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MAGAZINE



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FOR HOPE**

Lifting the lid on modern slavery

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# WELCOME TO THE AUGUST 2019 ISSUE

August is a month when a lot of people catch up on their reading, and we have a bumper issue of analysis and comment for our readers to dive into as we turn our attention to modern slavery and the wider human rights agenda for companies.

Katherine Steiner-Dicks reports on growing calls for major reforms to the UK's Modern Slavery Act, while Oxfam's Monica Romis highlights how even leading supermarkets are far from ending suffering in their supply chains.

Mark Hillsdon looks at why Leicester-based Next is unable to source garments from many of the factories on its own doorstep because of the high risk of labour exploitation.

Phil Bloomer of the Business & Human Rights Resource Centre has some advice for new prime minister Boris Johnson on how his government could restore UK leadership on tackling modern slavery.

Mike Scott interviews Brian Iselin, co-founder of Slavefreetrade, a platform that is using blockchain to help companies certify their supply chains are free of modern slavery. He also reports on how AB Sugar is helping smallholder farmers in Africa secure land rights.

ShareAction's Aine Clarke explains how the investor-led Workforce Disclosure Initiative is seeking to protect vulnerable workers and

promote decent jobs for all, while Mike Scott looks at emerging best practice in corporate reporting of human rights risks, with case studies on ABN Amro and JLL.

Finally, I travel to Bangalore in India to report on how a new programme by The Body Shop to source the world's first Fair Trade plastics for its packaging is improving the lives of waste pickers.

Our second briefing is on companies that are stepping up to the refugee crisis. Michael Levitin reports on how companies from Chobani Yoghurt to WeWork, IKEA and Airbnb are helping to integrate refugees into their workforces and supply chains.

In September, in advance of the big UN climate conference in New York, Ethical Corporation will feature an in-depth report on the rise of carbon pricing. We will also take a look at how companies are reporting on the Sustainable Development Goals.

Enjoy the rest of the summer.



**Terry Slavin**

terry.slavin@ethicalcorp.com  
@tslavinm



7-9 FASHION ST, LONDON E1 6PX UK

**Editor:**  
Terry Slavin

**Sub-editor:**  
Karen Luckhurst

**Contributors:**  
Katherine Steiner-Dicks, Mark Hillsdon, Mike Scott, Michael Levitin

**Editorial:**  
terry.slavin@ethicalcorp.com

**Event and content opportunities**  
Liam Dowd  
liam.dowd@ethicalcorp.com  
+44 (0) 207 375 7238

**Advertising and sales:**  
Matt Buckingham  
matt.buckingham@ethicalcorp.com  
+44 207 375 7245

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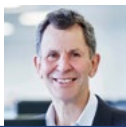
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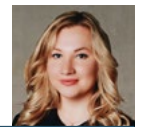
**Richard Flint**  
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**Daria Goncharova**  
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**Wim Bartels**  
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# ‘We know most global companies have modern slavery in their supply chains’

**Katherine Steiner-Dicks** reports on growing calls for major reforms to the UK’s Modern Slavery Act



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MIKE FOUQUE/SHUTTERSTOCK



**There is no financial benefit for suppliers to provide good practice. They cannot comply because the cheap labour conditions do not allow it**

According to the BHRRC’s 2018 annual assessment of transparency statements by FTSE 100 companies, [FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action](#), the majority of statements continue to be vague or “generic”, omitting crucial details on how the company is working to stop cases of forced labour within its UK or international supply chains.

Despite genuine efforts by many companies to identify and mitigate risks, the UK supply chains of some of our largest retailers continue to be infiltrated by traffickers, the mafia and gangs, who take advantage of weak human rights due diligence and recruitment in second tier suppliers, according to Rachel Wilshaw, ethical trade manager for Oxfam in the UK.

She says there is no financial benefit for suppliers, producers or recruitment agencies to provide good practice. “They cannot comply because the cheap labour conditions do not allow it,” she said.

When Oxfam conducted a [human rights impact assessment](#) study into the processed tomato supply chain for Finnish supermarket SOK Group, it found appalling working and living conditions of tomato producers in Italy.

The assessment, which advised on how SOK group should address actual and potential human rights risks and was carried out over six months, found widespread low wages, excessive working hours, the risk of forced labour, and unsafe and unsanitary housing, with the vast majority of workers living in settlements that lack running water and electricity.

Closer to home, in July of this year, police broke up the UK’s largest modern slave ring, involving 400 Polish trafficked workers, after a >

**S**lavery is the greatest of humanity’s evils, yet it has permeated our daily lives, right down to the chopped spring onions in our salads and the tinned tomatoes in our children’s pasta sauces.

The UK broke new ground in 2015 when it brought in the Modern Slavery Act, requiring all large companies to report on whether they have modern slavery in their supply chains. But four years on, the Business & Human Rights Resource Centre (BHRRC), which has been monitoring the quality of Modern Slavery Act annual statements since its inception, finds that the act has “failed to deliver the transformational change” that many of us hoped for.

A UK slavery ring involved 400 trafficked Polish workers who were subjected to violence and forced to hand over their ID cards.



four-year investigation. A separate investigation by the *Sunday Times* highlighted that some victims were employed by second-tier suppliers to major supermarket and building supply chains, including Tesco, Waitrose, Sainsbury's, Asda, M&S, Homebase, Travis Perkins, Argos and Wickes.

Wilshaw said she and her colleagues were horrified at the news, which is just “the latest in a long line highlighting these systemic issues.”

Ironically, Tesco and Sainsbury's are placed first and second, respectively, in Oxfam's Behind the Barcodes campaign-led [2019 Supermarket Scorecard](#) of Europe's 16 largest supermarkets on human rights. (See, [Even leading supermarkets are far from ending suffering in their supply chains](#))

But their relatively low scores, at 38% and 27%, show how far even the leaders have to go.

Wilshaw said tackling forced labour in the food sector could be strengthened with an extension of the Grocery Code Adjudicator's remit beyond UK suppliers to suppliers in developing countries. Oxfam partner NGO Traidcraft is [lobbying](#) for this extension.

Patricia Carrier, programme manager at the Modern Slavery Registry, which is part of the Business & Human Rights Resource Centre in London, said: “Given the prevalence of modern



D. K GROVE/SHUTTERSTOCK

### 30 SECOND READ

- The 2015 ground-breaking UK Modern Slavery Act has “failed to deliver” transformational change, according to BHRRC, which has been monitoring the quality of companies' annual statements and criticised them as “generic” and omitting crucial details.
- Supply chains continue to be infiltrated by gangs taking advantage of weak human rights due diligence and recruitment in second tier suppliers. In the UK, a slave ring involved 400 trafficked Polish victims, some working for second-tier suppliers to retail supply chains, including Tesco, Waitrose and Wickes.
- A recent independent review of the Act has recommended that its six key reporting criteria be made mandatory, and that companies no longer be allowed to report they have taken “no steps”.
- In April, a group of UK civil society organisations called for the introduction of a mandatory human rights and environmental due diligence law in the UK that would cover all companies.

slavery in global supply chains, we know that most global companies will have it somewhere in their supply chains, very far down where they don't have much visibility or leverage.”

Carrier points to clothing retailer ASOS plc as having “one of the more meaningful modern slavery statements and a very clear description of its human rights due diligence strategy.”

ASOS has reported that only 42% of its product portfolio comes from brands that meet its requirements, which include publishing a Modern Slavery Statement and mapping supply chains to tier-one suppliers.

If the government places more stringent reporting standards on companies, this will likely result from the recently completed independent review of the Modern Slavery Act, said Carrier.

The final report from that review includes recommendations that the six reporting criteria in Section 54 of the Modern Slavery Act be made mandatory, and that companies no longer be allowed to report they have taken “no steps” in the last financial year to address modern slavery risks.

“The Australian Modern Slavery Act has mandatory reporting criteria, and this might >

motivate the UK to revise Section 54 so as to not fall behind the Australian legislation,” said Carrier.

One recommendation calls for companies to be required to consider the “entirety” of their supply chains in respect of modern slavery. Another says businesses should be required to have a named, designated board member accountable for the production of the modern slavery statement. If the board member failed to act where instances of slavery were found they could face disqualification under the Company Directors Disqualification Act 1986.

Another recommendation is for non-compliant companies to be ineligible to bid for public procurement contracts.

The independent review does not recommend that Section 54 be amended to require companies to undertake mandatory due diligence, but this is something that has been called for separately by many stakeholders, who say this will create a level playing field for all companies, not just the ones that stick their necks out and are transparent about potential human right violations creeping into their supply chain.

**MANDATORY MEASURES**

In April of this year a group of UK civil society organisations, including the Business & Human Rights Resource Centre, ShareAction, Global Witness, ClientEarth and CORE, called for the introduction of a [mandatory human rights and environmental due diligence law](#) in the UK that would cover all companies.

“Companies should be required to carry out human rights and environmental due diligence – that is, to identify, assess and mitigate the risks to all human rights and the environment posed by their activities,” said BHRC’s Carrier.

In addition to providing increased protection for individuals and communities, workers, human rights defenders, and the environment, Carrier said, a mandatory human rights and environmental due diligence law would “create clarity and a level playing field for companies. It would give consumers the confidence that human rights abuses and environmental damage aren’t part of the price tag for products.”

Colleen Theron, director of UK-based human rights business consultancy Ardea International, agrees with mandatory due diligence and also the introduction of penalties to enforce non-compliance.

“Whilst the UK Modern Slavery Act has raised some high-level awareness of modern slavery risk,



**Companies should be required to identify, assess and mitigate the risks to all human rights and the environment posed by their activities**

the lack of enforcement penalties has led to low levels of compliance and a lack of true buy-in by senior leadership,” she said in an interview.

In February, an Environmental Audit Committee report into the fashion industry called on the government to update company law to require modern slavery disclosure or face fines, noting that retailers including Foot Locker and Versace are failing to comply with the Modern Slavery Act.

Marilyn Croser, director of UK civil society coalition CORE, said in a recent blog that while the >

Fashion retailer Asos has ‘one of the more meaningful’ modern slavery statements.



ASOS



LEIGH DAY

government considers its response to the Modern Slavery Act review “advocates should use this [time] to argue that while the transparency requirements can be strengthened, for the UK to remain a leader, it must go beyond reporting and begin the process of introducing mandatory human rights and environmental due diligence.”

Meanwhile, legal experts believe that companies’ Modern Slavery Act statements are likely to be tested in the courts.

“In terms of accountability, it is important to look at just not what is in the Modern Slavery Act because once a statement is put into the public domain, and it is published, it exists in a legal vacuum,” Peter Hood, a legal consultant at the London offices of Hogan Lovells, told Ethical Corporation.

“I think there is scope for companies to be held legally accountable [in the English courts] for something for which they say in a modern slavery statement, according to negligence, for example,” said Hood.

In April 2019, the Supreme Court in *Vedanta Resources Plc v Lungowe* determined that a UK-domiciled parent company may owe a duty of care to third parties affected by operations of its Zambian copper mine subsidiary. Vedanta is the holding company of KCM, which is the owner-operator of the Nchanga copper mine.

A client alert paper by White & Case LLP said: “In light of this potential widening of the scope of circumstances when a duty of care may be imposed on a UK-domiciled parent company, multinational companies may want to evaluate their current corporate structure, policies and procedures.”

**Vedanta may owe a duty of care to third parties affected by effluent from subsidiary KCM’s Nchanga copper mine operations in Zambia.**

Cindy Berman, head of modern slavery strategy at the Ethical Trading Initiative, said in a recent blog that getting serious about modern slavery means being honest about the complexity of the problem. “If anyone said they have the solution – a new toolkit, an app, a certificate, a consultancy or NGO that is taking care of the problem – they’re missing the point. There is no one simple solution,” she said.

When the long arm of the law starts to tap on the shoulders of senior executives whose companies are found to be non-compliant in their Modern Slavery Act statements and supply chain human rights obligations, we will start to see transformative change. Then the biggest cost will come from *not* doing the right thing. ■



**Katherine Steiner-Dicks** is founder and editor of Buzzvestor Media. She has been covering international private equity, energy, legal and human rights matters on behalf of news outlets and private clients for nearly 20 years.



