



Agriculture sector companies affiliate with the FLA committing to progressively bring their producing countries and products into the scope of their FLA affiliation over time, in line with Charter requirements. Due to the complex nature of agriculture supply chains, FLA will work with each individual agriculture company to define the scope of affiliation and roll-out plan so that supply chains are mapped and brought into the FLA program. FLA Affiliates are expected to apply these Principles of Fair Labor and Responsible Sourcing at all levels of their supply chain. Where there are both formal and informal workplace structures in a multi-tiered supply chain (e.g. tier 1 suppliers, intermediaries, organizers, cooperatives), the Company Affiliate may ensure the implementation of a Principle benchmark either directly or indirectly through collaboration with supply chain partners and / or other stakeholders.

Below, each of the ten principles is accompanied by numbered benchmarks that explain key activities associated with successfully applying that principle. Each benchmark is then followed by specific examples of select progress indicators that can demonstrate to companies and to the FLA that a principle is being applied.

# PRINCIPLES OF FAIR LABOR & RESPONSIBLE SOURCING FOR COMPANIES WITH AGRICULTURAL SUPPLY CHAINS

**1. LABOR STANDARDS:** Company Affiliate establishes and commits to clear standards.

**1.1 Company Affiliate establishes and articulates clear, written labor standards that meet or exceed those embodied in the FLA Workplace Code of Conduct.**

- a) Affiliate has written labor standards
- b) Labor standards meet the FLA Workplace Code of Conduct

**1.2 Company Affiliate leadership formally commits to uphold labor standards and to integrate them into company business practices.**

- a) Demonstrated commitment from CEO to upholding and integrating labor standards

**2. COMPANY STAFF AND IMPLEMENTING PARTNER TRAINING:** Company Affiliate identifies and ensures that the specific personnel responsible for implementing labor standards (at head office and in the regions) are trained and are aware of the workplace standards criteria.

**2.1 Company Affiliate identifies the person(s) responsible for administering and implementing its labor standards compliance program. Each upstream tier of the supply chain shall identify the person(s) that contribute to the Affiliate's program.**

- a) Company Affiliate organizational chart designating title, name and contact information of responsible individual(s)
- b) Job description(s) or other equivalent to demonstrate relevant responsibilities
- c) Evidence of a process in place to ensure all labor standards personnel are identified

**2.2 Company Affiliate ensures that the person(s)/team(s) responsible for administering and implementing its labor standards compliance program, including at upstream supply chain tier, are trained and that these people have appropriate competencies.**

- a) Appropriate training or other professional development to qualify the person(s)
- b) Minimum training content includes:
  - Code Awareness
  - Child Labor
  - Health and Safety
  - Effective worker-management communication channels
- c) Training feedback or behavioral changes that demonstrate participant knowledge gained

**2.3 Company Affiliate ensures that training is provided to all relevant head office and regional staff on the company’s commitment to labor standards and the integration of standards into business practices. Training occurs at onboarding and refresher training is conducted annually.**

- a) Relevant Company headquarter staff receiving training
- b) Training feedback or behavioral changes that demonstrate participant knowledge gained

**3. SUPPLIER TRAINING: Company Affiliate obtains commitment, drives supplier awareness of labor standards, and tracks effectiveness of supplier workforce training.**

**3.1 Company Affiliate formally conveys labor standards to Tier 1 suppliers and receives acknowledgement of standards and commitment to uphold them. Company Affiliate develops a cascading mechanism to ensure all levels of the supply chain are knowledgeable of the company’s labor standards.**

- a) Percentage of Tier 1 suppliers that have acknowledged and committed to upholding standards
- b) Evidence of a cascading mechanism to ensure labor standards are conveyed throughout the supply chain

**3.2 Company Affiliate obtains agreement from Tier 1 suppliers to facilitate periodic assessments, including those organized by the FLA, and to actively contribute to consequent remediation. Company Affiliate develops a cascading mechanism to ensure all levels of the supply chain agree to facilitate periodic assessments and contribute to remediation.**

