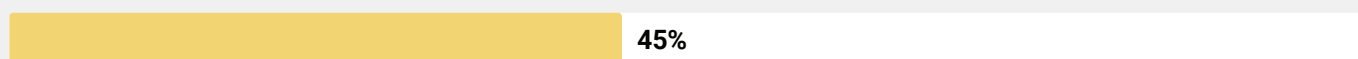
“ Reporting on the risks found through its assessment grants stakeholders greater confidence that a company has a better understanding of actual and potential impacts on workers in its supply chains, as well as where to prioritise its efforts.

RISKS ASSESSED VERSUS RISKS DISCLOSED

Companies disclosing a human rights risk assessment



Companies disclosing forced labour risks identified



Companies disclosing details on forced labour risks identified across supply chain tiers



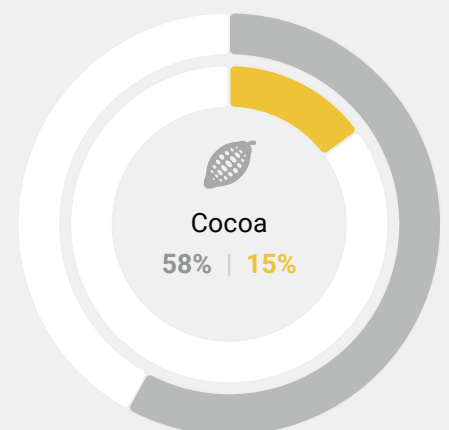
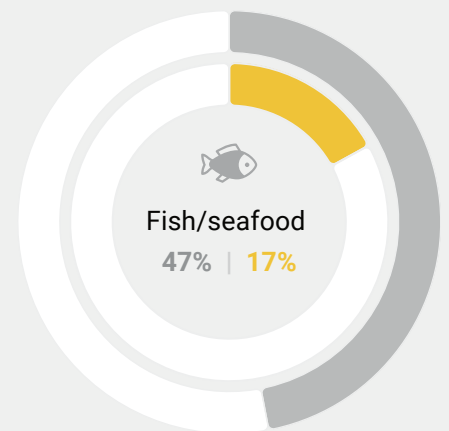
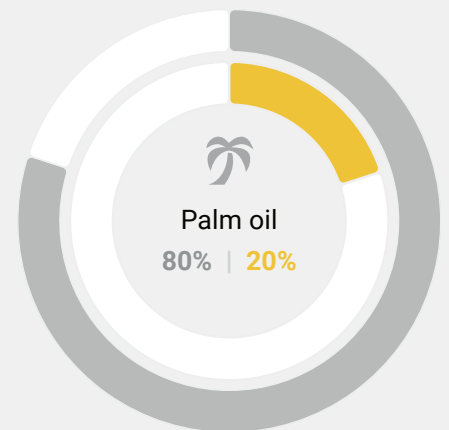
Palm oil remains the most identified high-risk commodity in relation to forced labour, with 20% of companies identifying it as such. This was closely followed by fish and/or seafood (17% of companies) and cocoa (15% of companies). Despite many companies sourcing these high-risk commodities, far fewer subsequently specified they had identified the associated forced labour risks linked to these commodities in their supply chains:

Some high-risk commodities, such as tomatoes and corn, were disclosed by only a few companies as a forced labour risk – despite the fact more than a third of companies source one or both of these commodities. It is notable Unilever discloses its human rights impact assessment, which found “the global spotlight on the Thai seafood industry has pushed the risk of exploitation further into other sectors, including sectors that we rely upon in our supply chain”. This suggests that while a spotlight on one commodity can result in stronger industry action to address risks in that commodity, risks related to other commodities not currently in the limelight may be increasing.



HIGH-RISK COMMODITIES: ARE COMPANIES DISCLOSING RISKS?

- Companies sourcing a high-risk commodity
- Companies identifying forced labour risks associated with that commodity