# TONY'S CHOCOLONELY LEADS DUTCH CAMPAIGN TO END CHILD LABOUR

TONY'S CHOCOLONELY

For Dutch cocoa and chocolate company Tony's Chocolonely, making money is just a means to reach its mission of 100% slave-free chocolate.

Ben Greensmith, UK country manager for the company, says the strategy "has proven very successful for us. We've grown from zero to market leader in the Netherlands in 12 years and are now expanding rapidly internationally," he says.

*Bitter Sweets*, a report last year by Tulane University and the Walk Free Foundation on child labour in the cocoa industry in Côte d'Ivoire and Ghana, found limited evidence of children being forced to work by someone outside their family in those countries, which produce 60% of the world's cocoa. The report identified poverty instead as the root cause: with the vast majority of farmers not being paid a living wage, they cannot afford to hire adult workers.

Farmers that supply Tony Chocolonely's cocoa are members of its partner co-operatives Kapatchiva, Ecojad, ECAM and Socoopacdi in Côte d'Ivoire, and ABOCEFA in Ghana. Tony's impact team regularly travels to Ghana and Côte d'Ivoire to visit the partner co-operatives and attend their annual general meetings.

The company's five sourcing principles include being able to trace the cocoa beans and payment of a higher price, even above the Fair Trade premium, to enable workers to earn a living. The company also forms long-term commitments to cocoa workers, propagates strong farmer groups and finds ways to raise productivity and lessen dependency on cocoa.

Greensmith adds that his company's mission is to "make 100% slave-free chocolate the norm", not just in Tony's supply chain, but the entire chocolate industry.

The company led an initiative to support the introduction of a [Dutch child labour due diligence law](#) that was signed by 24 companies, including Barry Callebaut, Cargill Cocoa & Chocolate, Rabobank, ASN bank, Bavaria and Heineken.

The law, which came into effect in May, obliges Dutch companies to find out whether their goods have been produced using child labour and come up with a plan to prevent child labour in their supply chain if they find it. Businesses also have to submit a statement describing their due diligence efforts to the government. ■

Tony's Chocolonely campaigning for child labour law at the Dutch legislature.

Katherine Steiner-Dicks

Supermarkets are still lagging in safeguarding women workers and producers in their supply chains.



NOK LEK / SHUTTERSTOCK

## 'Even leading supermarkets are far from ending suffering in their supply chains'

Oxfam's **Monica Romis** explains the findings of the charity's latest Supermarket Scorecard, which gave Tesco top place

Last year, Oxfam embarked on a **campaign** asking 16 of the largest supermarkets in the UK, US, Germany and the Netherlands to take responsibility for ending human suffering in their food supply chains. A year on, what has changed?

Oxfam's Supermarket Scorecard assesses food retailers against 93 internationally recognised indicators of good practice in four key areas: transparency of their policies and governance structure (including whether consumers know where food comes from); conditions for workers; conditions for small-scale farmers; and tackling discrimination against women. Each of the supermarkets' publicly disclosed policies and practices are reviewed, based on information from company websites, annual accounts, sustainability reports and other publicly available material as well as through engagement with the companies >

 [VIEW ONLINE](#)

themselves. Read more about Oxfam's scorecard methodology [here](#).

The [2019 Supermarket Scorecard](#) shows that, while some are doing better than others, all supermarkets lack sufficient policies to properly protect the people who produce our food. No supermarket does even 40% of what the Oxfam benchmark asks them to.

Eight of the 16 companies, including Lidl, Plus and Whole Foods, have made little to no improvement at all, reinforcing their position as laggards. Others, such as Sainsbury's and Walmart have made limited improvements to their policies.

However, some supermarkets – Ahold Delhaize's Dutch subsidiary Albert Heijn, Aldi South, Jumbo, Morrisons, Rewe and Tesco – made important new policy commitments to ensure the women and men in their supply chains are treated fairly. These examples show that, while change is possible, most companies move slowly, and in response to public pressure.

Some supermarkets started moving towards increased transparency and have made significant strides in disclosing their human rights policies and practices. Compared with very few supermarkets in last year's assessment, eight of the 16 companies assessed in 2019's scorecard have:

- Committed to the [United Nations framework](#) (UNGPs), which asks companies to “know and show” where human rights risks are in their supply chains; and
- Become more accountable by identifying who at the top of the company is responsible.



**While change is possible,  
most companies move  
slowly, and in response  
to public pressure**



Even the top-performing supermarkets in Oxfam's scorecard are lacking sufficient policies to protect people in their supply chains.

Dutch supermarkets [Albert Heijn](#) (subsidiary company of Ahold Delhaize) and [Jumbo](#) were the first to publish human rights policies in response to our campaign. They are the only two of the 16 who have committed to publish who their first-tier suppliers are for their private-label products. Consumers will now know where their products have come from, and farmers and workers will know who is buying their produce. This shows supply chain transparency is possible, and we urge other supermarkets to follow suit.

Similarly, after public pressure in multiple countries, German retailer Aldi South published its first human rights policy, and has begun to show where and what kinds of human rights risks exist within its supply chains. This has resulted in an 18% scorecard increase for Aldi South – the biggest improvement of all.

Proper [human rights due diligence](#), in line with UNGPs, is central to Oxfam's recommendations to food retailers. This year, eight of the 16 supermarkets proactively sought to identify and prevent the highest risks of human rights abuses. Four companies – Ahold Delhaize, Aldi South, Jumbo and Tesco – went deeper, committing to carry out [human rights impact assessments](#) through meaningful engagement with unions, civil society organisations and affected communities. >

Looking closely at how companies promote workers' rights, UK supermarkets Tesco, Sainsbury's and Morrisons are relative frontrunners. This is due to longtime participation in multi-stakeholder initiatives like the [Ethical Trading Initiative](#), and the strong UK government framework on modern slavery.

Tesco stands out for making meaningful commitments, and taking actions to increase workers' representation and wages. It is the only company reaching over 50% of what companies should be doing, as assessed in the "workers" theme of the scorecard.

On the topic of workers rights, two main areas of progress stand out:

- Forced labour prevention – over half of the companies commit to proactively prevent forced labour, including at the recruitment stage – a key measure to prevent modern slavery, although Oxfam continues to monitor the implementation of a company's commitment.
- Cutting and running – nearly half also commit not to "cut and run" from suppliers when labour exploitation is exposed – a practice that penalises workers.

Most supermarkets fail to protect farmers' and women's rights. While many supermarkets say that they support small-scale farmers to thrive, almost no measurable progress is reflected in their policies and practices. The only meaningful action is to sell certified Fairtrade products, which nearly all now do.

And when it comes to explicit respect for the rights of women workers and producers, almost all companies fail – and only six have any measures in place at all. While supermarkets "get" the fact that women face more [challenges](#), such as earning less than men for doing the same jobs, their policies and practices fall short. Only Tesco and Ahold Delhaize made significant improvements this year, to join frontrunner Walmart, in systematically addressing women's rights in their global supply chains.

In conclusion, what do supermarkets need to do more? While some companies are making real progress in certain areas, others lag behind. Four areas consistently stand out as priorities for action:

- Supply chain transparency. No supermarket currently gives consumers basic information about the suppliers they buy their food from. Albert Heijn and Jumbo have said they will by 2020. >

# While many supermarkets say that they support small-scale farmers to thrive, almost no measurable progress is reflected in their policies and practices

SUPERMARKET	TRANSPARENCY	WORKERS	FARMERS	WOMEN	TOTAL SCORE
Ahold Delhaize	19%	17%	19%	14%	17%
Albertsons	8%	8%	4%	0%	5%
ALDI	13%	0%	8%	0%	5%
ALDI	31%	19%	17%	10%	19%
COSTCO	8%	21%	8%	0%	10%
EDEKA	0%	0%	4%	0%	1%
JUMBO	25%	21%	13%	5%	16%
Kroger	4%	4%	4%	0%	3%
LIDL	21%	6%	8%	0%	9%
Morrisons	17%	38%	8%	0%	16%
PLUS	8%	17%	4%	0%	8%
REWE	25%	8%	17%	0%	13%
Sainsbury's	25%	42%	21%	19%	27%
TESCO	42%	58%	21%	29%	38%
Walmart	21%	21%	17%	33%	23%
WHOLE FOODS	0%	4%	8%	0%	3%

The score of a parent company applies to any subsidiary companies; for example, Asda's score is based on Walmart's assessment and Albert Heijn's on Ahold Delhaize's.



OXFAM AMERICA

- Living wages. No supermarket ensures that the workers and producers in their supply chains are paid enough to eat properly. However, Tesco has committed to conduct a living wage assessment in its supply chains.
- Gender equality. Bar Sainsbury’s and Walmart, no supermarket supports suppliers who take gender equality seriously, or source more from women-owned businesses.
- **Unfair trading practices.** Supermarkets use a range of practices that pressure suppliers – squeezing their ability to pay workers a living wage. Low-price policies in particular contribute to the exploitation of workers. This undermines any good efforts companies place in other areas. Only three supermarkets have committed to eliminate these practices, but no meaningful actions have been disclosed.

Whole Foods showed little improvement in this year’s Oxfam Supermarket Scorecard.

understanding and public pressure, companies will move.

Oxfam remains committed to ongoing engagement with all the supermarkets involved in our campaign and will continue to share knowledge, and offer guidance when needed. Our supporters and allies will keep campaigning to accelerate this process of change so that in future workers and small-scale farmers do not have to suffer to produce our food. ■



**Monica Romis** is part of Oxfam GB’s Private Sector Team, and leads the Supermarket Scorecard for the Behind the Barcodes campaign.

While we celebrate the progress that is being made by a few leading companies, it must be acknowledged that large gaps remain for the majority of supermarkets assessed. Half of the 16 companies have barely improved at all, and their scores reflect this. However, the first year of the campaign has shown that, with improved



# 'The risk of worker exploitation is as high in Leicester as in Turkey or Bangladesh'

Mark Hillsdon reports on why Leicester-based Next is unable to source garments from factories on its own doorstep

 [VIEW ONLINE](#)

In January 2016, Mohammed Rafiq became the first businessman in the UK to be jailed for human trafficking offences. Investigators had discovered a “slave workforce” at his Kozee Sleep factory in Dewsbury, near Leeds, with men being paid as little as £10 a week while forced to work and live in squalid conditions.

The factory supplied several leading High Street retailers, including John Lewis and Next, whose ethical audits had failed to spot what was going on.

Speaking as part of a panel at Ethical Corporation's recent conference on modern slavery risk in the supply chain, Chris Grayer, Next's head of supplier ethical compliance, recalled how he was called as a witness and worked closely with the police to bring Rafiq to justice. “One of the things that we realised during the trial was the extent of complicity and then the realisation of the criminality that took place,” he said.

The Kozee Sleep perpetrators may have been brought to justice, but exploitation of workers in the UK continues, Grayer told delegates. “It's disturbing to be able to tell you that currently there are workers in supply chains in the UK that are being exploited on a day-to-day basis.”

Indeed, the Environmental Audit Committee's (EAC) recently completed investigation into the garment industry found evidence of criminal underpayment of workers, particularly in Leicester. >



Workers in supply chains in the UK are being exploited on a daily basis.

ADACO/SHUTTERSTOCK



**If you see a dress for £12 made in the UK, do the maths: it's not possible for the workers to have been paid the legal wage**

The EAC report, [Fixing Fashion](#), said: “Made in the UK’ should mean workers are paid at least the minimum wage. But we were told it is an open secret that some garment factories in places like Leicester are not paying the minimum wage. This must stop.”

The parliamentary committee, led by Labour MP Mary Creagh, cited evidence from Financial Times journalist Sarah O’Connor, who in an in-depth investigation last year found that parts of Leicester’s garment industry had become “detached from UK employment law,” with workers complaining of abysmally low wages, blocked fire escapes, old machines and no holiday or sick pay.

