



Koninklijke Nederlandse  
**SPECERIJENVERENIGING**

# DUE DILIGENCE TOOLKIT FOR RESPONSIBLE BUSINESS CONDUCT





# Koninklijke Nederlandse **SPECERIJENVERENIGING**

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# Welcome to the KNSV Due Diligence Toolkit for Responsible Business Conduct (RBC) in the Spice Sector!

As proud spice producers and traders we want our own operations, supply chains and other business relations to be free of associations with human rights violations, environmental problems and other sustainability issues. Our clients, the government and civil society organisations are also coming to expect this from us.

To help ensure this, in June 2018 the KNSV (Koninklijke Nederlandse Specerijen Vereniging, Royal Dutch Spice Association) signed a covenant on International Corporate

Social Responsibility (ICSR) with the Dutch government, trade unions and NGOs.

This toolkit aims to assist spice companies in implementing adequate Due Diligence Management for Responsible Business Conduct. Module 1 covers General Due Diligence Management and Module 2 is a special module devoted to the abolishment of child labour.

## Why This Toolkit and How Does it Work?

This toolkit aims to be a source of inspiration and guidance for Due Diligence Management for Responsible Business Conduct (RBC). It can be used by those in charge of the development and implementation of such management (such as CSR or environmental coordinators, procurement staff, or general management). This introductory section describes why this toolkit is important for your business, what important RBC issues in the spice sector are and what your responsibilities are if you encounter such issues. This section also explains how this toolkit works.

Please note that international guidelines provide companies with the flexibility to adapt the characteristics, specific measures and processes of due diligence to their own circumstances. Companies should use this toolkit as a framework for developing and strengthening their own tailored due diligence systems and processes.

This toolkit has been developed by CREM Consultancy ([www.crem.nl](http://www.crem.nl)) in collaboration with KNSV members Epos Specerijen, Verstegen Spices & Sauces and P. Visser & Zoon.

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## Why Responsible Business Conduct (RBC)?

In addition to the ethical motivations for not being directly or indirectly involved in issues such as human rights violations, there are several other reasons for Responsible Business Conduct:

- **Legislation.** You are increasingly obliged by law to map RBC-related risks related to your operations and supply chains and to take measures to mitigate such risks. Examples are the Anti-Slavery Act in the UK, mandatory human rights due diligence for large companies in France and possible mandatory child labour due diligence in the Netherlands.
- **ICSR covenant.** In June 2018, KNSV signed a covenant on International CSR with the Dutch government, trade unions and NGOs. The main objective of this covenant is to ensure that KNSV members conduct due diligence on their operations and supply chains. This is now a voluntary agreement but more regulation may follow if the covenant proves unsuccessful.
- **Requirements/expectations of downstream clients.** Retailers, foodservice companies and food processors are increasingly expected to pay attention to the sustainability performance of spices and spice mixtures, just as has happened with other food products in various other sectors. This applies to both the food processing industry and retailers. FNLI (Netherlands Federation of Food Industries) and CBL (the Dutch supermarket trade organisation) have signed the ICSR covenant as well so their members will also become more critical about RBC-related issues and risks in their supply chains.
- **Other:** Think of RBC requirements related to access to finance (loans from banks and governments, subsidies, export credit insurance) and trade missions, not to mention remaining an attractive employer (especially for young highly educated staff), improving relationships with suppliers and facing increasing pressure from shareholders (listed companies).



## RBC Issues in Spice Supply Chains

The [OECD Guidelines for Multinational Enterprises](#) provide the general framework for International CSR (ICSR) and RBC. The following table gives an overview of the RBC issues which could possibly be related to any link in the spice supply chains.