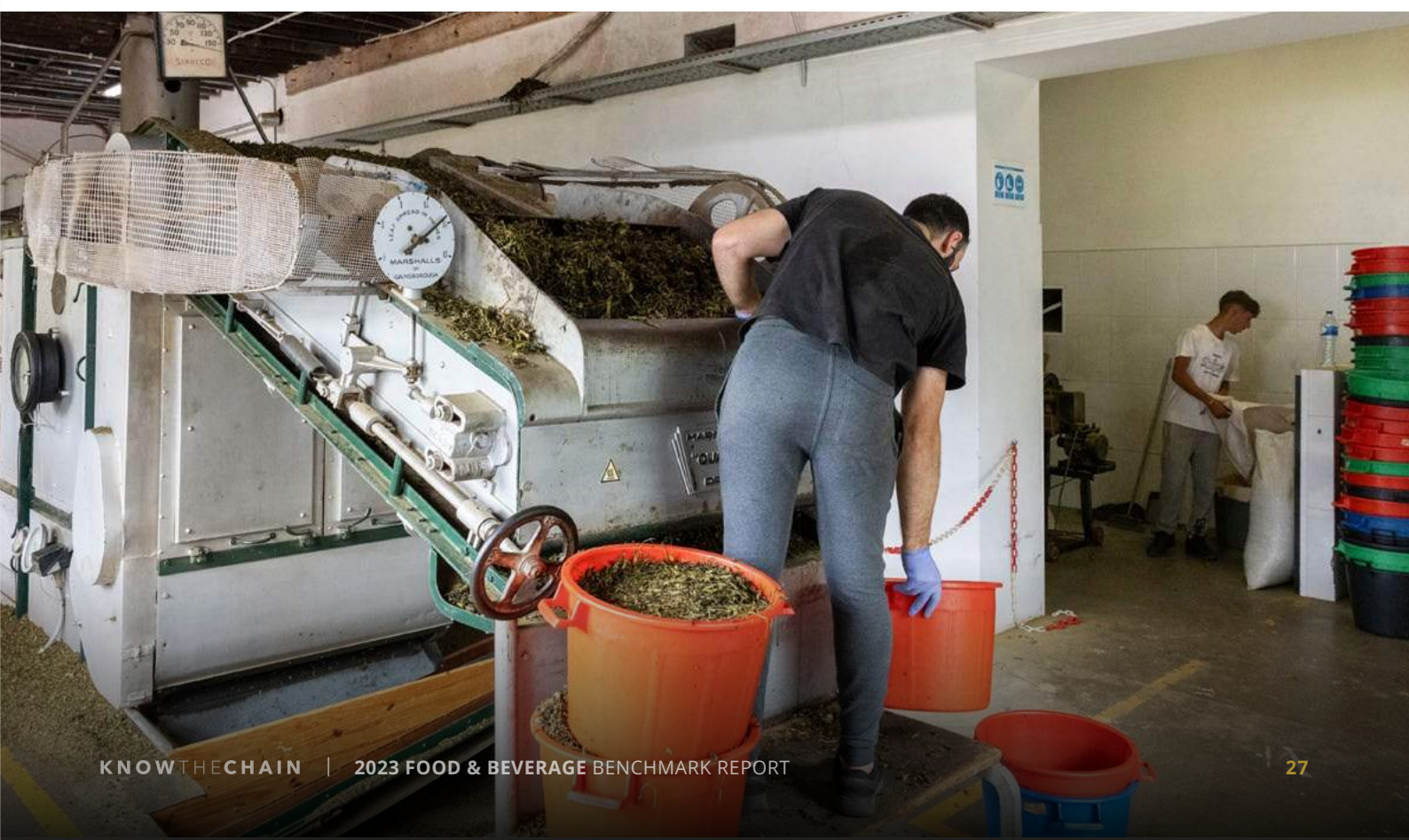
Purchasing practices

2/100 AVERAGE SCORE

Company purchasing practices can help create an environment that enables supply chain worker exploitation.¹⁹ Changes or cancellations in order volumes or timelines, long payment terms, pricing that undermines decent work, or a lack of demand forecasting or planning, may lead to suppliers being unable to pay workers in time (or at all) and unable to plan for the workforce needed. This can lead on the one hand to unpredictable reductions in hours, or on the other, forced overtime, an inhumane pace of work, or a scramble to contract new or temporary workers without the necessary due diligence.

Amid the global context of instability which has pushed down wages of workers in agricultural supply chains,²⁰ companies in the sector can play an important role in ensuring workers are paid fairly, for example by setting aside amounts necessary for workers' wages during pricing negotiations (i.e. ringfencing) to avoid incentivising suppliers to compete by lowering wages in a race to the bottom, or ensuring premiums are paid to workers directly (as in the Fair Food Program) and disbursed via a trusted third party.

Purchasing practices is the **lowest scoring theme of the benchmark**, with an average score of just 2/100. Even among the top performers in the benchmark, disclosure on responsible purchasing practices is extremely limited or non-existent. In addition, KnowTheChain found very little improvement on purchasing practices when compared with the 2020 benchmark. Among the reasons given for lack of action on this issue, companies cited the fixed prices set by commodity exchanges and auctions and the demand for and quality of fresh fruit bunches (particularly in the palm oil sector), which meant they had little control over prices received by suppliers.



KnowTheChain assesses whether the company discloses adopting responsible purchasing practices, such as planning, forecasting and ringfencing of labour costs; committing in its contracts with suppliers to sharing responsibility for preventing and addressing human rights impacts in its supply chains; and relevant quantitative data points, such as average lead time provided to suppliers, or payment terms.

FINDINGS



No company disclosed committing to responsible buying practices in its contracts with suppliers



Only 8% of companies provided at least limited information on steps taken towards adopting responsible purchasing practices



Only 5% of companies disclosed any relevant data points (and each disclosed only a single data point).

Only eight companies (13%) disclosed taking steps to understand or measure living wage in their supply chains. Some companies disclose more concrete commitments or measures to support or introduce a living wage. **Unilever**, for example, stated “payment of a living wage to workers at every stage of the supply chain lessens the likelihood of their becoming victims of forced labour”. It discloses its priority markets and priority commodities for a living income, and discloses a “future mandatory requirement” in its supplier code of conduct that states suppliers’ workers must earn a living wage or living income. **Tesco** disclosed it has committed to paying the living wage to banana producers and that it will reward those suppliers which make progress on closing living wage gaps “with higher volumes as part of a balanced scorecard”.

BETTER PRACTICE

Costco, **Mondelez** and **Walmart** are part of programmes which provide pay premiums to farmworkers (albeit in limited commodity contexts). While disclosure is often lacking on whether the premiums indeed reach workers, this is an important first step.

Walmart, for example, is a member of the Fair Food Program (FFP) which includes legally binding agreements between the organisation and participating buyers, and ensures a premium is paid to workers. **Costco** disclosed that it takes part in the Equitable Food Initiative (EFI), where it pays a premium for EFI-certified produce “to directly compensate farmworkers for the extra effort they provide... with 87% going directly to farm workers and totalling over [US]\$11.8 million since 2014.”

Suntory Beverage & Food disclosed that it agrees on estimated lead times in advance with suppliers and avoids sudden shortening of those lead times as much as possible.

SPOTLIGHT: SHARED-RESPONSIBILITY CONTRACTING

The [Responsible Contracting Project](#) (RCP), with its [Responsible Contracting Toolkit](#) comprising the [Model Contract Clauses 2.0](#) (the MCCs) and the [Responsible Buyer Code of Conduct](#), promotes an alternative approach to traditional contracting which makes the supplier solely responsible for upholding the buying company's human rights standards in the supply chain. In its place, the RCP Toolkit introduces a model of contracting referred to as 'shared responsibility' or 'due diligence-aligned' contracting.

Shared-responsibility contracting requires both the buying companies and their business partners to take joint responsibility for human rights in their supply chain and ensures that both parties – not just the supplier – make a contractual commitment to taking active and ongoing measures to identify, mitigate and prevent potential adverse human rights impacts from occurring. Buying companies may therefore breach their contractual due diligence obligations if they engage in irresponsible purchasing practices that aggravate the risk of harm, such as pricing below the cost of production, last minute order changes, unilateral changes to payment terms, demands for discounts or irresponsible exit. The MCCs also integrate human rights remediation into supply contracts by ensuring that, should harms occur, both companies are contractually responsible for working together to provide remedy to victims, in proportion to their contribution to the harm. This addresses a major shortcoming of traditional contract remedies, where the non-breaching contractual party (often the buying company) is remedied instead of the victims.

Stakeholder engagement

Meaningful stakeholder engagement should inform all stages of companies' due diligence processes. Workers directly experience the conditions and harm and as such it is critical worker perspectives inform processes including identifying and assessing risk, and accessing remedy. Worker experience ensures human rights due diligence is robust, since they have relevant, local, and specific knowledge to inform companies' understanding of risk. However, KnowTheChain's data suggests the sector is failing to prioritise rightsholder-centric approaches to due diligence, favouring a top-down, compliance-based approach:

Risk assessment: Only **12%** of companies clearly described how stakeholders such as workers, unions, and civil society organisations were engaged as part of a human rights risk assessment process.

Monitoring: Companies' monitoring processes for forced labour risk also appear to lack worker involvement: **7%** of companies disclosed the use of worker-driven monitoring in some part of their supply chains: monitoring which is undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities.