- a) Evidence of agreement from Tier 1 suppliers to facilitate assessments
- b) Evidence of a cascading mechanism to ensure there is agreement throughout the supply chain to facilitate periodic assessments and contribute to remediation

**3.3 Company Affiliate conditions future business with Tier 1 suppliers upon continuous improvement of labor conditions.**

- a) Policy on the use of labor conditions information in supplier evaluations
- b) Demonstrated example of labor conditions information used in Tier 1 supplier evaluations
- c) Demonstrated action taken for failure to improve

**3.4 Company Affiliate ensures that labor standards are accessible to intermediaries, farmers, and workers in written form and relevant languages, or – where illiteracy is common – in another relevant form (e.g. illustrated code of conduct, pictograms).**

- a) Evidence of efforts to ensure that intermediaries, farmers and workers have access to labor standards in appropriate forms and relevant languages in all FLA applicable regions.

**3.5 Company Affiliate ensures that intermediaries, farmers and their family members (where applicable<sup>1</sup>), and workers are trained on labor standards at regular intervals.**

- a) Evidence of efforts to verify ongoing labor standards trainings take place up to the worker level in all FLA applicable regions
- b) Training feedback or behavioral changes that demonstrate participant knowledge gained

**4. FUNCTIONING GRIEVANCE MECHANISMS:** Company Affiliate ensures workers, farmers, and their family members (where applicable) have access to functioning grievance mechanisms, which include multiple reporting channels of which at least one is confidential.

**4.1 Company Affiliate ensures there are functioning grievance mechanisms throughout the supply chain.**

- a) Evidence of supplier grievance mechanisms
- b) Evaluation of the use of the grievance mechanism
- c) Evaluation of the effectiveness of supplier grievance mechanisms through relevant user feedback

**4.2 Where local mechanisms are not functioning Company Affiliate provides alternative channels for farmers and workers to contact the Company directly and confidentially.**

- a) Evidence that alternative grievance channels have been provided by the Company Affiliate, if applicable

**4.3 Company Affiliate ensures training and communication is provided to all intermediaries, farmers and workers about the grievance mechanisms.**

- a) Evidence of efforts to verify annual training on grievance mechanisms in all FLA applicable regions
- b) Training feedback or behavioral changes that demonstrate participant knowledge gained

**4.4 Company Affiliate ensures that grievance mechanisms lack penalty and have at least one confidential reporting channel.**

- a) Evaluative evidence that grievance mechanisms lack penalty
- b) Evaluative evidence of at least one confidential reporting channel

**5. MONITORING:** Company Affiliate conducts workplace standards compliance monitoring.

**5.1 Company Affiliate conducts country and commodity-related risk assessments to enhance awareness of the labor risks associated with that specific country and commodity.**

- a) Country and commodity risk assessment documentation for all FLA applicable countries and commodities.

**5.2 Company Affiliate monitors an appropriate sampling of suppliers regularly to assess compliance with labor standards.**

- a) Percentage of suppliers monitored for labor standards by affiliate within the reporting period
- b) Evidence of a risk analysis approach in prioritizing assessments

1. Where production of an agriculture commodity is done with the direct (e.g. when family members work as workers in the production processes) or indirect (e.g. when women are cooking food for the workers, fetching water, etc.) involvement of the producers' family members, Company Affiliates and upstream suppliers shall actively encourage participation of spouses and adult children of the producer in the training and awareness raising sessions.

**5.3 Company Affiliate ensures that its monitoring program includes, but is not limited to: worker interviews, consultation with union or worker representative structures (where applicable), consultation with CSOs and relevant local groups, management/farmer interviews, community profiling, documentation review, visual inspection, and occupational safety and health review.**

- a) Monitoring documentation that includes all appropriate elements

**5.4 Company Affiliate ensures that, where relevant, monitoring is consistent with applicable terms in collective bargaining agreements.**

- a) Verification by affiliate of terms and conditions related to labor standards in suppliers with collective bargaining agreements

**6. COLLECTION AND MANAGEMENT OF COMPLIANCE INFORMATION:** Company Affiliate collects, manages and analyzes labor standards compliance information.