Grayer said it was a sad irony that the risk of worker exploitation is likely to be as high in Leicester as in Turkey or Bangladesh. “We are a Leicester-based business, and we are now very limited as to where we can source products and the level of business that we can place in the region, with the assurance of compliance to our standards; this is because of the exploitation and the incorrect standards that are taking place.

Boohoo has been called upon to recognise unions for its workers.

“If you see a dress advertised for £12 as made in the UK, do the maths: it’s impossible for the workers to have been paid the legal minimum wage. Fast fashion is growing at a speed that doesn’t necessarily include the investment into the quality and compliance side of the business.”

O’Connor’s FT story reported that both Boohoo and Misguided source half their clothes from the UK. In its report, the EAC called upon Boohoo to engage with the trade union Usdaw as a priority, and to recognise unions for its workers.

In the session at Ethical Corporation’s June conference, Grayer outlined the impact of the 2016 Kozee Sleep experience on Next’s approach to due diligence in its supply chain: “The Kozee Sleep incident sped up the roll-out of unannounced audits across the supply chain and is now included in the terms and conditions of supplier contracts.

“Advising suppliers in advance of audits simply provides unsafe assurance to what potentially could be a non-compliant operation. . . . Our auditors may arrive at 7am, they’ll maybe walk in through the loading bay and they’ll see what’s really going on.

“More importantly, they’ve been trained to focus on prevention, engagement and collaboration with suppliers, rather than just monitoring”

Next has also been working with Shift, the US-based centre of expertise on the UN Guiding Principles on Business and Human Rights, to challenge and refine its approach to human rights.

The retailer is part of the organisation’s [Business Learning Program](#), along with the likes of Unilever, >

boohoo.com supplier in Leicester, UK

Sign the petition demanding they pay more than £3.50/hr



NEXT AND UK PARLIAMENT

Heineken and De Beers. All have very different and diverse supply chains, Grayer said: “But when you examine what the issues are, whether you are brewing beer, mining diamonds or making clothes, many of the human rights issues are common.”

Nevertheless, when there is weak regulation or inadequate enforcement, there are limits to what companies can do on their own. Often human rights abuses aren’t just limited to labour exploitation in factories but are perpetrated by highly organised criminal gangs.

Grayer said bodies such as the police, HMRC, the Health and Safety Executive and the Gangmasters and Labour Abuse Authority need to be given the resources to effectively work together and get to grips with often deep underlying issues in some regions of the UK.

Grayer voiced frustration at the government’s decision in June to reject all of the recommendations of the EAC report, which included a call for more proactive enforcement of the national minimum wage, as well as for the government to penalise retailers who fail to comply with the Modern Slavery Act.

Chris Grayer (left) and MP Mary Creagh (right) have voiced their frustration at the government’s decision to reject the EAC report recommendations.

Grayer isn’t alone in his frustration. In a strongly worded statement Creagh said: “We presented the government with the evidence that it has failed to stop garment workers in this country being criminally underpaid, despite its claim that the number of national minimum wage inspectors has increased.

“The public has a right to know that the clothes they buy are not produced by children or forced labour, however the government hasn’t accepted our recommendations on the Modern Slavery Act to force fashion retailers to increase transparency in their supply chains.

“This is plain wrong. The EAC will be closely monitoring steps that the government claims it is taking to address the problems exposed in our report.” ■



**Mark Hillsdon** is a Manchester-based freelance writer who writes on business and sustainability for Ethical Corporation, The Guardian, and a range of nature-based titles including CountryFile and BBC Wildlife.



**The public has a right to know that the clothes they buy are not produced by children or forced labour**

'If Boris Johnson wants a truly global Britain he needs to get serious about ending modern slavery'

Phil Bloomer of the Business & Human Rights Resource Centre hopes that the new prime minister will restore UK leadership with more robust modern slavery legislation



MICHAEL TUBI/SHUTTERSTOCK

 [VIEW ONLINE](#)

In his first speech to parliament as the new UK Prime Minister, Boris Johnson paid tribute to his predecessor Theresa May's efforts in "fighting modern slavery". But what are the prospects for Johnson's government to continue tackling this global blight?

May's flagship achievement, the Modern Slavery Act (2015), was a landmark piece of legislation and the first of its kind. It requires companies with a £36m turnover to publish statements on what they are doing to identify and prevent modern slavery

in their operations and supply chains. But in the years since it was introduced, the gaps in this legislation have become increasingly clear – and new tougher laws across Europe and in Australia mean the UK could fall behind.

The main problem with the current law is how little it demands of companies, and its lack of teeth in enforcing even this modest requirement. Research by the Business & Human Rights Resource Centre has found that 73 of the FTSE 100 companies are failing to properly disclose their anti-slavery efforts, and of the 7,410 company statements we have collected on our [Modern Slavery Registry](#) so far, only 22% meet even the minimum requirements.

By contrast, Australia's Modern Slavery Act (2018) is stronger, mandating which specific areas companies should report under, and holding statements in a central registry.

However, there's a growing recognition that merely requiring transparency from companies is not enough. What is needed is a mandatory requirement to actively identify and prevent human rights risk, including modern slavery, throughout a company's operations >



MELINDA NAGY/SHUTTERSTOCK

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A ‘big carrot’ could be where only compliant companies gain access to the UK’s £200bn public procurement markets

and supply chain, with proper sanctions for failure to comply. This “big stick” could be made more powerful with a “big carrot”, where only compliant companies gain access to public procurement markets, worth £200bn in the UK alone.

Already the drive for this preventive approach, known as mandatory human rights due diligence, is gaining momentum, with supporters at the European Union level. France introduced a Duty of Vigilance Law in 2017 which requires companies to carry out due diligence on their human rights risks, and take steps to mitigate any found. In May this year the Netherlands adopted the Child Labour

Due Diligence Bill, requiring companies to identify, prevent and take action to address child labour in their supply chains.

And in June, Finland announced its plans to make it mandatory for companies to carry out human rights due diligence, and pushed for similar laws at the EU level, having taken over the presidency of the Council of the EU from 1 July. There have also been debates on mandatory human rights due diligence in Germany, the UK, Denmark, Norway, Finland, Switzerland and Luxembourg. And most recently, in late July, Kenya announced a National Action Plan that will consider such a law. >

The UK should take a leading role in the global drive for mandatory human rights due diligence.



## In a House of Commons debate on the Modern Slavery review, it was recognised the law needs to be strengthened

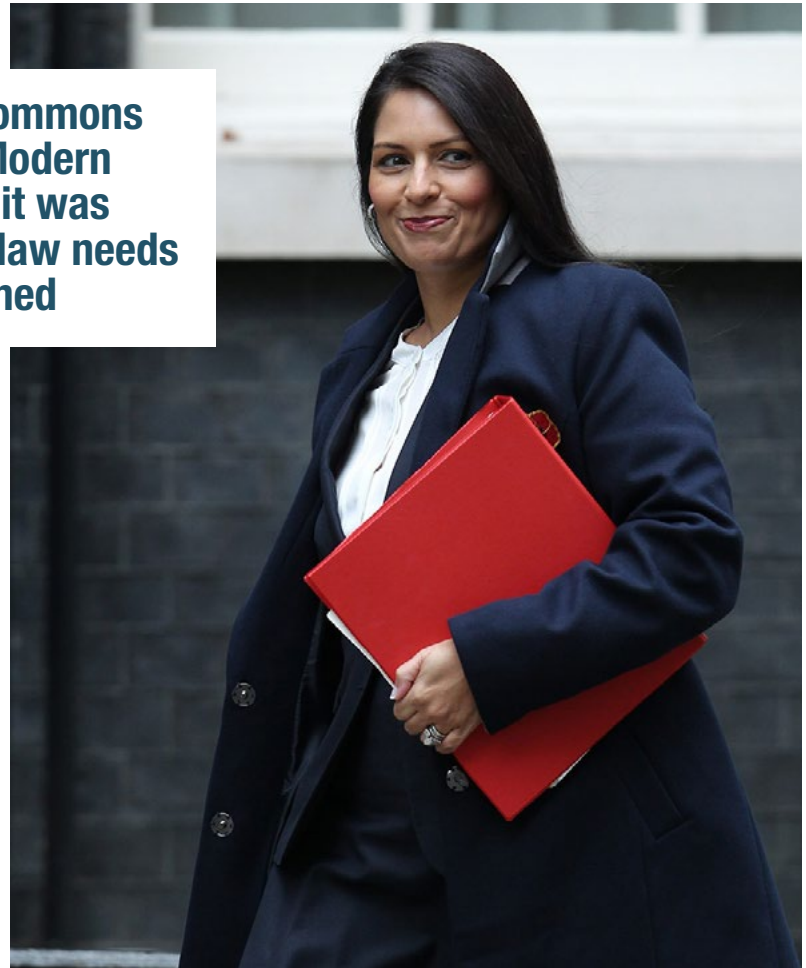
This is the situation in the European Union that will help inform the next phase of the Brexit negotiations.

The new UK government's first job will be to re-establish momentum towards more effective legislation. They have been left some welcome presents on modern slavery from the outgoing administration. A recent [Independent Review](#) into the Modern Slavery Act made a series of recommendations on improving disclosure under the Act, many of which have been accepted by the government in its [formal response](#). These include a central registry of companies' modern slavery statements and plans for government departments to produce their own statements for their procurement spending.

In a House of Commons debate on the review in June, it was recognised that the law needs to be strengthened, with Labour MP Carolyn Harris arguing for a mandatory element for reporting, and "consequences" for failure to do so.

There is some cause for hope about an opportunity to build on the promise of mandated human rights checks to address modern slavery. Boris Johnson's hand-picked home secretary, Priti Patel, has spoken out passionately about the need to tackle modern slavery. [In a speech](#) in September 2017, when she was International Development Secretary, Patel called on governments to "step up and take action to end forced labour, modern slavery and human trafficking – for everyone, everywhere". A month later she [backed](#) a newspaper campaign on the issue, speaking of the need to tackle the "root causes" of modern slavery.

As home secretary, Patel will also have to ensure that Brexit does not deliver the feared rise in the number of people caught in modern slavery in the UK, as migrant workers – already facing a more hostile state – are driven into the informal economy, where criminal gangs and unscrupulous firms await to exploit them. The government must also reverse its appalling policy [reported this month](#) of returning at least 36 victims of modern slavery to



Priti Patel has spoken out about the need to tackle modern slavery.

countries like Albania, Nigeria and Vietnam, where they risk further trafficking and exploitation.

The prime minister himself has promised a "truly global Britain" and to maintain close ties to Europe beyond Brexit. If he and his government are serious about this, they should join, and take a leading role, in the European and global drive for mandatory human rights due diligence, as the frontline in ending the forced labour of millions of workers around the world. ■



**Phil Bloomer** is executive director of the Business & Human Rights Resource Centre.



Slavefretrade is developing labels that companies will be able to display on their products.

SLAVEFRETRADE

# Shining a light on **THE GOOD GUYS**

Mike Scott interviews Brian Iselin, co-founder of non-profit platform Slavefretrade, which that is using blockchain to help companies ensure their supply chains are free of modern slavery

 [VIEW ONLINE](#)

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odern slavery has become one of the most prominent social issues that businesses have to deal with in recent years, but we have all been looking at modern slavery in the wrong way, says Brian Iselin, co-founder of Slavefreetrade, which describes itself as the world’s first human rights compliance platform.

Most efforts to deal with slavery focus on proving that a product or service has slave labour involved in it. Slavefreetrade, a Swiss-based non-profit organisation, turns that approach on its head by instead proving which companies are not using slave labour, with the aim of using consumer pressure to drive change among companies that are not on its list. Its platform employs a combination of conventional and blockchain technology.

“We can’t tell you which prawns not to buy, but we can tell you which ones you should buy. We can prove which boats treat their staff well. We want to make sure we build a community of good actors working together – good consumers to reward good businesses, which in turn are rewarding good suppliers,” adds Iselin, who first came across human trafficking and forced labour as a former soldier and Australian counterintelligence agent.