Working with unions to support the right to organise: Looking at unions specifically and whether companies disclose working with unions to improve freedom of association in their supply chains, only **8%** of companies reported such engagements. While some of these companies disclosed Memorandums of Understanding or Collaboration Protocols with unions, no company disclosed it was party to a global framework agreement with a union covering freedom of association and collective bargaining in its supply chains.

Nevertheless, examples of better practice exist. Workers employed at FFP farms learn about their rights through multiple educational mechanisms, including interactive sessions led by the Coalition of Immokalee Workers' Worker Education Committee, whose members are former and current farmworkers and are paid for participation. The training equips workers to identify and safely report abuses and dangers in the workplace. The FFP provides farm workers with access to a complaint mechanism, which includes investigation and resolution by the Fair Food Standard Council. Where possible, resolution includes an educational component, so all farm workers can see that complaints are resolved without retaliation.

Board accountability

Board oversight of human rights risks, including those related to forced labour in supply chains, is an essential component of effective human rights due diligence. Beyond demonstrating a company is serious about building human rights due diligence processes into its strategic decision-making, making it a **mandated concern of corporate board directors** has been shown to correlate with improved human rights performance.

The findings bear this out: benchmarked companies with a robust management structure and board oversight of supply chain forced labour risks tended to disclose a stronger supplier code and capacity building efforts, risk assessment and recruitment fee prevention.

Yet, only just over a third of companies (38%) disclosed at least limited information on board oversight of supply chain policies addressing forced labour. Since 2020, only two companies (**Nestlé** and **Suntory**) newly disclosed board oversight of human rights risk, policies, and/or programmes in supply chains, revealing improvement in this area is extremely limited.

No company described how the experiences of affected workers or relevant stakeholders (such as unions, workers or their representatives, and civil society organisations) informed board discussions. This indicates a top-down approach, with limited involvement of workers in the design, implementation, and verification of labour rights issues.

“ Benchmarked companies with a robust management structure and board oversight of supply chain forced labour risks tended to disclose a stronger supplier code and capacity building efforts, risk assessment and recruitment fee prevention. ”

BETTER PRACTICE

Coles disclosed its Board of Directors actively oversees its response to modern slavery risks through quarterly reports on the performance of its ethical sourcing programme, which includes updates on relevant complaints received through grievance channels, social audit results and modern slavery reporting, and that it approves key risk indicators related to workers' rights in supply chains.

Recommendations

IDENTIFY AND ASSESS RISK

Traceability and supply chain transparency: Disclose a supplier list that includes the names and addresses of first-tier suppliers, and data on supply chain risk factors, such as the percentage of women and migrant workers in the supply chain workforce. Trace and disclose the raw material sourcing countries of high-risk commodities.

Risk assessment: Conduct and disclose detailed supply chain risk assessments which include assessment of forced labour risks across supply chain locations and tiers. These assessments should be participatory, incorporating the perspectives of workers, their representatives, and the views of expert stakeholders in locations where suppliers are based. Disclosure of risks identified in different supply chain tiers provides confidence that the process is effective.

PREVENT AND MITIGATE RISK

Purchasing practices: Adopt and disclose responsible purchasing practices including planning and forecasting as well as measures to support workers' wages.

Living wage: Work towards ensuring supply chain workers are paid a living wage to reduce risks, such as excessive overtime, and to ensure a decent standard of living for supply chain workers. Disclose the methodology used for assessing a living wage.

Shared-responsibility contracting: Acknowledging that purchasing practices can either improve the human rights performance of its supply chains, or exacerbate and compound adverse human rights impacts for workers, contractually commit to responsible purchasing practices in contracts with suppliers, including with respect to pricing, order changes and providing reasonable financial and non-financial assistance to business partners. A fuller description of responsible purchasing practices can be found in the Responsible Contracting Toolkit's [Responsible Buyer Code](#) and the [MCCs](#) section 1.3.

Governance: Adopt and disclose board oversight of forced labour in supply chains, including details such as who at board level is responsible, what has been discussed at the board level, or, crucially, how the perspectives of workers and relevant stakeholders have informed board discussions.

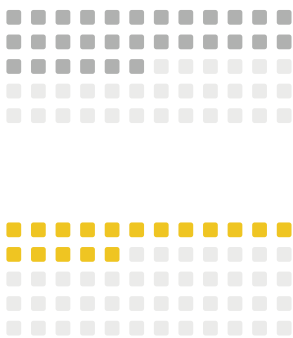
Responsible recruitment of migrant workers

13/100 AVERAGE SCORE

The charging of recruitment-related fees to migrant and seasonal workers to secure a job is endemic²¹ in food supply chains, leaving workers at increased risk of **debt bondage**. Yet despite the prevalence of migrant worker exploitation in food and beverage supply chains, KnowTheChain has identified significant gaps in company due diligence when it comes to addressing risks specific to migrant workers.

KnowTheChain assesses whether companies have a policy commitment to the Employer Pays Principle, adopt preventative efforts, and can provide evidence of repayment of fees to supply chain workers. It also assesses companies' transparency regarding the labour agencies used by suppliers, and whether companies provide details of how they work with stakeholders to support responsible recruitment in their supply chains.

Policies



Only half the companies (50%) disclosed even a policy that prohibits recruitment fees in their supply chains. Worse still; far fewer companies have a supply chain policy which aligns with the **Employer Pays Principle (28%)**, specifying that the employer and not the worker must be responsible for the payment of recruitment-related fees. **Coles**, for example, disclosed a policy that incorporates the Employer Pays Principle and sets out the types of recruitment costs this includes. It further requires suppliers to take preventative measures to remove the risk of bonded labour which may “include not using recruitment agents who charge workers fees, directly undertaking or paying an agent directly the cost for recruitment of workers, and the direct employment of workers”.



Risk prevention

While disclosure of policies in the sector is low, performance in relation to how those policies are implemented is poorer still. Only 12% of companies outlined how they ensure effective implementation of their policy prohibiting worker-paid fees, showing the steps taken to proactively prevent fees from being charged to workers in the first place. This can include showing:

They know where workers are recruited from and demonstrate mapping of migration corridors and associated costs. Cost mapping should be conducted on a regular basis (at least annually) to ensure the amounts calculated are accurate. They understand practices used by labour agencies and are mapping labour agencies in sending and receiving countries.

Specialised investigations are used to ensure workers have not paid fees, which incorporate cost mapping and include an assessment of foreign worker quotas, and key documentation such as contracts and agreements with labour agencies, letters regarding worker visas, and verification that the employers, and not the workers, paid.