RBC ISSUES	CLARIFICATION
Living income and wages	<p>Relatively low <b>incomes</b>, particularly for smallholder farmers and collectors of wild herbs and spices. Possible causes:</p> <ul style="list-style-type: none"> <li>Lack of knowledge as to the most adequate production methods and limited access to capital for production enhancing investments (e.g., high quality seeds, replacement of unproductive (senile) trees) means that productivity/ha is often far below the potential productivity.</li> <li>Volatile prices, especially for spices traded as commodities. The economic pork cycle often applies (e.g., black pepper). The negotiating power of smallholder farmers is often too weak for them to benefit from periods of high prices. First, they often have limited access to capital and they therefore need cash immediately after the harvest (they cannot keep the spices waiting for better prices and often have to sell at fixed prices assessed before the actual harvest). Second, they often have limited access to information and/or lack the capacity to interpret this correctly. Third, they often do not have adequate storage facilities and thus cannot wait to sell until prices have gone up, Fourth, they often do not have sufficient freedom to make decisions, for example because they are tied to paying back loans to creditors.</li> <li>Inferior quality and sometimes high losses due to inadequate post-harvest methods.</li> <li>Harvest failures due to causes such as pests and diseases, environmental degradation and climate change.</li> </ul> <p>In general, due to limited supply chain power, traders (not farmers) benefit of periods of high prices.</p> <p>Low living <b>wages</b> may be an issue for seasonal workers (sometimes migrants) at the farms and workers in processing facilities.</p>
Labour terms and conditions	<p>Possible exposure to (sometimes illegal) crop protection agents due to ignorant or excessive use.</p> <p>All kinds of other decent work issues on farms, during wild collection and at the processing level (e.g., secondary labour conditions, working times, payment for overwork, leave arrangements, health and safety, access to sanitary facilities, training).</p>
Child rights	<p>Child labour risks on farms, during collection of herbs and spices in the wild and at processing level.</p> <p>Impacts on children in local communities, due, for instance, to parents' low income and to environmental degradation.</p>
Women's rights	A relatively high number of women are involved in spice cultivation, the collection of wild herbs and spices and in processing. Discrimination, labour conditions specific to women and sexual abuse are risk areas. In some countries women are not involved in decision-making processes and do not have access to training and management positions.
Bonded labour	In some cases, smallholders need to take loans from local traders that may result in debt traps. For example, loans may be necessary after harvest failures or to make investments. In turn debt traps may lead to forms of bonded labour.
Land rights	Possible conflicts related to land ownership and access to land and natural resources – these conflicts can involve indigenous peoples.
Other fundamental human rights	Risks for workers in the areas of discrimination, freedom of association and collective bargaining,
Local communities	Risks to the community such as those related to environmental degradation (especially water pollution) – these risks can involve indigenous peoples.
Cultural heritage	Risks related to spice cultivation and the collection of herbs and spices in the wild, including for indigenous peoples. Cultural heritage can be both tangible (artefacts, buildings, landscapes) and intangible (values, traditions, oral history).
Taxation	Risks of tax avoidance/evasion possibly related to processing and trade.
Corruption	Risks of corruption possibly related to processing and trade.
Fair competition	Risks of forms of unfair competition, e.g., market foreclosure, division of markets, illegal price agreements.
Consumer interests (food safety)	Risks related to residues of crop protection agents and other chemical contaminants, biological contamination as a result of inadequate post-harvest practices and/or processing activities and allergens. Sometimes also as a result of fraud/adulteration (addition of water, salt or inferior raw materials).



RBC ISSUES	CLARIFICATION
Water	Risks of water pollution due to the use of crop protection agents and processing facility emissions. Risks of excessive water use leading to conflicts with local communities and environmental needs.
Biodiversity and landscape	Risks related to cultivation, including water and soil pollution, erosion and other forms of soil degradation, excessive water use, conversion of natural ecosystems, and/or fire hazards (sometimes deliberately applied to combat plagues and diseases and/or to make agricultural land available).  Risks related to collection in the wild: overexploitation.  Risks related to processing, especially water pollution caused by cleaning methods.
Climate change	The contribution of spice production to climate change is very small. However, climate change itself may have an adverse impact on spice production. It may lead to harvest failures and shift of cultivation to other climate zones leading to conflicts with current forms of land use.



## What is Your Responsibility?

Once you have identified RBC issues and risks related to your operations and supply chains (not only your direct, or first tier, suppliers) you must determine to what extent you are considered responsible for doing something about it. The [UN Guidelines on Business and Human Rights](#) distinguishes three situations:

1. Your company causes an adverse impact on, for example, people or the environment. This is the case if there is causality between the operations, products or services of the company and the adverse impact. Causation can occur through action as well as omissions, in other words, a failure to act. This situation may be especially relevant if you are directly involved in spice cultivation and/or processing in a country of origin.
2. Your company contributes to an adverse impact. Contributing to an adverse impact is interpreted as “a substantial contribution, meaning an activity that causes, facilitates or incentivises another organisation to cause an adverse impact”. For example, if you have emergency orders you may trigger your supplier to source materials from less reputable producers.
3. Your company is directly linked to an adverse impact. Directly linked means the adverse impacts are associated with your business relationships, such as suppliers and (sub) contractors. You are not causing or contributing to an adverse impact yourself, but your direct or indirect business partner is. Please note this is not restricted to your direct suppliers only, but also to second tier suppliers and beyond!