“Everyone – consumers, businesses, universities, NGOs, governments – buys things,” he says. “Everyone is presently buying slave-made products, but they don’t know. No one can tell.”

“We provide the world’s first human rights compliance platform, which gives any organisation the means to discover, map, assess, and monitor the human workplace and their human supply chain by linking the human workplaces together.”

“

**Everyone is buying slave-made products, but they don’t know. No one can tell.**



DALE WARREN/SHUTTERSTOCK

The Slavefreetrade platform is helping consumers see which seafood is sourced without slavery

When companies sign up to the platform, they register all their sites, and by extension all their staff, who can download Slavefreetrade’s app. This is where the blockchain comes in: it enables workers to report issues on the app without being identified, but at the same time for the company to be sure they are who they say they are.

Each site is assessed when a company signs up, and then continually monitored. “Each company puts in the data for their tier one suppliers,” he explains. “We then contact those suppliers and they input data on their tier one suppliers, so all the way down, we’re only dealing with direct suppliers – it’s a complete reconceptualisation of the supply chain.”

This massively increases the visibility and transparency of supply chains, he says, citing the example of a Danish company to which he was demonstrating the system. “We were looking through the platform, and they could >



see that they had an issue with endemic sexual harassment in a factory in Penang. Their initial response was: ‘I didn’t know we had a factory in Penang.’”

Currently, supply chain transparency in many sectors is very low. The biggest retailers, for example, have visibility on just 0.1%-0.8% of the suppliers in their value chain, Iselin states. “We turn that into more than 99% visibility. What is important is that you can see your human rights performance. No-one understands compliance in their supply chains at the moment.”

And while the system is currently very small, with just 26 companies signed up at the time of writing, Iselin expects this to grow exponentially. One reason is that two of the signatories are large banks, and they are not just asking their suppliers to sign up to the platform but also the companies they invest in. “Their view is that the hardest part of ESG [environmental, social and governance] to solve is the ‘S’. Our platform gives them live proof of whether suppliers and investees are complying.”

It is not just about their external stakeholders, though. “Both banks are very seriously affected by the gender pay gap. And all banks have problems with sexual harassment. The platform gives them a way to address the problem.”

Currently, Iselin is funding the project himself, but he aims to build a subscription model whereby organisations pay a fee. He says it costs “about the same as a Microsoft Office licence – and for that you get 100% supply chain mapping”. For small to medium enterprises with less than \$200,000 turnover or fewer than 20 staff, the service will be free.



SLAVEFREETRADE

Above: Slave-free trade’s 10 principles aligned with SDG goals. Below: Slave-free trade co-founder Brian Iselin first came across forced labour as a soldier and counterintelligence agent.

But the key to the success of the organisation will be getting consumers involved, Iselin says. “We’re developing a series of labels for companies as they become slave-free, that they will be able to display on products and funds.

“The consumer is in charge; we have the choice in our everyday shopping to make sure we buy things that are made in freedom. The app, which will be launched after the summer, will show shoppers whether a product they want to buy is slave-free or not.” ■



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**Mike Scott** is a former Financial Times journalist who is now a freelance writer specialising in business and sustainability. He has written for The Guardian, the Daily Telegraph, The Times, Forbes, Fortune and Bloomberg.

# How AB Sugar is helping smallholder farmers in Africa secure land rights

By Mike Scott



SANDRA COBURN/CLOUDBURST FOR USAID

 [VIEW ONLINE](#)

Ilovo Sugar Africa, the continent’s largest sugar producer, has a supply chain that includes 14,700 growers, many of them in countries that have historically poor practices in land tenure rights. This can lead to lots of grievances resulting from land disputes, often caused by “land grabs”. Ultimately, this severely impacts growers’ livelihoods, especially in poor and vulnerable communities.

Ilovo, which is owned by UK sugar giant AB Sugar, has joined forces with NGOs, governments and global donors to improve land tenure rights in the countries where it operates. One partnership, centred on the company’s Maragra plantation in Mozambique, involved a partnership with land consultancy TerraFirma and NGOs Indufor and The Cloudburst Foundation, funded by USAID. “We recognise that we need help on the ground. We need to engage with people at a local level. This is not an issue that will be solved easily or quickly,” said Katharine Teague, head of advocacy at AB Sugar.

**A Maragra sugar grower displays documentation giving her land tenure.**

The Maragra project targeted about 1,600 farmers based around the plantation to make them more aware of their rights under Mozambique’s land laws; >



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We can only operate in our grower communities if they benefit from us being there; having secure land tenure is a critical component of that

SANDRA COBURN/CLOUDBURST FOR USAID

recorded the rights of smallholder farmers through a process of community land mapping; and created a robust grievance mechanism for farmers and the local community.

Growers can now secure formal documentation that gives them tenure of the land, thanks to a consultation and digital mapping process. Illovo provided management support to the project, which has helped growers understand their land rights and formalise them with legal documents. This gives them greater security and makes it easier for them to sell their produce. More than two thirds of the farmers that received legal land certificates were female growers, who are particularly vulnerable because of societal norms and gender bias.

The initiative has improved Illovo’s relationships with the local community and its growers, as well as providing an insight into the issues they face. The lessons learned will help Illovo to address land issues across all of its markets. The grievance mechanism that was developed can be adapted for

**A mapping process has helped growers understand their land rights.**

use in all of the countries where the company grows sugar, from South Africa to Tanzania.

“We can only continue to operate in our grower communities if they benefit from us being there, and having legal and secure land tenure is a critical component of that,” says Gavin Dalglish, group managing director of Illovo Sugar Africa.

“The issue of land has become a material risk for our business, and partnerships like this one in Mozambique will be instrumental in addressing this complex and historical problem. We are determined to build on this success to become a thought leader on land rights and achieve our ultimate long-term ambition of an ethical and sustainable sugarcane supply.”

The resolution of land disputes is only one of the human rights issues that AB Sugar has had to get to grips with. Teague says AB Sugar, which operates in 10 countries, is facing growing pressure from corporate customers, many of which are the world’s biggest food and drink brands, to tackle the issue >



SANDRA COBURN/CLOUDBURST FOR USAID

of modern slavery. Because sugar is seasonal and requires lots of manual labour, growing it requires a lot of migrant and temporary workers.

The company’s approach is framed by the UK Modern Slavery Act, “which gives a focus to a lot of the work we have been doing for a long time and has helped us to prioritise areas where we were weaker,” says Teague. “We’re moving to a deeper understanding of our supply chain.”

One aspect that the act prioritises is the importance of training staff.

Back in the UK, Teague says AB Sugar has trained transport managers, commercial teams and almost 200 delivery drivers, who visit over a thousand farms across the country every year, to recognise the signs of modern slavery and report any signs of it.

Workers and direct contractors are encouraged to use the confidential external whistleblowing hotline [Expolink](#) if they suspect modern slavery in the supply chain.

AB Sugar has produced a video to help its workforce to understand what modern slavery is and how to spot and tackle it. “People are really starting to get to grips with the issue and

Illovo’s partnership with NGOs seeks to engage with people at a local level.

understand what we’re talking about. They’re starting to become more confident about speaking out,” Teague says.

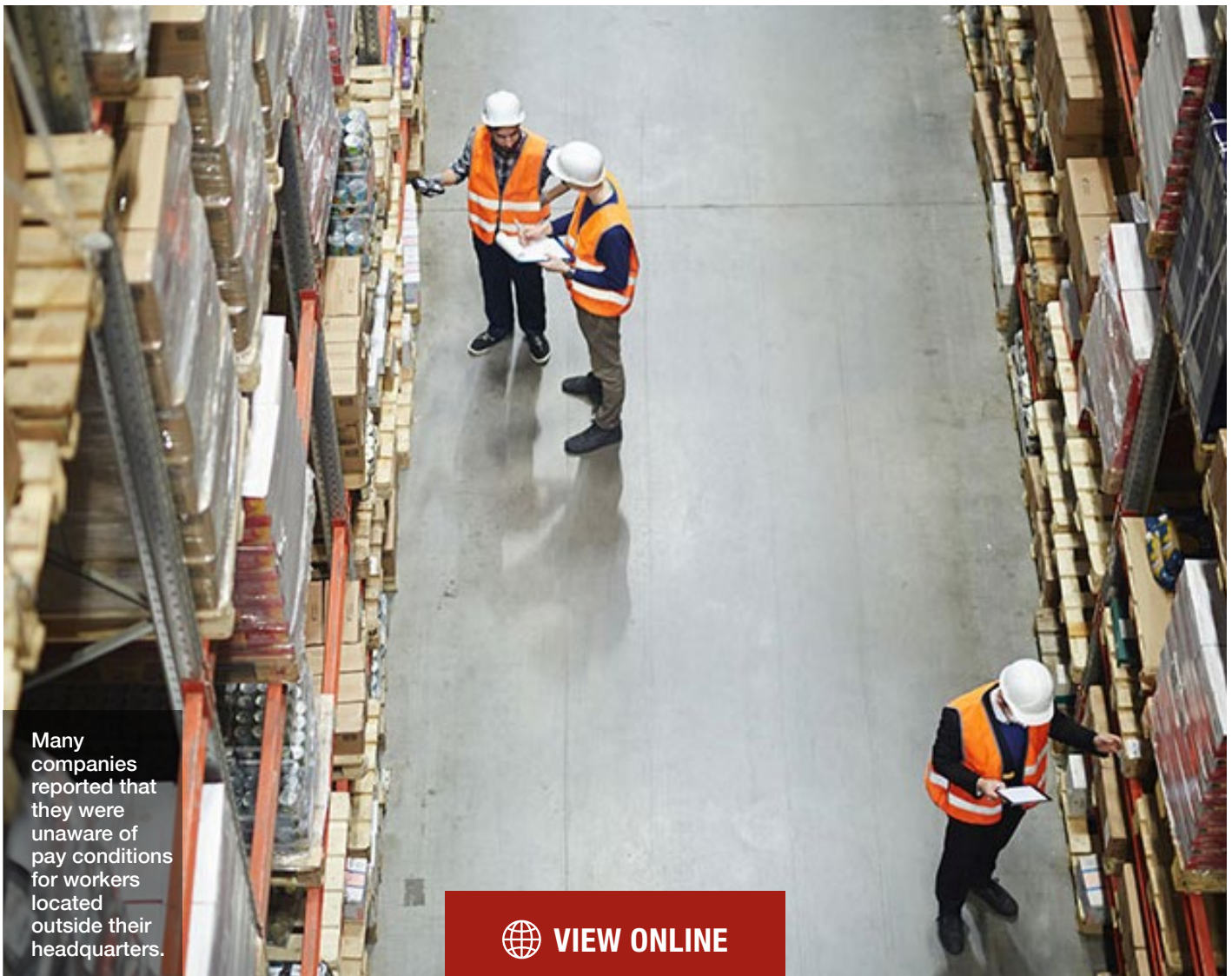
“What’s important is how we look after people and give them a job that gives them a livelihood they want.” ■



**Mike Scott** is a former Financial Times journalist who is now a freelance writer specialising in business and sustainability. He has written for The Guardian, the Daily Telegraph, The Times, Forbes, Fortune and Bloomberg.

# 'If there is to be a just low-carbon transition, companies can't ignore their workers'

ShareAction's [Aine Clarke](#) explains how the investor-led Workforce Disclosure Initiative is seeking to protect vulnerable workers and promote decent jobs for all



Many companies reported that they were unaware of pay conditions for workers located outside their headquarters.



[VIEW ONLINE](#)



NICOELNINO/SHUTTERSTOCK

Investors are waking up to the effects that wage inequality, in-work poverty and precarious work have on workers and business. Coalitions of forward-thinking shareholders are now forming to address it.

The **Workforce Disclosure Initiative (WDI)** is made up of 127 investors, who collectively manage \$14 trillion in funds. They are supporting a survey that asks 750 major international companies to disclose more standardised data on topics including health and safety, workers’ rights, diversity and wage levels.