Of the seven companies that disclosed taking some preventative measures in relation to recruitment fees (**Amazon, Coca-Cola, Nestlé, Tesco, Smucker, Unilever** and **Woolworths Group**), information tended to be limited in detail or scope, applying to specific supply chain contexts (in terms of either particular countries or commodities). Examples of better practice included **Tesco's** responsible recruitment requirements for food suppliers in Thailand and Malaysia, which state that all suppliers “must obtain a clear understanding of the processes and costs associated with migrant worker recruitment” and demonstrate this in a recruitment map, timeline or flow chart including all fees and costs incurred for migrant workers. It also requires suppliers to develop timebound action plans for moving to a responsible recruitment model which is in line with the Employer Pays Principle. **Tesco** disclosed that the Issara Institute “commenced verification of 94% of sites in 2022 against this policy.”



Unilever reported building the capacity of auditors who carry out its responsible auditing to recognise signs of forced labour, including developing guidance on how to detect Employer Pays-related non-compliances. It reports it has shared the guidance with all the audit houses it uses and trained over 500 auditors through online workshops. **Nestlé** disclosed deploying a digital tool with palm oil suppliers in Malaysia, developed by Earthworm Foundation, which involves “detailed reviews for every stage of a company’s recruitment process and involves collecting and evaluating the recruitment experiences of foreign workers” as well as research into recruitment practices and costs among suppliers.

Understanding where labour providers are used in company supply chains is also key to fully assessing the risks to migrant workers. However, few companies disclosed a process for tracing labour agencies used by their suppliers (12%) and only two companies reported on the outcomes of these processes by disclosing information on the agencies identified. **Smucker** disclosed the names of some labour agencies used by its non-US first-tier suppliers, and **Woolworths Group** reported information on how it traces labour providers used by suppliers and growers in its horticultural supply chain, including the number of providers identified and whether they were compliant with its requirements. It further disclosed a list of licensed agencies that can be used under its approved programmes.

As well as identifying where labour agencies are used in their supply chains, companies should develop an understanding of where migrant workers are in their supply chains to fully identify and assess risks. While 38% of benchmarked companies identified migrant workers as being at higher risk of forced labour in their supply chains, only four companies (**Hershey, Smucker, Suntory** and **Woolworths Group**) disclosed data on the number or percentage of migrant workers in their supply chains at first tier or within a specific section of their supply chains. Most of these companies indicated this data was gathered via audits.



Just over a quarter (27%) of companies disclosed broader efforts to support responsible recruitment in their supply chains by working with relevant stakeholders. These endeavours to work collaboratively within the sector are important for addressing issues as endemic as exploitative recruitment practices. For example, **Unilever** disclosed: steps to support responsible recruitment across supply chain contexts including a responsible recruitment capacity building initiative for its suppliers in Oman, Qatar, UAE and Saudi Arabia; initiatives focused on zero fees in the palm oil sector; training for labour agencies in the Turkish hazelnut sector in partnership with the Fair Labour Association; and a focus on Malaysia and Thailand. **Costco** disclosed that it and some of its suppliers have partnered with CIERTO, “an independent third-party nonprofit that provides transparent, no worker-fee recruitment for farm workers” for US agricultural products.

Remediation of worker-paid recruitment fees

The proportion of companies disclosing the remediation of recruitment fees to workers in their supply chains is alarmingly low. Only six companies (**Hershey**, **Smucker**, **Suntory**, **Tesco**, **Wilmar** and **Woolworths Group**) reported examples of fee remediation in their supply chains²² – nevertheless this is an increase over the 2020 benchmark when only one company, **Tesco**, disclosed a concrete example of recruitment fee remediation in its supply chain. This year, notable disclosures include:

- | **Tesco** supply chain workers in Thailand and Malaysia were reimbursed US\$442,672 in identified recruitment fees.
- | **Hershey** repaid workers in India for fees they had been charged for uniforms; and
- | **Wilmar** suppliers repaid RM82 million (US\$17.5 million) in fees to workers.

Importantly, the lack of remedy outcomes for workers in relation to recruitment-related fees should not be taken as an absence of fees charged to workers, with half the sector not even disclosing a policy commitment to addressing this issue, and so few providing detail on how their due diligence processes prevent the charging of fees to workers.

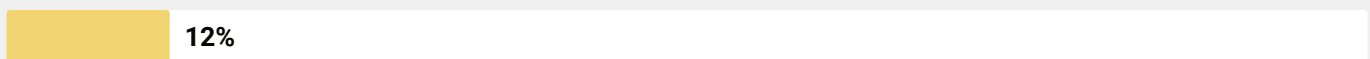
Gaps between disclosure and implementation of policies, and how this has resulted in outcomes for workers, remain persistent in this sector. Allegations involving the exploitation of migrant workers in companies' supply chains continue to emerge. Companies subjected to evolving legal requirements, particularly European companies within the scope of the Corporate Sustainability Due Diligence Directive, will be expected to demonstrate how they are identifying, assessing and mitigating key risks and impacts within their supply chains. Yet European companies including retailers **Ahold Delhaize** and **Carrefour**, chocolate company **Lindt**, and seafood company **Mowi** all score zero on the theme of Recruitment and did not disclose a policy that prohibits worker-paid fees in their supply chains.

RECRUITMENT-RELATED FEES

Policy prohibiting recruitment fees in supply chains



Disclosed due diligence steps taken to prevent the charging of fees to supply chain workers