The following table shows your responsibility to take measures in the context of these 3 situations.

IF A COMPANY...	THEN IT SHOULD...	AND...	AND...
Has caused or may cause an adverse impact.	Prevent or mitigate the adverse impact.		Remediate the harm if the adverse impact has occurred.
Has contributed or may contribute to an adverse impact.	Prevent or mitigate its contribution to the adverse impact.	Use or increase its leverage with other responsible parties to prevent or mitigate the adverse impact	Contribute to remediating the harm if the adverse impact has occurred, to the extent of its contribution.
Has or may have its operations, products or services linked to an adverse impact through a business relationship.		Use or increase its leverage with other responsible parties to seek to prevent or mitigate the adverse impact.	May choose to remedy situation, but has no responsibility to do so

Once you know what your responsibilities are it is important to note that you are allowed to take into account your company's capacities and sphere of influence when identifying possible measures. Due diligence may be tailored to your company's circumstances! See Module 1 of this toolkit for more in-depth information on how you can manage your responsibilities.



## How Does This Toolkit Work?

This toolkit aims to be a source of inspiration and guidance for those in charge of Due Diligence Management within companies.

- **Module 1** gives practical tips on how you can organise your Due Diligence Management process as recommended by the OECD and other organisations. Implementation of these guidelines will help you to comply with the ICSR covenant and other requirements. This module also contains a checklist that can be used to report on your due diligence performance to, for example, the Social and Economic Council (SER).
- **Module 2** is specifically devoted to child labour due diligence. Child labour is a very serious and sensitive topic that is also closely related to other problems such as poverty, discrimination and gender issues.

In the future, other specific RBC topics may be added to this toolkit.

If you have any questions or remarks please contact the developer of this toolkit, Victor de Lange, at CREM consultancy: [v.delange@crem.nl](mailto:v.delange@crem.nl).

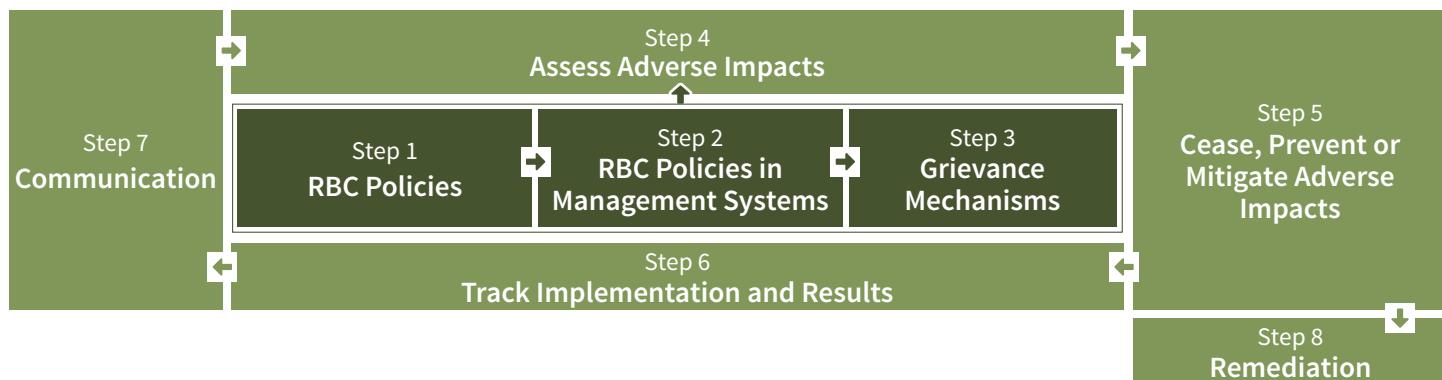


# Module 1: General Due Diligence Management

This module helps you to develop Due Diligence Management for Responsible Business Conduct (RBC). Due Diligence Management aims to avoid and/or address adverse impacts related to workers, human rights, the environment, bribery, consumers and corporate governance that may be associated with your own operations, supply chains and other business relationships.

Implementation of Due Diligence Management will be a huge step towards meeting the expectations and requirements of the ICSR covenant signed by KNSV on behalf of its members.

The guidelines presented in this module are based on the [OECD Due Diligence Guidance for Responsible Business Conduct \(RBC\)](#) and are illustrated in the following figure:



The guidelines also draw from the [OECD-FAO Guidance for Responsible Agricultural Supply Chains](#).

It is recommended that you **also consult these background documents** for additional and more detailed information.

Please consult **Module 2** of this toolkit for more information on due diligence specifically regarding **child labour**.