**6.1 Company Affiliate facilitates access to a complete and accurate list of all suppliers, where upstream transparency has been established. Where it has not, Company Affiliate works progressively to achieve a traceable and transparent supply chain.**

- a) Affiliate assurance that FLA has access to a complete and accurate list of suppliers, including location and contact information
- b) Evidence of a plan to work progressively towards a traceable and transparent supply chain, where applicable

**6.2 Company Affiliate ensures the collection and management of information on suppliers' compliance with labor standards.**

- a) A complete and accurate record of small farm suppliers' names, locations, and available compliance information
- b) A complete and accurate record of large farm suppliers' names, locations, and available compliance information

**6.3 Company Affiliate analyzes systemic issues and trends in noncompliance findings.**

- a) Documentation of analysis of systemic issues and trends
- b) Documentation that identifies and tracks repeating forms of noncompliance as well as those that most negatively impact workers

**7. TIMELY AND PREVENTATIVE REMEDIATION:** Company Affiliate works with suppliers to remediate in a timely and preventative manner.

**7.1 Company Affiliate provides regular follow-up and oversight to implement corrective action following all assessments. Remediation plans shall prioritize systemic issues identified by stakeholders and progressively address all remaining noncompliances. Company affiliate takes into account the conditions of small producers and informal supply chains and provides active support in developing and implementing remediation plans.**

- a) Documented process for following up on remediation
- b) Evidence of consultation with unions or worker representative structures on remediation, as appropriate
- c) Documented collaborative process of developing remediation plans for both systemic issues and all remaining noncompliances
- d) Evidence of support provided to small producers and informal supply chains in development and implementation of remediation plans

**7.2 Company Affiliate works with the suppliers to determine root causes and take action to prevent future noncompliance in suppliers.**

- a) Documented collaborative process of root cause analysis
- b) Evidence of actions taken to prevent future noncompliance

**7.3 Company Affiliate records and tracks the progress and effectiveness of remediation for internal assessments through, among other means, impact assessments.**

- a) Evidence that remediation progress is assessed through impact assessments or other means

**8. RESPONSIBLE PROCUREMENT PRACTICES: Company Affiliate aligns procurement practices with commitment to labor standards.**

**8.1 Company Affiliate has formal written policies and procedures for procurement of agricultural commodities that establish that Procurement and Labor Standards programs shall work collaboratively to improve working conditions in upstream suppliers up to the farm level.**

- a) Policies and procedures that address:
  - The expectation that procurement and labor standards programs work together,
  - Alignment of compensation to upstream suppliers with fair compensation commitment,
  - Transparency and prediction of payment to suppliers
  - Building strategic relationships with suppliers, intermediaries and farms to ensure regularity of business
  - Provision of positive incentives such as technical advice, interest-free loans, good agricultural practices training etc.
  - Good planning and revenue forecast
- b) Frequency of review by senior management to assess impacts of planning and purchasing on compliance with labor standards

**8.2 Company Affiliate relevant business and compliance staff and any contracted agent/intermediary are trained and knowledgeable of the policies and procedures to align procurement practices with Company labor standards.**

- a) Relevant business staff, compliance staff and any agent/intermediary trained
- b) Training feedback or behavioral changes that demonstrate participant knowledge gained
- c) Frequency of refresher training
- d) Systems for periodic evaluation of training

**8.3 Company Affiliate holds relevant staff and any contracted agent/intermediary accountable for the implementation of responsible procurement policies and procedures.**

- a) Job descriptions and/or annual performance reviews of relevant staff include accountability for carrying out responsible procurement practices
- b) Company has an integrated internal strategy that drives awareness for responsible procurement at all levels of the company
- c) Company tracks and analyzes suggestions/ideas to avoid negative impacts on the workplace