Remediation of fees to supply chain workers



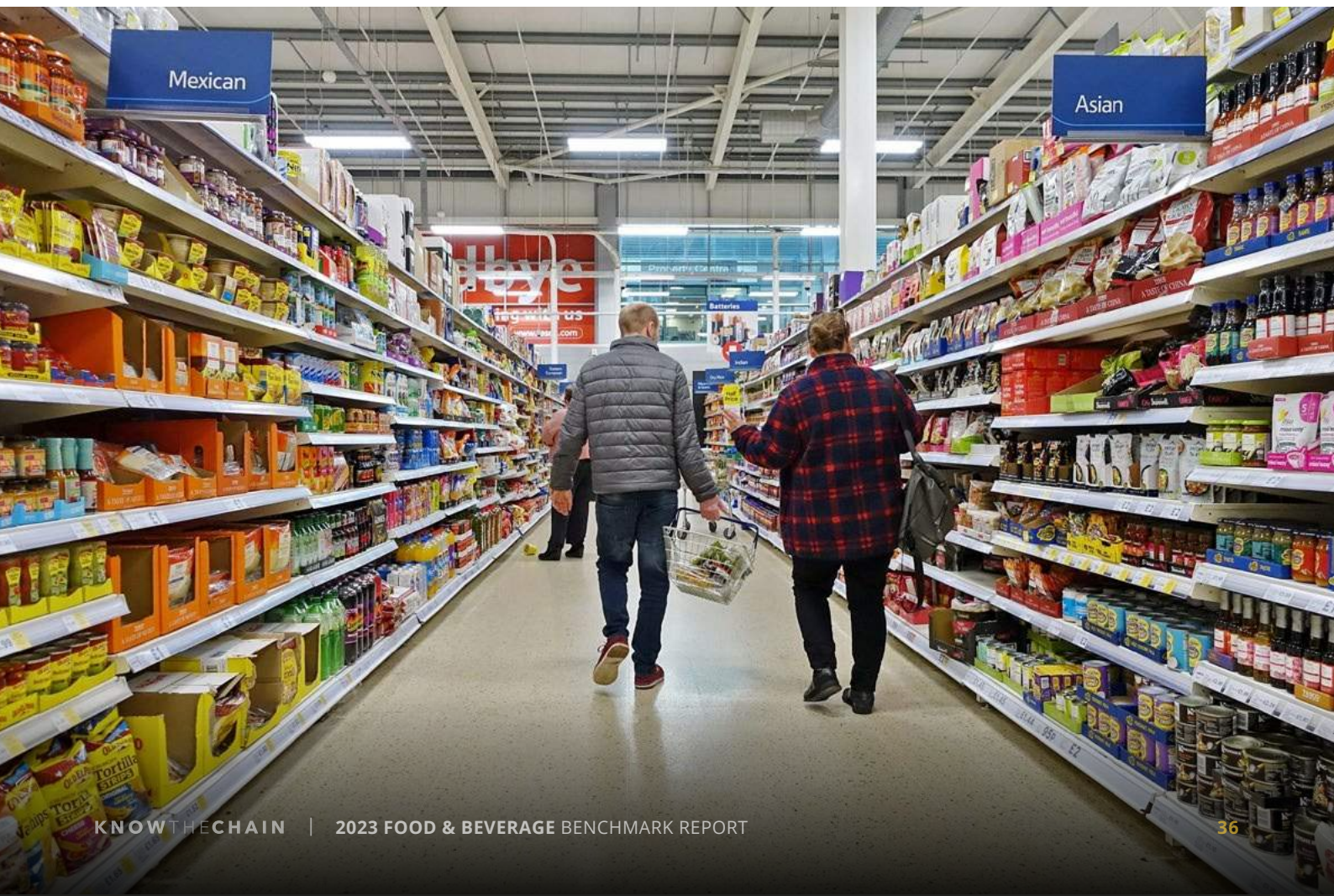
Recommendations

Incorporate the Employer Pays Principle into supply chain policies and contracts to ensure the employer, not the worker, bears the costs.

Implement the Employer Pays Principle by ensuring the prevention of fees being charged to workers. Identify recruitment corridors, as well as recruitment fees and related costs charged in different recruitment corridors, and undertake detailed checks on relevant documentation from suppliers (such as contracts with recruitment agencies or worker visas). To ensure fees are being paid upfront by suppliers, companies should request specific documentation to verify that fees are being paid directly to agencies, government agencies or service providers as appropriate. Use tools such as the International Organization for Migration's CREST initiative labour migration process mapping guide to assess and address risks to migrant workers.

Take steps to ensure the effective, timebound and transparent remediation of worker-paid fees across supply chains. Where suppliers cannot or will not reimburse recruitment fees to workers, take responsibility for ensuring workers are compensated.

Disclose names and information on recruitment agencies used by suppliers and carry out due diligence on supplier relationships with labour agencies – a key predictor of risks to workers.



Remedy

6/100 AVERAGE SCORE

Companies have a responsibility to enable the remediation of labour rights violations which they have caused or contributed to in their supply chains.²³ To enable workers whose rights have been violated to raise complaints and have them remedied, companies must ensure supply chain workers have access to effective grievance mechanisms.²⁴

KnowTheChain assesses whether companies disclose a process for providing remedy to supply chain workers, outcomes of remedy for workers, and how companies have remediated allegations of forced labour in their supply chains. KnowTheChain also assesses whether companies ensure a grievance mechanism is available to its suppliers' workers and their legitimate representatives, whether they disclose data about the operation of the mechanism and whether workers are involved in the design and performance of the mechanism.

With an average score of 6/100, remedy is the second-lowest scoring theme of the benchmark.²⁵ Companies are failing to demonstrate that workers in their supply chains who are victims of forced labour and other labour rights violations are being adequately remediated.

Access to remedy: Grievance mechanisms



Nearly three-quarters (72%) of companies disclosed at least one grievance mechanism open to supply chain workers, whether by establishing one themselves, requiring suppliers to provide a mechanism to workers or working with third-party initiatives that provide a grievance channel (for workers in specific commodities or countries). **Coles** disclosed two separate grievance mechanisms, one clearly signposted for supply chain workers, and a second for other affected stakeholders. Only **Coles, Nestlé, Tesco, Walmart** and **Woolworths Group** disclosed a grievance mechanism available to workers below the first tier of their supply chains in at least a limited supply chain context.

While involving workers in the design and performance of a grievance mechanism helps ensure it is trusted by workers, only **Walmart** disclosed such worker involvement in the performance of the mechanism through the [Fair Food Program](#).²⁶

“ The gap between the relatively high number of grievance mechanisms available and the scant evidence such mechanisms are used by workers calls their legitimacy into question and indicates a lack of meaningful access to remedy by supply chain workers.

Despite the relatively high number of companies reporting the availability of grievance mechanisms, only 11 companies (18%) disclosed data about the practical operation of the mechanism, which suggests the use of the mechanism by supply chain workers – such as the number of grievances filed, addressed, and resolved – is limited. **Coles** disclosed receiving 13 supplier-related complaints in the reporting period of its Modern Slavery Statement, including five which came through grievance mechanisms, and provided detail on each of these.

Stakeholders seeking to understand whether mechanisms are used and trusted by workers should anticipate significant numbers of complaints to evidence this, particularly in locations where issues for workers are rife. The gap between the relatively high number of grievance mechanisms available and the scant evidence such mechanisms are used by workers calls their legitimacy into question and indicates a lack of meaningful access to remedy by supply chain workers.

Remedy process

Only 27% of companies disclosed relevant information on their process for responding to forced labour-related complaints or reported policy violations. Out of these companies, only four disclosed both at least some engagement with affected stakeholders as part of their response process, as well as sufficient information on other aspects of the process, including timelines for responding to grievances and allegations and internal parties responsible for the process. **Wilmar** disclosed a detailed procedure for handling grievances and an additional protocol for “exploitation” issues including forced labour and other labour issues, in which the company provides a list of example corrective actions, remediation, and group level systemic changes. It disclosed “convey[ing] to community representatives and HRDs” detail about the grievance procedure and that its “field verification process” may involve stakeholder consultation and interviews and dialogues with “relevant stakeholders”.