Co-ordinated by **ShareAction**, these investors have already secured disclosures from many of the world’s largest listed firms – and 21 of the world’s 100 largest – including Mastercard, Nestlé, BHP, Toyota, HSBC, Adidas and AT&T. Disclosers to the WDI in 2018 employed over eight million people, with millions more working in their supply chains. The phenomenal response rate shows that companies are supportive of increased disclosure and transparency in workforce data, and despite reporting gaps, there were encouraging examples of leadership from companies across all sectors.

Overall, however, the **findings from the 2018 report** indicate there is still a long way to go. The report showed that there was lack of clarity in submissions about the selection and prioritisation of workforce-related risks and opportunities, and almost no detail on how these risks were being managed. Answers relating to governance were also surprisingly ambiguous, showing uncertainty about board member responsibility for workforce-related risks and opportunities, or how responsibility for the workforce was cascaded through to management.

Disclosure was higher in mandated areas, ie issues of legal compliance, with around a third of responders reporting executive pay ratios and gender diversity. But there was little data on workers on the lowest pay. Many companies reported that they were unaware of pay conditions for workers located outside their headquarters, and there was significantly less information on compensation for the contingent workforce and the supply chain. >

Activist investors are helping secure disclosures from global corporates.



**Disclosers to the WDI in 2018 employed over eight million people, with millions more working in their supply chains**

Indeed, supply chain questions were the least well answered, showing that companies were still reliant on conventional, but now discredited, social audit approaches. Data submitted didn't show an understanding of the link between workforce-related risks and human rights due diligence, ie that human rights due diligence must be the starting point for any meaningful identification of risks to workers. And while it is encouraging that over half disclosed union coverage across their operations, the majority did not want this information in the public domain. There was also weak or absent data on due diligence on enabling rights such as freedom of association and collective bargaining.

The lowest disclosure was in sections where there was an emphasis on quantitative data, for example, turnover, training and development, some aspects of the supply chain and quantitative areas within composition and workers' rights. Here companies often said they did not collect, or aggregate the data, and cited various reasons including lack of resources, outdated systems, or that they didn't see the question to be material to their business.

Lack of resources and survey fatigue were the primary pushback from companies during the 2018 reporting cycle, but investors are encouraging companies to disclose to the WDI as a starting point for continuous engagement.

And indeed, from the report, it was clear that better responses came from companies disclosing to the WDI for a second time, suggesting companies were potentially learning to capture the information and use the guidance materials. Investors have indicated that completing the survey sends a signal to the market that the company is listening to its shareholders and conducting appropriate due diligence on its workforce.

It is also a telling sign of the attitude adopted in relation to employees: do companies see the latter as costs or drivers of value? This is increasingly important in the context of a just and inclusive transition to a low-carbon economy. A company that ignores its workforce in this transition risks failure.



**Shedding light into the darker corners of a corporation is vital to protecting vulnerable workers**

## 8 DECENT WORK AND ECONOMIC GROWTH



Disclosure is a step towards SDG goal 8 of 'decent work for all'.

Building on the success of last year's survey and an ever-growing coalition of investors, the WDI has expanded its remit to 750 global companies. Strong global partnerships with SHARE in Canada and the Responsible Investment Association Australasia have also enabled the expansion of its US and Australasian presence and target list. While disclosure is the first step, the ultimate goal is to improve the quality of work for millions of workers globally, in line with SDG goal 8 "decent work for all".

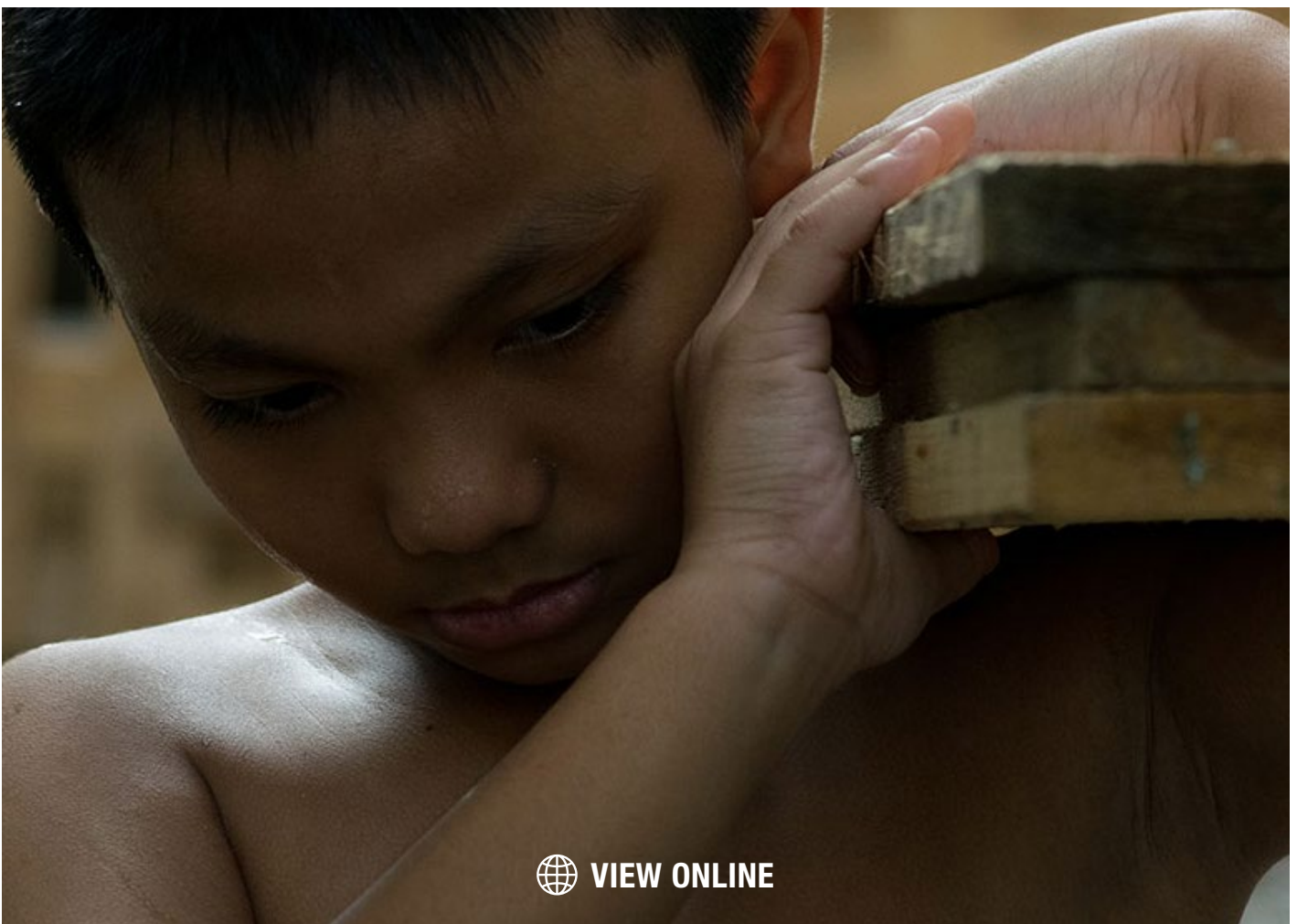
If we're going to reach this goal, investors need to mobilise companies in support of good workforce reporting. It might sound arduous, but shedding light in the darker corners of the corporation is vital to protecting the interests of vulnerable workers. It's also just good business. ■



**Aine Clarke** engagement officer for the Workforce Disclosure Initiative at ShareAction.

‘Do we need a Paris Agreement on social issues to get companies to take them seriously?’

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With transparency on human rights lagging climate change in corporate reporting, [Mike Scott](#) looks at the rising reputational, legal and brand risks, and some of the companies that are leading the way



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hen it comes to reporting on non-financial issues, human rights are low on companies’ agendas. And yet, human rights issues are vitally important to business. This is highlighted by examples ranging from the recent \$5bn lawsuit filed against BHP Billiton related to the collapse of the Mariana dam at a mine in Brazil in 2015, to the use of forced labour in Uzbek cotton fields and the campaign by investors against gun manufacturers in the wake of school shootings in the US.

Sectors with particular human rights issues include food and beverages, apparel, ICT, extractives, construction, hotels and tourism, pharmaceuticals and automotive.

There are also new risks emerging all the time, such as new issues around data and privacy, which will affect not just tech companies but also retailers, automotive companies and banks that hold customers’ data.

“It’s almost a question of which sectors don’t have significant issues,” says Caroline Rees, president of *Shift*, a non-profit organisation that works with companies as well as governments, investors and civil society to embed respect for human rights in business practices.

Since the introduction of the [United Nations Guiding Principles on Business and Human Rights](#) (UNGPs) in 2011, which highlight companies’ responsibility to respect human rights, corporate activity on human rights has increased, but it is still very limited, says Dan Neale, programme director of the [Corporate Human Rights Benchmark](#) (CHRB). >



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It’s almost a question of which sectors don’t have significant human rights issues

ROMERITO PONTES



VUCARALI/SHUTTERSTOCK

and part of this will be the development of better metrics for social matters, which have been somewhat neglected to date.”

**SHIFT IN EMPHASIS**

Historically, human rights reporting was mostly focused on philanthropic activity, not how business is done, says Rees. The UNGPs “moved us from an era where human rights was seen as closely akin to corporate social responsibility. It was seen as voluntary and not really an expectation of business,” she adds. “Now there is a self-standing standard of conduct for business when it comes to human rights and it is very rare for people to say that businesses don’t have responsibilities.”

Business is there for a purpose beyond just making money, and there is a parallel between human rights and climate change, she points out. “There are gross inequalities that reflect how companies have externalised costs onto people, just as climate change results from the externalisation of costs onto our planet. Treating people with dignity is part of what it takes to have sustainable societies.”

The risks to human rights are converging with tangible risks to business and it is becoming more obvious inside companies why they need to take them into account, Rees says. Human rights risks, like many others, are being amplified by the greater speed of communication social media has created and the increased expectations of consumers, business customers and regulators. This is creating reputational, legal and brand risks.

Neale at the CHRB agrees. “We’re encouraging people to be transparent because human rights issues are likely to be material to the company in the long run,” Neale continues. “Doing it well will help companies to get ahead of the legislative framework and laws such as the UK’s Modern Slavery Act. Facebook saw \$100bn wiped off its market value, partly because it didn’t understand the consequences of its operations. Shareholder resolutions are increasing, calling for companies to introduce human rights policies, with investors like >

Fashion brands have boycotted cotton produced in Uzbekistan by forced labour.

“There is no Science Based Target or Paris Agreement for human rights, which can pull down lots of issues into one or two numbers, like there is for climate change,” he says.

“There is no way for pension funds to exclude companies that don’t do human rights due diligence.”

Neale adds: “Disclosure and transparency is worse than for other sustainability issues. Partly that is because this is a relatively new area for business. The environment has a 30-year history of action. Social issues don’t have that yet.”

Attention has recently, quite understandably, been focused on environmental-related reporting, especially in the field of carbon emissions, says Hilde Blomme, deputy CEO of Accountancy Europe. “However, concentrating solely on environmental matters can have hugely negative consequences on social matters, especially at a local level [such as the loss of jobs when a polluting factory is shut down]. Businesses must pay more attention at integrating both environmental and social matters into a holistic plan for the future,

**Concentrating solely on environmental matters can have hugely negative consequences on social matters, especially at a local level**



WASANT/SHUTTERSTOCK



KIT LAU/SHUTTERSTOCK

Above: The food industry is one sector with particular human rights issues.

Left: Adidas was the best-performing company in the CHRB's 2018 assessment.

Aviva integrating human rights scores into their voting practices.”

Human rights reports are important because they allow companies to create a narrative around issues that are not always easy to explain or quantify. “Having a narrative is a concrete way for stakeholders to understand what we do and follow up any issues,” says Lauren Muusse, who is responsible for human rights reporting at ING. “It also creates a powerful platform for increasing accountability externally and for tracking and driving progress internally.”