**8.4 Company Affiliate staff responsible for procurement decisions engage with their labor/social compliance colleagues, any contracted agent/intermediary, and suppliers in regular and constructive dialogue to understand and help mitigate negative impacts on working conditions faced by upstream suppliers.**

- a) Documented process to facilitate dialogue among key departments, with any contracted agent/intermediary, as well as between supplier and buyer (each represented by staff from all key departments) to analyze and review impact.
- b) Frequency of relevant dialogues
- c) Evidence that buyer contributes constructive feedback
- d) Evidence of continuous measured improvements through open dialogue

**8.5 Company Affiliate provides positive incentives<sup>2</sup> for suppliers producing in a socially responsible and sustainable manner and, if applicable, having internal systems aligned with FLA Principles.**

- a) Documented system to evaluate suppliers
- b) Availability of positive incentives

**9. CONSULTATION WITH GOVERNMENT, LOCAL AUTHORITIES & CIVIL SOCIETY:** Company Affiliate identifies, researches and engages with relevant local and international non-governmental organizations, trade unions and other civil society organizations (CSO).

**9.1 Company Affiliate develops a stakeholder outreach strategy that reflects the geographical procurement base and labor issues deemed high priority.**

- a) A strategic plan for stakeholder outreach and engagement that takes into account location and prioritized issues
- b) Documented mapping of stakeholders that considers criteria and relevancy

**9.2 Company Affiliate or the implementing partner develops and maintains links to relevant CSOs to gain understanding of local issues.**

- a) Evidence of knowledge of local issues gained through engagement with relevant CSOs
- b) Percentage of procurement countries where the affiliate has relationships with CSOs

**9.3 Company Affiliate or the implementing partner engages with CSOs and knowledgeable local sources in the design and implementation of labor standards compliance programs and other interventions at the community level.**

- a) Demonstrated engagement with CSOs in the design and implementation of labor standards compliance strategies including:
  - Trainings,
  - Worker communication channels, or
  - Supplier-specific remediation plans

**9.4 Company Affiliate consults with supplier management and legally constituted unions or worker representative structures to gain an understanding of relevant relationships, where applicable.**

- a) Step-by-step procedure for relevant staff/assessor use in gaining an understanding of union structures in all procurement countries, specifically within its supplier base, and demonstration of procedure implementation
- b) Evidence of consultation with all relevant parties regarding specific, existing relationships between supplier management and any legally constituted unions or worker representative structures

<sup>2</sup> Examples of positive incentives provided by Company Affiliates may include technical advice, interest-free loans, good agricultural practices (GAP) training etc.

**10. VERIFICATION REQUIREMENTS:** Company Affiliate meets FLA verification and program requirements.

**10.1 Company Affiliate maintains standard operating procedures related to FLA affiliation.**

- a) Standard operating procedures related to FLA affiliation

**10.2 Company Affiliate participates in FLA due diligence activities, including assessments at suppliers and company headquarters, as applicable.**

- a) Participation in applicable FLA due diligence activities
- b) IEM corrective action plans submitted within the timeframe designated in the IEA Procedures
- c) IEM remediation updates provided to the FLA annually

**10.3 Company Affiliate completes a standardized annual report on fulfillment of Principles of Fair Labor and Responsible Sourcing.**

- a) Timely completion of the annual self-assessment

**10.4 Company Affiliate maintains a complete and accurate Company profile with the FLA.**

- a) Profile updated within the past year
- b) Contract facility list is up-to-date at the beginning of the selection process of each IEM cycle

**10.5 Company Affiliate responds to FLA requests for documentation, contracts, information, and clarification in a timely manner.**

- a) Frequency that company appeared on a FLA staff report for failure to meet Principles
- b) Company representative contribution to the FLA by attending and/or hosting an FLA Board meeting or participating actively on a Working Group or Committee within the past year

**10.6 Company Affiliate pays annual dues and applicable fees on schedule.**

- a) Company pays dues and fees in full and on a timely basis.