Remedy outcomes

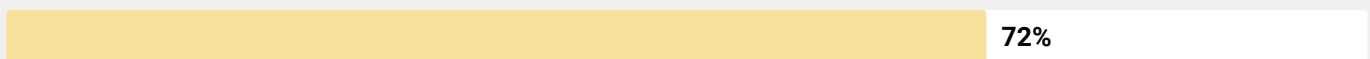
KnowTheChain operates under the assumption that labour rights violations likely exist in any large global company's supply chains and, therefore, asks companies to provide examples of remedy outcomes to workers in their supply chains.

Only five companies (**Tesco, Hershey, Smucker, Wilmar** and **Woolworths Group**) disclosed details on remedy outcomes for suppliers' workers. These remedy outcomes relate to the reimbursement of recruitment and other employment-related fees to workers, the return of confiscated passports and the repayment of unpaid wages. While remedy should incorporate other forms of restitution such as repatriation and worker-determined forms of justice, no company reported providing these measures. Additionally, it is unclear whether interest on the amounts paid by workers is factored into remediation efforts, or whether remedy outcomes occurred beyond the first tier of their supply chains. **Woolworths Group** was the only company to disclose more than one remedy outcome which it was involved in securing, including two cases where "indirect workers at one supplier site either [were] paid below the minimum wage or [had] wages deducted for disciplinary measures". It disclosed that its responsible sourcing team monitored remediation including repayments to impacted workers, updating worker contracts, and team training on deductions. Three companies (**Hershey, Smucker** and **Woolworths Group**) newly disclosed remedy outcomes for workers since the 2020 benchmark.

There is a stark difference between the percentage of companies disclosing a grievance mechanism accessible to suppliers' workers and/or external stakeholders when compared with disclosure on tangible outcomes of remedy for workers. Given the pervasiveness of forced labour in global supply chains as highlighted in this report, the lack of disclosure on remedy outcomes reflects the failure of benchmarked companies to remediate rather than an absence of labour rights violations in their supply chains. As human rights due diligence legislation, as well as the US Tariff Act increasingly enforce the repayment of recruitment fees, momentum and leverage is gathering behind the push for more substantial and more comprehensive remedy in the forced labour arena.

ACCESS TO REMEDY VERSUS REMEDY OUTCOMES

Disclosed a grievance mechanism for suppliers' workers and/or their representatives

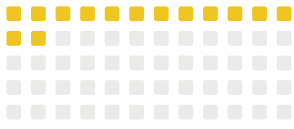


Disclosed remedy outcomes for supply chain workers



REMIEDIATING PUBLICLY AVAILABLE ALLEGATIONS

KnowTheChain incorporates publicly available allegations of forced labour into its scoring approach to assess companies' responses to the allegations and whether they provide a remedy the affected workers find satisfactory.



In total, eight allegations relating to the supply chains of **14 companies (23%)** were identified. These allegations took place across a range of commodities, predominantly at the raw material level. Seven companies were implicated in allegations related to alleged forced labour and labour transfer in tomato and pepper production in Xinjiang and five companies were implicated in allegations of forced labour on palm oil plantations in Malaysia. Other allegations related to forced labour on a cocoa farm and cattle ranches in Brazil as well as the trafficking of people in vulnerable conditions from Poland to work on farms in the UK.

It is alarming not a single company disclosed engaging with the stakeholders concerned in the allegations or disclosed any remedy outcomes of the workers affected in a sector where abuse appears rampant.

Sainsbury's disclosed reviewing its internal modern slavery governance procedures and engaging with suppliers to rate its modern slavery systems, and that the supplier implicated carried out worker interviews, strengthened its agreements with labour providers, required agency workers to receive modern slavery training, and trained its staff on modern slavery. **Tesco** disclosed that the supplier implicated has held a conference to share learnings from the case which was attended by stakeholders including retailers, labour providers and auditing bodies and that the supplier now has in place an audit tool, an alert system and capacity building of agencies and management. While these two companies disclosed more details of their allegation response than other companies, neither disclosed engaging with the workers affected or ensuring that the workers are remediated. While **Nestlé** and **Mondelez** were implicated in four and two allegations respectively, neither disclosed any details on how they respond to reported violations incidents of forced labour. They both scored zero under the theme of remedy.



Recommendations

Grievance mechanisms: Ensure independent and effective grievance mechanisms are available to suppliers' workers and their representatives, including below the first tier of supply chains. Demonstrate their effectiveness by disclosing data on the operation and use of the mechanism by suppliers' workers or their representatives.

Remedy outcomes: Companies should disclose concrete remedy outcomes for workers, including in cases of specific allegations. In particular, companies should:

Engage with workers on an ongoing basis to ensure the full extent of rights violations is identified (such as the amount of any recruitment fees and related costs paid by workers), meaningful remedy is developed, and workers are satisfied with the remedy outcomes.

Work with suppliers and, where relevant, peer companies to ensure that workers receive remediation, including for recruitment fees and related costs and unpaid wages.

Where allegations against the company have been made, contribute financially to remediation in collaboration with affected workers or their representatives.

Shared-responsibility contracting: Contractually commit to remedy in contracts with suppliers, for example by including clauses which address the following:

Buyer and supplier must each prioritise stakeholder-centred remediation for human rights harms before or in conjunction with conventional contract remedies and damage assessments.

Buyer must participate in remediation if it caused or contributed to the adverse impact. Prioritising remediation helps ensure that human harms will be addressed and that neither party will benefit – by receiving damages as a result of a human rights-related breach of contract – from a human rights harm.