**TRANSPARENCY IS VITAL**

Investors are increasingly demanding information on companies’ human rights risks, says Anna Pot, responsible investments manager at APG Asset Management. “These issues clearly have an impact on the bottom line. Investors want to see companies joining the dots. When we know how the company thinks about and addresses these issues, we can

make better, more conscious investment decisions.”

Rees says the process of reporting on human rights has a catalysing effect because “it forces a set of conversations inside the company – ‘Do we know about this? What are we doing about it?’ It forces people to think about what their impacts are and what their peers are doing, so it is really important as a wheel of change.”

While there has been an increase in disclosure, especially by European companies, there is still a lack of transparency and data, says Neale, whose organisation ranks companies annually on their performance on human rights and reporting. “The best-performing company in the 2018 assessment, Adidas, scored 87%, but a quarter of companies in the benchmark scored less than 10%. US companies score, on average, half what European companies do, but their scores are still double those of some Russian and Chinese companies.”

The problem is that companies feel no pressure to report on human rights, and while the Guiding Principles push disclosure, there is often no legal obligation to do so. “Those companies that don’t disclose don’t have to – there’s no legislation that makes them,” Neale says. “Nor have they had enough pressure from investors to do so.”

Rees points out that a lot of human rights reporting lacks substance. “There is still a lot of talk about the language of commitment – ‘we have a policy, we do a human rights assessment and there is a process.’ There is very little about outcomes for people or assessment of whether what companies are doing leads to improvements.”

The CHRB seeks to tap into the competitive nature of the market to improve disclosure, Neale >

says. “Coca-Cola, for example, was not very happy with its score in our first benchmark and decided to become more transparent as a result.”

The CHRHB plays a vital role in highlighting how poor disclosure is at the moment, says Pot. “If you look at the data, there has been some improvement, but scores are still alarmingly low.”

The CHRHB focuses on the apparel, agriculture, extractives and ICT manufacturing sectors. It assesses the company’s management approach to human rights (commitments, processes and resourcing) and how it deals with specific issues (like forced labour, living wages and allegations of human rights abuses), and provides a framework for companies to understand gaps and how to improve.

The impact of much engagement on human rights is diluted, in part because specific investors and other stakeholders, including consumers, are focused on single issues, from the impacts of artificial intelligence to the #MeToo movement to gun control. Another problem is that there are many issues that people care about but don’t realise they are human rights, or get nervous or confused around human rights.

“The vast majority of companies need to increase their transparency and align their reporting around public expectations so that everyone has the same understanding of what should be disclosed,” Neale says. “We can’t have a reasonable debate around performance until the disclosure playing field has been levelled.”

**HOW SHOULD COMPANIES BE REPORTING?**

Shift looks for three things in company reports on human rights, says Rees. “Firstly, they should talk about the challenges because no one company has this nailed, and many issues are not caused by an individual company. Second, they need to give specific examples, tell us what they found and how they are addressing the key issues. And third, they need to be forward-focused – tell us what their



ANTB/SHUTTERSTOCK

New risks to human rights are emerging, such as around data and privacy.

targets are and what they will be doing next to make progress.”

She cites companies such as consumer goods group Unilever, oil major Total, apparel retailers H&M and Marks & Spencer, miners Anglo American, Newmont Goldcorp and Rio Tinto, automakers Ford and Daimler, and Dutch bank ABN Amro, as well as Citi, as producing some of the better human rights reporting.

But Pot adds that while things are moving in the right direction, there is still a long way to go. It is clear what companies need to do, she says. “Companies that have not done anything should introduce human rights policies and do due diligence. Write a policy, publish it and implement it. Companies that already have policies should do better.” ■



**We can’t have a reasonable debate around performance until the disclosure playing field has been levelled**



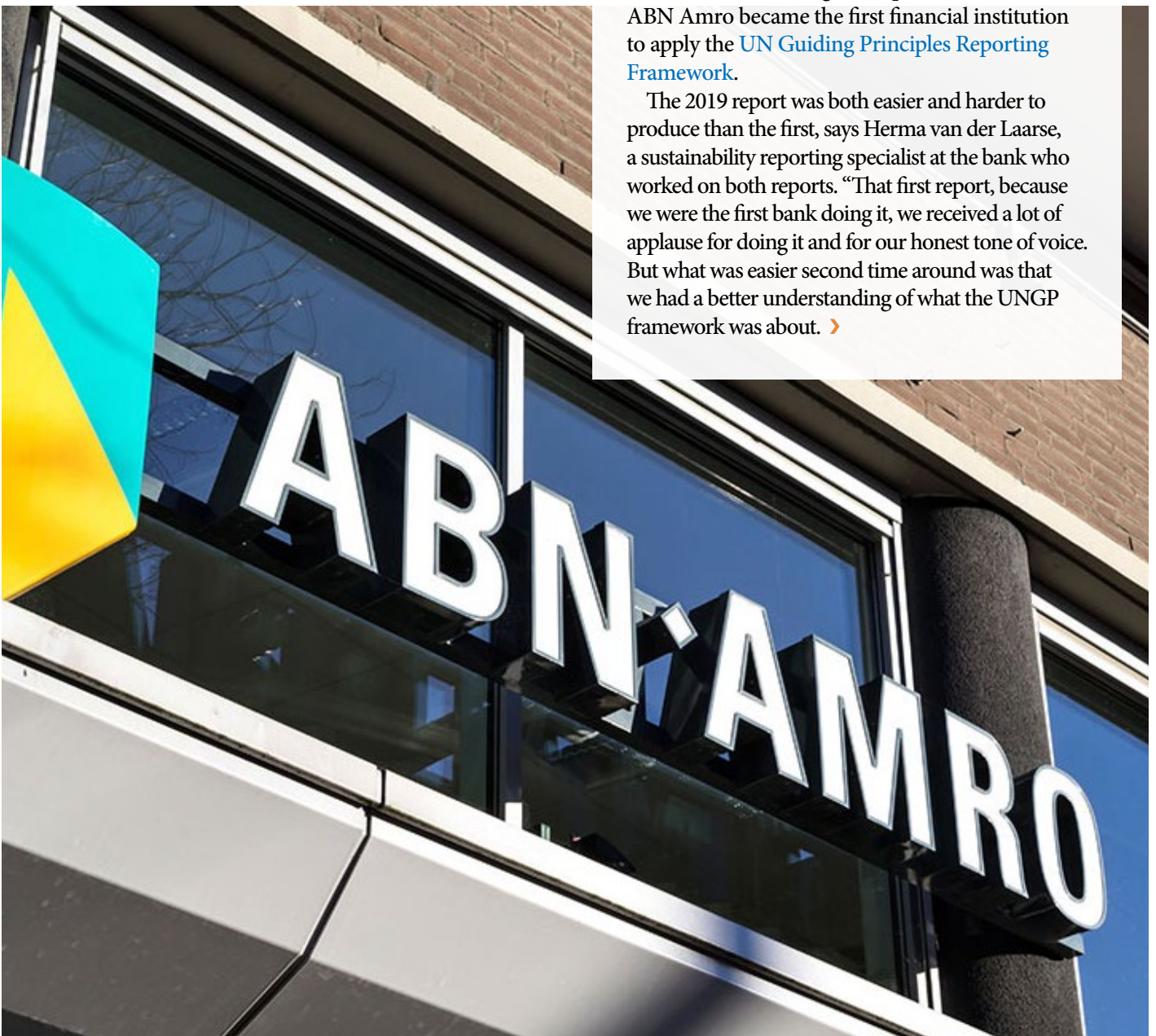
**Mike Scott** is a former Financial Times journalist who is now a freelance writer specialising in business and sustainability. He has written for The Guardian, the Daily Telegraph, The Times, Forbes, Fortune and Bloomberg.

# ABN Amro gets to grips with salience in second human rights report

 [VIEW ONLINE](#)

**D**utch bank ABN Amro published its second [Human Rights Report](#) in February 2019. This followed its inaugural report in 2016, when ABN Amro became the first financial institution to apply the [UN Guiding Principles Reporting Framework](#).

The 2019 report was both easier and harder to produce than the first, says Herma van der Laarse, a sustainability reporting specialist at the bank who worked on both reports. “That first report, because we were the first bank doing it, we received a lot of applause for doing it and for our honest tone of voice. But what was easier second time around was that we had a better understanding of what the UNGP framework was about. >



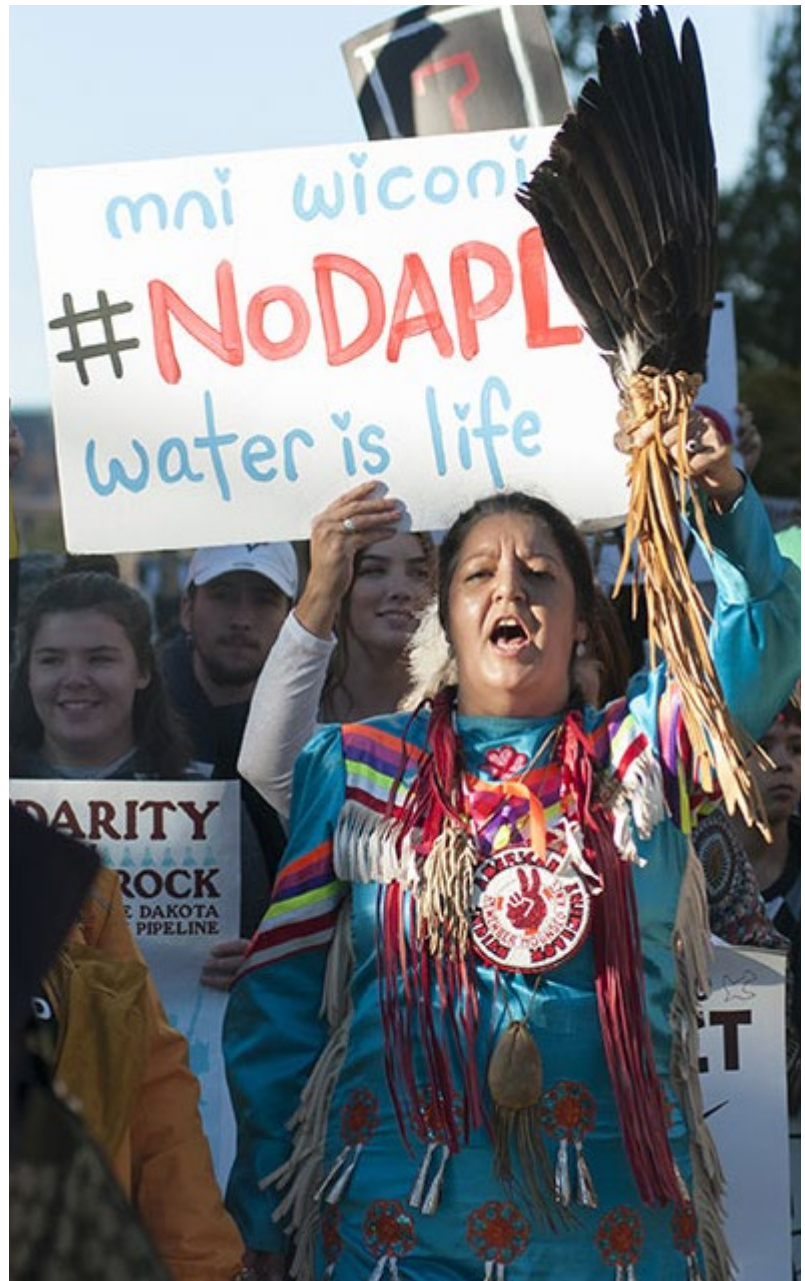
“When writing the first report, we were not sure how to interpret the framework. We initially wanted to comply with the entire framework, but we learnt that this was impossible [and] also not necessary. We use the framework as a benchmark, to collect the right information, to ask the right questions, to identify certain examples or approaches as relevant. The framework helps us to identify gaps, areas for improvements and challenges, which is very helpful in steering our human rights efforts and our level of transparency.”

The other big issue the bank faced was getting to grips with the idea of “salience”. The reporting framework asks companies to identify their salient issues, “which was – compared to the concept of materiality – a whole new idea of how to look at human rights to determine which rights are at risk of the most severe negative impact through the bank’s activities or relationships,” Van der Laarse says.