APPENDIX 1: COMPANY SELECTION

KnowTheChain assesses companies in sectors in which forced labour risks have been widely documented. It reviews the largest global companies per sector, as these companies have a large supply chain workforce as well as significant leverage (and therefore may have the potential for both the greatest harm to workers and the ability to significantly improve supply chain working conditions). Due to its focus on (public equity) investors, KnowTheChain assesses publicly listed companies only. The 60 food and beverage companies included in the assessment were selected using primary criteria: companies must be publicly listed and are selected on the basis of their size (market capitalisation) and the percentage of revenues derived from own-branded products. In addition, for the 2022-23 benchmarks, company selection also took into account additional considerations to ensure regional or sub-industry representation. The initial company selection took place in 2022, including a review of the companies' market capitalisation. Two of the companies in KnowTheChain's benchmarks have significant revenues from several product types and are, therefore, included in more than one sector benchmark (**Amazon** and **Walmart**). For this report, KnowTheChain has assessed the following 60 companies against its benchmark methodology:

Engaged with KnowTheChain:²⁷ ● Yes ⓘ Informal ○ No

↓ Company	Market cap in US\$bn	Headquarters	Year
● Aeon Co., Ltd.	19.09	Japan	2020
● Ahold Delhaize N.V.	32.44	Netherlands	2018
● Ajinomoto Co., Inc.	15.52	Japan	2022
● Amazon.com Inc.	1517.12	United States	2020
○ Arca Continental, S.A.B. de C.V.	10.41	Mexico	2020
● Archer-Daniels-Midland Company	41.97	United States	2016
● Associated British Foods plc	20.64	United Kingdom	2016
ⓘ Barry Callebaut AG	12.48	Switzerland	2022
○ Campbell Soup Company	13.31	United States	2018
● Carrefour S.A.	15.79	France	2018
○ China Mengniu Dairy Co Ltd	23.34	Hong Kong	2020
ⓘ Chocoladefabriken Lindt & Sprüngli AG	27.74	Switzerland	2018
● Coca-Cola Europacific Partners Plc	25.92	United Kingdom	2022
○ Coca-Cola HBC AG	12	Switzerland	2020
● Coles Group	16.61	Australia	2020
○ Conagra Brands, Inc.	16.67	United States	2016
● Costco Wholesale Corporation	223.99	United States	2018
● Danone S.A.	39.38	France	2016
○ Empire Co. Ltd.	8.17	Canada	2022
○ Fomento Economico Mexicano, S.A.B de C.V (FEMSA)	75.51	Mexico	2016
○ Foshan Haitian Flavouring and Food Co Ltd	74.04	China	2020

Engaged with KnowTheChain:²⁷ ● Yes ⓘ Informal ○ No

↓ Company	Market cap in US\$bn	Headquarters	Year
● General Mills, Inc.	41.43	United States	2016
○ Grupo Bimbo, S.A.B. de C.V.	13.93	Mexico	2022
ⓘ Hormel Foods Corporation	25.76	United States	2018
○ Inner Mongolia Yili Industrial Group Co., Ltd	37.29	China	2018
● J Sainsbury plc	15.03	United Kingdom	2022
ⓘ JBS S.A.	9.11	Brazil	2016
● Kellogg Company	21.49	United States	2016
● Kerry Group plc	22.13	Ireland	2018
● Keurig Dr Pepper	53.81	United States	2020
○ Kikkoman Corp.	14.31	Japan	2022
● Loblaw Companies Limited	25.83	Canada	2018
○ McCormick & Co Inc	26.83	United States	2020
● Meiji Holdings Co., Ltd.	8.9	Japan	2020
● Metro Inc.	12.87	Canada	2022
● Mondelez International, Inc.	93.5	United States	2016
● Monster Beverage Corporation	45.89	United States	2016
ⓘ Mowi ASA	12.54	Norway	2020
ⓘ Nestlé S.A.	351.48	Switzerland	2016
● PepsiCo, Inc.	220.92	United States	2016
○ San Miguel Food and Beverage, Inc	8.12	Philippines	2020
ⓘ Saputo Inc.	9.29	Canada	2020
● Seven & i Holdings Co Ltd	42.76	Japan	2020
○ Siam Makro Public Co. Ltd	14.12	Thailand	2022
● Suntory Beverage & Food Limited	11.8	Japan	2018
● Tesco PLC	30.52	United Kingdom	2018
● The Coca-Cola Company	263.53	United States	2016
● The Hershey Company	40.6	United States	2016
● The J.M. Smucker Company	15.23	United States	2018
○ The Kraft Heinz Company	43.82	United States	2016
● The Kroger Co.	32.05	United States	2018
ⓘ Tyson Foods Inc.	33	United States	2016
● Unilever plc	130.56	United Kingdom	2016
○ Vietnam Dairy Products JSC	7.67	Vietnam	2020
● Walmart Inc.	387.82	United States	2018
○ Want Want China Holdings Limited	11.64	China	2020
○ WH Group Limited	8.59	Hong Kong	2018
● Wilmar International Limited	19.84	Singapore	2016
● Woolworths Group Limited	29.4	Australia	2018
○ Yakult Honsha Co., Ltd.	8.09	Japan	2020

APPENDIX 2:

BENCHMARK METHODOLOGY

→ View [benchmark methodology](#)

KnowTheChain assesses companies' English language publicly disclosed efforts to address forced labour risks in upstream supply chains. The KnowTheChain methodology is based on the UN Guiding Principles on Business and Human Rights and covers policy commitments, due diligence, and remedy. The methodology uses the ILO core labour standards (which cover the human rights that the ILO has declared to be fundamental rights at work: freedom of association and collective bargaining, a safe and healthy working environment, and the elimination of forced labour, child labour, and discrimination) as a baseline standard. The methodology has been developed through consultation with a wide range of stakeholders and a review of other benchmarks, frameworks, and guidelines such as the OECD Due Diligence Guidance on Responsible Business Conduct.

KnowTheChain reviews and, where relevant, updates its methodology ahead of every benchmark to integrate emerging good practices, align with relevant frameworks and benchmarks, and respond to the dynamic nature of human rights and labour abuses. Further, KnowTheChain aims to decrease companies' reporting burdens and increase the objectivity of the benchmark by integrating third-party information in addition to corporate disclosure. Research was conducted through January 2023 or through April 2023, where companies provided additional disclosure or links.

ENGAGEMENT WITH BENCHMARKED COMPANIES

KnowTheChain contacted all the benchmarked companies in April 2022, inviting them to join introductory webinars. Where needed, KnowTheChain followed up via phone and in local languages to ensure the companies had received the communication. The majority of the companies (83%) confirmed a contact person for communication to KnowTheChain. Benchmarking companies were given the opportunity to review the initial research findings and disclose additional information over two months (January to April 2023). In addition to English language information on each company's website, KnowTheChain evaluated additional public disclosure provided by over one-third (40%) of the companies. Another 15% of the companies sent links to existing or newly added disclosure on their websites. Further, membership in initiatives that address forced labour and include requirements for companies to address forced labour risks were given some credit in the benchmark (where the company disclosed membership).

FORCED LABOUR ALLEGATIONS

KnowTheChain undertook comprehensive desktop research for allegations of forced labour within the companies' supply chains. KnowTheChain included only those allegations that met the minimum threshold of the Corporate Human Rights Benchmark and multiple forced labour indicators of the ILO.