With materiality, a company works out which environmental, social and governance issues have the biggest impact on its operations. But while materiality focuses on the impact on the business, salience focuses on the company’s impact on human rights holders. “The impact of a particular activity on the company could be very small, but it could make a big difference to rights holders,” she adds.

ABN Amro identified four key areas – privacy, discrimination, labour rights and land-related human rights. The importance of each of these salient issues varies depending on its role. Privacy relates mainly to clients (and employees, though to a lesser extent), while discrimination affects both its employees and actual and potential clients. Labour rights is a factor for employees but also workers in client supply chains and companies in which the bank invests on behalf of clients. Land-related rights affect local communities and indigenous peoples in relation to corporate clients or companies in which the bank invests on behalf of private clients.

ABN Amro’s first report was, to a large extent, based on qualitative information such as anecdotes and stories, but in its most recent document, the bank



ARINDAMBANERJEE/SHUTTERSTOCK

ABN Amro identified land rights as one of four key human rights areas to focus on.

attempted to provide more quantitative information, such as the number of engagements related to human rights and the number of people in debt-avoidance programmes. “However, we also had lots of discussions about how useful data is. You need to think about what are the right key performance indicators (KPIs) before reporting on an issue,” Van der Laarse says.

“Many people think human rights is a difficult topic and are a bit frightened by it. Our human rights reports have really helped to explain to colleagues that it is not a frightening concept, but the reality of our business every day. They help to explain that everyone has a role to play.” ■

Mike Scott

“Our human rights reports have really helped to explain to colleagues that it is not a frightening concept, but the reality of our business every day



PHILIP LANGE / SHUTTERSTOCK

## JLL's three-pronged approach to human rights reporting

**R**eal estate and property services company JLL came to human rights reporting through the [UK Modern Slavery Act](#), which requires companies to create a modern slavery statement.

Richard Batten, JLL's, global chief corporate responsibility officer, says: "The difficulty is in translating your statement into improving what is going on out there. People are far less engaged on human rights than climate change or plastic, and for clients, there is a cost to this that they have to consider."

His company tackles the issue in three ways. "We do a risk segmentation, looking at risks by sector, business line and geography, so building workers in Qatar in the run-up to the World Cup

may be categorised as being at risk, for example," he points out. Once the risks are identified, the company uses a pre-qualification process, where suppliers commit to abide by JLL's vendor code of conduct and not engage in human rights abuses.

Education is the second strand. "We educate our people and our suppliers in a process of continuous improvement," Batten stresses. He highlights how policy can evolve, citing the example of a security company in Vietnam that JLL dropped because its staff worked double shifts. "That was probably not the right way to do it – it was some time ago. Now we go through a far longer education process. You're often dealing with cultural issues where, for example, people want to work double shifts."

The third approach is through partnership with other global corporations. "At a time when business is becoming ever-more global, many countries are becoming more inward-looking and standards can be quite variable. Governments are not providing 'the glue' on this issue. We look to develop deeper relationships with clients and work on this together. There is an additional cost, but it's a way forward." ■

**JLL assesses risk, for example Qatar building workers in the run up to the World Cup.**

**Mike Scott**

# From Untouchables to **PLASTIC WASTE ENTREPRENEURS**

Helping waste pickers get ID cards is a critical step to lifting them out of poverty.



Terry Slavin travels to Bangalore to meet the waste pickers who are gaining respect and higher incomes through The Body Shop's community traded plastic waste programme

 [VIEW ONLINE](#)



In a desolate waste ground opposite an upmarket apartment building in the outskirts of Bangalore, women and men squat under scant cover from the boiling sun, sifting with their bare hands through mountains of rubbish discarded by the building’s residents.

It is a scene that seems far removed from smiling women in saris balancing mangoes on their heads, or farmers in Kenya harvesting tea tree fronds, the familiar faces of The Body Shop’s community trade programme, which has been going for 32 years.

Still, the Bangalore waste pickers, who are the poorest and most low-caste denizens of this city of 8.5 million people, are the newest recruits to the cosmetics company’s community trade programme. Instead of providing ingredients for The Body Shop’s products, they are contributing recycled plastics to be reused in its packaging, in a novel solution to the plastics crisis that also addresses an increasingly urgent social need: to improve the lives of people in the informal recycling sector.

In May, the project became the first plastic recycling scheme to achieve Fair Trade certification by the World Fair Trade Organization.

“It isn’t [a project] providing natural ingredients or a gift or accessories [like other Community Trade projects],” says the company’s global community trade manager, Lee Mann, “but the principles are the same: to use the power of trade to promote positive change. Why not use community trade to tackle one of the world’s biggest problems?”

Recycling may be key to tackling the rising tide of plastic pollution, but most developing countries



THE BODY SHOP

Waste pickers access an above-market price for the PET plastic they collect for The Body Shop.

have no formal infrastructure in place. According to supply chain human rights NGO [Verité](#), the human cogs in the circular economy wheels in much of Latin America and South-east Asia are an “invisible population” of street pickers, small businesses, and family operations who work in hazardous and dirty conditions, for which they are only able to scratch a subsistence living.

In India alone, 1.5 million waste pickers collect and sort more than 6,000 tonnes of plastic every day that could otherwise pollute rivers and oceans.

When The Body Shop invited a small group of journalists and social media influencers to India to see its community-traded plastics project earlier this year, we met waste pickers and waste entrepreneurs involved in the full spectrum, up to workers in the aggregation centre where PET plastic is separated out and baled to be sent to the Netherlands for reprocessing into food-grade plastic for bottles of Shea shampoo. >



**In India alone, 1.5 million waste pickers collect and sort more than 6,000 tonnes of plastic every day**



THE BODY SHOP

But the first stop was the primary recycling unit run by Shaktiman, whose 22-year old daughter, Dolly, is the poster girl for The Body Shop’s programme.

Mann explains that most waste pickers in India are Dalits, previously known as Untouchables, but many others, like Shaktiman and his family who moved to Bangalore from Delhi four years ago, are migrants from other parts of India, and just as prey to discrimination and poor living and working conditions.

Shaktiman, who runs the recycling unit, pictured with his wife.

Watching the waste pickers comb through rubbish, picking out broken glass, metals, textiles and paper with their bare hands, the difference being made by The Body Shop programme is not apparent. Mann admits that conditions in the rat-infested and crowded site are “not healthy at all”.

But he explains that Shaktiman has only been supplying PET for The Body Shop for the past four months, and it will take time to build the trust and investment that will be required to implement change.

Andrew Almack, CEO of Plastics for Change, the for-profit social enterprise that is supplying The Body Shop with PET plastic, explains that Shaktiman, who employs and houses 13-14 people at any one time at his site, which he rents from a private landlord, benefits from something that others in India do not have: a secure and above-market price, for the PET he collects, which The Body Shop has guaranteed for the next three years. ➤



**Most waste pickers are Dalits or migrants from other parts of India, and prey to discrimination**

Almack says waste pickers in India face a precarious payment system for the materials they collect. “They have lots of trouble knowing what price they are going to get paid, even when they are going to get paid” by scrap dealers, who themselves are living hand-to-mouth existences, Almack points out.

The volatility particularly applies to high-value PET, the most recyclable form of plastic, where prices can fluctuate by as much as 50%.

Plastics for Change has created a mobile phone app with integrated voice response and SMS messaging that allows even illiterate waste pickers to find out which scrap dealers will take their PET, the price they will be paid, and incentivises the dealer to pay on delivery.

The same app, which won MIT’s inclusive innovation challenge this year, also connects waste pickers to Hasiru Dala, a non-profit organisation that provides social services to about a third of Bangalore’s estimated 35,000 waste pickers.

It is run by Nalini Shekar, the dynamic wife of Shekar Prabhakar, who heads up Hasiru Dala



**They have lots of trouble knowing what price they are going to get paid by scrap dealers, who themselves are living hand-to-mouth**

Innovations (HDI), the Plastics for Change franchise that is supplying The Body Shop’s PET requirements.

The pair set up HDI in 2011 after moving to Bangalore from Delhi, where Nalini had worked with waste communities for decades, co-founding India’s first trade union for waste pickers in 1997.

Together, the pair have worked to formalise the informal waste picker economy in Bangalore, helping them win contracts to run many of the waste collection centres in the city. Nalini explains that the partnership with The Body Shop and Plastics for Change will enable HDI to invest in more improved >

Lee Mann of The Body Shop says the plastics scheme is using the power of trade to promote positive change.



THE BODY SHOP



THE BODY SHOP

community trade principles of elevating conditions and pay for workers.

**PET PROJECT**

Almack says paying waste pickers a proper wage is not only the right thing to do, it makes good business sense.

“The trouble with recycling in India today is that there is no really good quality-control process. Plastic is mixed together so that it can only be downcycled to make things like plastic buckets or logs or furniture. .... Consumer goods companies have trouble getting consistency of supply at a cost that isn’t prohibitive.”

He said Plastics for Change’s franchise model aims to make it easy for Indian entrepreneurs to set up recycling businesses to meet demand.

“We give them a stabilised price, a way to access the market and a tech platform that allows them to source the plastic really effectively.”

“If a brand needs so much plastic we reverse-engineer the supply chain to ensure they get it on time and in full. And by having transparency in the supply chain, we can ensure quality is met at each stage.”

Although Hasiru Dala Innovations is Plastics for Change’s main franchise partner in fulfilling The Body Shop’s initial demand for 250 tonnes of Fair Trade plastic, Almack said, “other franchises will feed in as they ramp up volumes.”

By 2022, the beauty brand expects to be purchasing more than 900 tonnes of recycled PET and empowering up to 2,500 waste pickers.

Although PET is being sent to the Netherlands for reprocessing to meet The Body Shop’s need for food-grade PET, he said there are reprocessing facilities in India that can meet demand from other clients, including in the auto industry, which are looking to incorporate PET and other types of recycled plastics, such as polypropylene and high-density polyethylene, in their supply chains.

There are two other Plastics for Change franchisees, and another 50 in the pipeline, including in coastal areas in Karnataka and >

facilities, such as automated belts, and in health and safety equipment like gloves and masks.

“The waste pickers are very, very strong and resilient. I love to work with them,” says Nalini. “They are like cacti, even in the desert they grow. They have to fight with local people, with the pigs and the dogs in the streets just to pick up waste.”

Shekar says helping waste pickers to get ID cards is a critical first step to getting them the respect they deserve and lifting them out of poverty.

“Until 2014 no one was sure who owned the waste,” Nalini said. “People used to say they were beggars and thieves and police would round them up.” Armed with the ID cards, not only do the police leave them alone, waste pickers can access the city’s services for the first time, and take out bank accounts the first step to allowing them to build up savings.

Almack, a 29-year-old Canadian who last year made the Forbes 30 Under 30 Asia list, credits a meeting with The Body Shop’s international sourcing director, Mark Davis, at Ethical Corporation’s Responsible Business Summit in Singapore in 2016 as the turning point for his nascent start-up.

The Body Shop, which was his first commercial contract, gave Almack seed funding to set up the Plastics for Change supply chain, technical support to improve the quality of the plastic, and help developing his franchise model, which is based on

Oceans wildlife campaigner Pixie Geldof was one of the celebrities invited to see The Body Shop project in Bangalore.



**The waste pickers are very resilient. They are like cacti, even in the desert they grow. They have to fight with pigs and dogs in the streets just to pick up waste**



THE BODY SHOP

Kerala. Having just secured C\$150,000 in impact investment from World Vision Canada, and a \$20,000 grant from MIT through its [Solve programme](#) Almack sees a big future in meeting demand from consumer goods companies to integrate high-quality recycled plastics into their supply chains.

Nalini Shekar of Hasiru Dala Innovations (left), and Andrew Almack of Plastics for Change (right).

At the launch of the project in London in May, The Body Shop also announced its new sustainable packaging strategy, aiming to close the loop by integrating a minimum of 75% post-recycled plastic across all its product lines by 2022, up from 10% currently, in partnership with recycling specialist TerraCycle.