KnowTheChain operates on the assumption forced labour likely exists in all large global supply chains. Therefore, a high score in the benchmark indicates that a company disclosed strong efforts to address the forced labour risks in its supply chains; it does not mean a company has "slavery-free" supply chains. The benchmark should not be seen as reflective of all labour rights issues occurring within food and beverage supply chains, and it should be read alongside other information on the sector, such as allegations regarding labour and other human rights issues collected by the Business & Human Rights Resource Centre.

SCORING

Each company received a benchmark score, ranging from zero to 100. All indicators are weighted equally, with the exception of the Remedy indicator, which is weighted slightly higher than the other 11 indicators at 10%, as opposed to 8.18%.

Indicator elements are weighted differently depending on whether they focus on a policy, implementation of a policy or process, or outcomes for workers. All indicator elements will be scored out of 100. You can find more information on the weighting of indicators and indicator elements on our website [here](#). In all cases, a company may receive partial points toward an indicator element.

NON-SCORED INFORMATION

Where relevant, the benchmarks also assessed whether companies have available a disclosure under the California Transparency in Supply Chains Act, the UK Modern Slavery Act, and/or the Australian Modern Slavery Act. This information is provided on a company's scorecard but is not included in a company's benchmark score. In addition, KnowTheChain assessed corporate disclosure (and in limited instances, third-party disclosure relating to the company's products) to determine which high-risk commodities are sourced by the companies and from which high-risk locations they are sourced.

ENDNOTES

- 1 Cross-reference to key findings.
- 2 For more detail, see [Responsible Recruitment of Migrant Workers](#).
- 3 See The Bureau of Investigative Journalism (27 March 2023), [“They Treat You Like an Animal’: How British Farms Run On Exploitation.”](#) Accessed 26 May 2023. See also Business and Human Rights Resource Centre’s [page](#) on the story, including company responses.
- 4 The piece-rate pay system, common in agriculture, often results in wages lower than the legal minimum and poses occupational health and safety risks. See Verité (2017), [“Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chains,”](#) p. 29; The Conversation (5 November 2021), [“Loophole closed: the minimum wage for farm workers is long overdue.”](#) Accessed 26 May 2023.
- 5 See Verité (2017), pp. 26-33.
- 6 Forced labour incidents have also been reported in other commodities, such as on a [grape vineyard in Brazil](#), on [berry farms in Mexico](#) and on a [salt plot in South Korea](#).
- 7 [Research](#) shows that 80% of the workforce on palm oil plantations in Malaysia consists of migrant workers, and in the Thai agricultural sector, there are around 430,000 migrant workers, mostly working on sugarcane, rubber, and palm oil plantations.
- 8 See Verité (2017), pp. 26-31.
- 9 [Estimates](#) show that in the UK, 98% of temporary agricultural workers come from the EU, with a majority from Romania and Bulgaria, while in France and Spain, 276,000 and 150,000 seasonal workers, respectively, are employed, with many being from Morocco.
- 10 As defined by the US Department of Labor.
- 11 See [Forced Labour Risks in Global Food & Beverage Supply Chains](#).
- 12 A lower score should not necessarily be taken as an indication that the company has failed to improve. Individual company scorecards can be consulted here for detail on improvements made by companies. Find out more about KnowTheChain’s methodology review process for the 2022-23 benchmarks [here](#).
- 13 The average score drop across all companies was 9 points.
- 14 A total of 41 companies were benchmarked by KnowTheChain in both years.
- 15 Either by disclosing forced labour risks identified in their supply chains for the first time, or increased detail on the risks identified across the tiers of supply chains.
- 16 See [Forced Labour Risks in Global Food & Beverage Supply Chains](#).
- 17 The benchmark also includes two Australian companies and four Latin American companies excluded from this analysis of regional performance as they are less representative.
- 18 See European Parliament (2023), [“Report on the proposal for a directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive \(EU\) 2019/1937,”](#) p. 54.
- 19 See for more on responsible purchasing practices: Fair Labor Association, [“Principles of Fair Labor and Responsible Sourcing and Production for Manufacturing.”](#) Accessed 19 June 2023. Better Buying, [“Five Principles of Responsible Purchasing.”](#) Accessed 19 June 2023.
- 20 See [Forced Labour Risks in Global Food & Beverage Supply Chains](#).
- 21 Mexican farmworkers were reported to have [paid fees](#) for food, housing, and transport to the US whilst only earning US\$0.20 per bucket of onions, having been promised US\$12 an hour. Indonesian workers on UK farms reportedly paid [sums as large as £5000](#) in recruitment-related fees to labour brokers in Bali. Migrant workers in Canada’s seafood processing sector paid [between CA\\$1,000 and \\$2,000 for a job](#), the equivalent of at least a month’s salary.
- 22 It is worth noting that additional companies (including Amazon and Unilever) disclosed examples of fee remediation that took place outside of their food and beverage supply chains, for example in their own operations or in other supply chains such as packaging, which fall outside the scope of this food and beverage benchmark.
- 23 See Principles 15 and 22 of the [United Nations Guiding Principles on Business and Human Rights](#).
- 24 See Principles 29 and 31 of the [United Nations Guiding Principles on Business and Human Rights](#).
- 25 Grievance mechanisms are assessed under the theme of worker voice instead of the theme of remedy.
- 26 See [Stakeholder Engagement](#) section for more information on the Fair Food Program.
- 27 “Formal” engagement (“yes”) means a company participated in the research process by having an engagement call with KnowTheChain or submitted links or additional disclosure to KnowTheChain during the two-month engagement period (February-April 2023). “Informal” engagement means a company had some form of contact with KnowTheChain in the lead up to the engagement period. This could include an email enquiring about KnowTheChain or its benchmarking methodology or a call outside the engagement period. “No” or “Non-engaged” (“no”) means a company hasn’t interacted with KnowTheChain at all within the benchmark cycle.

ABOUT KNOWTHECHAIN

KnowTheChain – a programme of the Business & Human Rights Resource Centre – is a resource for business and investors to identify and address forced labour and labour rights abuses within their supply chains. It benchmarks current corporate practices, develops insights, and provides practical resources with the aim of informing investor decision-making and changing corporate approaches to the identification, prevention and remedy of forced labour conditions.

Humanity United is a foundation dedicated to bringing new approaches to global problems that have long been considered intractable. It builds, leads, and supports efforts to change the systems that contribute to problems like human trafficking, mass atrocities, and violent conflict. Humanity United is part of The Omidyar Group, a diverse collection of organisations, each guided by its own approach, but united by a common desire to catalyse social impact.

Sustainalytics is a leading independent ESG and corporate governance research, ratings, and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. Sustainalytics works with hundreds of the world's leading asset managers and pension funds that incorporate ESG and corporate governance information and assessments into their investment processes. The firm also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices, and capital projects.