Community traded plastics, while important, will only be able to meet a small part of this demand, so The Body Shop is incentivising consumers to return empty packaging to shops in five countries – the UK, Australia, Canada, France and Germany – with the goal of collecting 25% more packaging than it sells. By 2030 the company said it will reduce the type of plastics it uses in its packaging from 20 to three, making them easier to recycle.

The Body Shop’s CEO David Boynton told Ethical Corporation that the company has a big challenge ahead in meeting its stretching targets, particularly when it comes to harder to recycle plastics, like the black lids on all its bottles. “We are so far from where we want to be but this project is a good step in the right direction.”

He said the company was determined to meet its goals, and wanted to share where it was on the journey, even if that meant showing journalists the less than ideal conditions of the waste pickers at Shaktiman’s recycling site.

The Body Shop won’t be able to improve conditions for waste pickers on its own, he pointed out. Other brands need to join to create a bigger market for fairly traded plastics.

“Do we put our head above the parapet and start talking [about what we are doing] today, or do we wait until it’s perfect?” ■

*Terry Slavin travelled to India as a guest of The Body Shop*



**The Body Shop can’t improve conditions for waste pickers on its own. Other brands need to join to create a bigger market for fairly traded plastics**



**Terry Slavin** is the editor of Ethical Corporation magazine

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# **HARNESSING THE POWER OF REFUGEES**

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Hamdi Ulukaya, founder of Tent, with working refugees in Jordan.

TENT

# Inside the tent:

How brands are stepping up to the refugee crisis

Michael Levitin reports on how companies from Chobani Yoghurt to WeWork, IKEA and Airbnb are helping to integrate refugees into their workforces and supply chains

 [VIEW ONLINE](#)



O

n World Refugee Day in June, the Tent Partnership for Refugees released a [study](#) showing that 44% of consumers in Italy, France and Germany were more likely to buy products and services from companies that hire or help refugees, compared with 14% who said they would be less likely to do so.

Among millennials, aged 18-35, a whopping 77% favoured pro-refugee brands.

The study mirrored similar findings in America and confirmed what has become increasingly clear to businesses around the world: hiring refugees not only diversifies and strengthens a company's workforce, but creates greater brand loyalty in an era when consumers want to see businesses acting as a force for good.

Tülin Erdem, chair of New York University Stern's marketing department and co-author of the Tent report, said the results demonstrated "that brands can simultaneously do good for the world around them and do well by attracting a new generation of customers."

Meanwhile, the International Chamber of Commerce marked World Refugee Day by launching a partnership with the UN Refugee Agency (UNHCR) and issuing a call for companies to hire greater numbers of refugees, who now number 70 million worldwide. Last year alone, 2 million people were displaced from their homes, and around 28,000 are still forced to flee



OLESEA VETRILAY/SHUTTERSTOCK

Among millennial shoppers, 77% favour pro-refugee brands.

on a daily basis due to persecution, conflict and natural disasters.

"The private sector has an enormous capacity to empower refugees as full participants in the global economy," the ICC said in a statement. "As economic actors, policy influencers, employers and innovators, business has the tools and capacity to contribute to win-win solutions that support the integration of refugees into the workforce and bring value to society as a whole."

The global refugee crisis isn't new, but more companies are now recognising the enormous economic potential of bringing refugees into their supply chain. A report published in April by the Centre for Policy Development and the Open Political Economy Network looked at refugee employment in Australia and found that the yearly addition of 1,000 refugee-owned businesses in the country would generate \$100m annually. >

“

**Brands can do good for the world around them and do well by attracting a new generation of customer**



ORLOK/SHUTTERSTOCK

Turkey is home to 4m refugees fleeing the war in Syria.

**30 SECOND READ**

- Refugees number 70m worldwide. The International Chamber of Commerce has called for companies to hire more refugees. Studies show doing so is good for business – 44% of consumers in Italy, France, and Germany say they are more likely to buy products and services from companies that hire or help refugees, rising to 77% among millennials.
- Yogurt brand Chobani employs 2,000 people in upstate New York, 30% are immigrants or refugees. CEO, Hamdi Ulukaya, founded the Tent Partnership for Refugees, which works with companies and organisations to provide living and workplace opportunities for asylum seekers.
- Ice-cream brand Ben & Jerry’s supports around 500 refugees, while in Turkey – home to 4m asylum seekers – Puma, Inditex and H&M are stepping up hiring.
- Dutch bank ING is providing over \$10m in loans to refugees to grow small businesses in Turkey, where it is estimated that Syrians own more than 10,000 businesses. In Jordan, Ikea is hiring refugee women to produce artisanal goods.

Another recent study, by the Brookings Institution, found that Syrians living in Turkey now own more than 10,000 businesses, employing around 10 people on average.

Of all the companies helping and hiring refugees, none has drawn more attention than the best-selling yogurt brand Chobani. Its billionaire CEO, Hamdi Ulukaya, was raised by nomadic sheep farmers in the mountains of Turkey and came to America in 1994. A decade later, he founded the yogurt business in upstate New York that today employs more than 2,000 people.

Ulukaya not only pays his factory floor workers twice the federal minimum wage, but was determined from the start to bring refugees into the production process. Hiring them wasn’t a political act, he said in a recent interview with Inc, but simply part of the business model, and one that proved an overwhelming success.

“At Chobani today, 30% of our employees are immigrants or refugees. More than 20 languages are >



Nearly three-quarters of US companies experience lower turnovers for refugee employees

TENT

spoken at our plants. This was not about politics; this wasn't my refugee work. This was about hiring from our community. Refugees are dying to provide for their community. I always said that the minute they got the job, that's the minute they stopped being refugees."

In 2016, Ulukaya founded Tent, which has since worked with companies and organisations worldwide providing living and workplace opportunities for asylum seekers.

Gideon Maltz, the executive director of Tent, said in an interview with Ethical Corporation that Tent's goal is to integrate refugees into the business community by showing companies the "comparative advantage" of hiring a more diverse workforce.

Refugees independently have high rates of entrepreneurship. But as employees they bring a distinct strength to firms. For one, they help make the workforce more inclusive and diverse.

Refugees also have higher company loyalty and retention rates than average employees. According to one Tent survey, nearly three-quarters of US companies experience lower turnovers for refugee employees.

He said companies from many sectors – banking and energy, telecommunications and retail – are finding ways to integrate refugees into their workforces, or to directly support refugee-owned businesses, with encouraging results.

The global ice cream brand Ben & Jerry's, for example, is supporting around 500 refugees, both employing them as ice cream sellers and supporting their entrepreneurial efforts to start their own businesses.

In Brazil, Uber Eats, a food delivery platform hosted by the car-sharing service Uber, is helping steer customers to diverse refugee-owned food businesses.

The oil giant Shell is attempting to improve energy access to refugees, while the French company Tedesco has committed to hiring more refugees for catering and cleaning services.

Brands like Hilton and AccorHotels have increased their number of refugee hires. Starbucks has committed to employing 10,000 refugees worldwide, and the tech company Dropbox has announced plans to support refugee job seekers.

Amid Syria's ongoing civil war, Turkey has become the country hardest hit by the influx of >

More companies are recognising the economic potential of employing refugees.



TENT

refugees. It is home to 4 million refugees, the most on the planet. To that end, the Dutch bank ING is providing over \$10m in loans to refugees to help them grow small businesses in Turkey. Puma, which has numerous factories in the country, is now seeking to fill between 2% and 3% of its workforce with refugees, while clothing giants like H&M and Inditex are both stepping up their refugee hiring in the manufacture process.

Meanwhile, IKEA Group, operating in nearby Jordan, is hiring refugee women to produce artisanal goods – think embroidered pillowcases – that the company then sells around the world.

“If you’re a businesses in any of the major Turkish cities like Istanbul, Ankara, Izmir, you

Lenders, including ING bank, are providing loans to refugees to start businesses.

can’t ignore that there are literally millions of refugees, and you need to make a decision to either proactively work with them and hire them or, what often happens, [leave them] without access to decent jobs,” said Maltz.

He said companies like IKEA, H&M and others “are trying to bring refugees into their supply chains and into the products that they make and sell in their stores. It’s not about giving away money: it’s about making products that people will like.” ■



**Michael Levitin** is a journalist based in Berkeley, California, covering climate and clean energy financing among other topics. He has written for The Atlantic, The Guardian, Time and Newsweek.



**It’s not about giving away money; it’s about making products that people will like**

# Airbnb opens new doors to refugees

**A**irbnb’s approach to helping refugees has been innovative in more than one way. In 2012, the global apartment-sharing service launched its Open Homes programme to help house victims of natural disasters, inviting hosts to “share your space for good”.

Then, in response to President Donald Trump’s travel ban in 2017, the programme introduced its refugee service, where hosts open their homes to refugees free of charge.

With \$4m budgeted over four years, Airbnb says it is committed to help refugees and asylum seekers find housing by offering “travel credits” to agencies like Hias, in Ecuador, which helps house asylum seekers fleeing the crisis in Venezuela, or the International Rescue Committee, which books homes globally for refugees as part of its resettlement process.

“It costs nothing to the agency and nothing to the refugee. Airbnb is making that contribution, identifying those moments in a refugee’s journey where we can make the most impact,” says Kellie Bentz, an Airbnb executive with Open Homes.

Airbnb’s Open Homes programme invites hosts to open their homes to refugees

Unlike the anonymity of hotels, the Open Homes experience “creates belonging and connectivity, especially when [refugees] come to a foreign place they’ve never been, by placing them in homes with hosts where they can feel much more connected to the community. We want there to be a massive market of free and available listings.”

The company says it is also helping refugees earn money directly by enabling them to become hosts offering paid “experiences”, such as leading tours or teaching cooking classes and other artisan crafts.

From Jordan to Kenya to Brazil, refugees are bringing in much-needed income for their families through Airbnb, and in many cases, “travellers aren’t even aware that they’re helping refugees generate revenue [through] an entrepreneurial type service,” said Bentz.

The company, however, declined to give information on how many refugees have been housed through its programme or how much they have earned. ■

Michael Levitin



 [VIEW ONLINE](#)



Mamadou, centre, fled Guinea and is using his website training to help organisations back home.

WEWORK

‘I am grateful every night when I go to bed, and when I get up in the morning’

**W**eWork has taken a leading role in helping integrate and employ refugees. In 2017, the workspace collaborative piloted a refugee initiative in New York City that has since led to hundreds of refugee hires across the US and globally, from Nepal and Nigeria to Afghanistan and Venezuela. Noting an 80% retention rate for their earliest employees the group committed to hiring 1,500 refugees over five years while expanding its initiative.

It now offers mentorship and training programmes that support refugee entrepreneurs while partnering with IRC, Upwardly Global, Breaking Barriers and

other organisations to assist refugee resettlement efforts and encourage more refugee hiring in the business community.

In June this year, WeWork went further, partnering with The Entrepreneurial Refugee Network, or TERN, to support refugee entrepreneurs. The partnership between WeWork and TERN provides refugees with a physical space to work, mentorship opportunities, networking events and educational a community resources.

That includes free WeWork memberships and access to hundreds of thousands of fellow network members worldwide, which broadens refugees’ chance to find regular employment. “TERN has built a community connecting entrepreneurs and supporting the growth of their businesses,” says Mathieu Proust, general manager at WeWork UK & Ireland.

“There are a lot of refugees like me, and they have a goal,” said Mamadou, who fled Guinea and was hired by WeWork, where he learned to build websites, and is now helping bring visibility to organisations back in his home country. “They just need a little help. I can do something with that. I can help people in my country.”

Another refugee, Amir, fled Iran and spent five years seeking employment in the UK before WeWork offered him an 18-month apprenticeship programme studying security and energy. “For me, this is a dream coming true,” he says. “I am so thankful and grateful every night when I go to bed and when I get up in the morning.” ■

Michael Levitin

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- Allen White, Co-founder, GRI and Vice President and Senior Fellow, Tellus Institute



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