In some cases it may be more effective and efficient to cooperate with others (e.g., other KNSV members, clients and/or suppliers, possibly in the context of the [Sustainable Spices Initiative](#), SSI) to implement Due Diligence Management (e.g., for the development of policies and management systems, the execution of risk assessments and the implementation of risk management plans). In most cases you can establish such cooperation **without risking breaching competition law**. However, it is recommended that you fully understand competition law issues in your jurisdiction and avoid activities which could be seen as breach of competition law before such collaborative initiatives are actually implemented.



# What is Due Diligence?

The general objective of due diligence is “to identify, assess, mitigate, prevent and account for actual adverse impacts and potential adverse impacts (risks) of a company’s own operations, supply chains and other business relationships”.

Due diligence concerns impacts related to human rights (including for workers and industrial relations), the environment, bribery and corruption, disclosure, and consumer interests (topics taken from the OECD Guidelines for Multinational Enterprises). A company’s responsibility to act varies by the nature of its relationship with the impacts. See also ‘What is Your Responsibility?’ in the introductory section of this toolkit.

**Note that when talking about risks in this context, the focus should be primarily on risks to people, the environment and/or society (external risks), not primarily (internal) business risks!** However, internal and external risks are often interdependent, with external harm coupled with reputational damage or exposure to legal liability.

**This implies that in the case of an adverse impact, the decision to discontinue operations or business relationships should only be taken as a last resort, only if the risk of an adverse impact is too high or because mitigation efforts have not been successful.**

In general, when following the due diligence process, you must ask yourself the following questions:

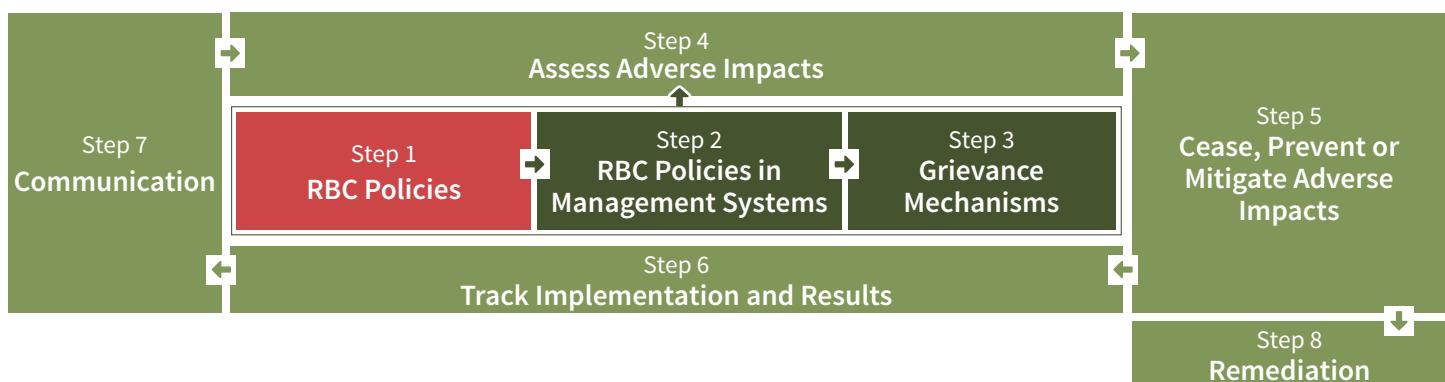
- How do I embed due diligence in my management processes and monitoring systems?
- What and where do I produce? (mapping your supply chain)
- What are RBC issues and the risks of adverse impacts related to my supply chains? (not only first tier suppliers!)
- What is my relation to risks of possible adverse impacts?
- How do I deal with these risks?
- How do I assess whether my measures lead to improvement of the situation?
- How can I be transparent about my activities?

## Core characteristics of due diligence:

- **Consider all business relationships.** Due diligence involves all types of business relationships linked to the company, including suppliers (not only first tier suppliers), contractors, joint ventures, investors and clients.
- **Do not treat it as an isolated exercise.** Due diligence should be an integral part of decision-making and risk management. It must be on-going, responsive, iterative and include feedback loops so that the company can learn from what has worked and what has not.
- **Tailor it to your company.** Due diligence may be tailored to a company’s circumstances. For example, to manage risks, large companies may need more formalised and extensive systems than smaller ones do. On the other hand, small companies may have limited market power to influence their business relationships and they may want to increase their leverage through collaboration with others.
- **Prioritise if necessary.** If it is not feasible to address all identified impacts at once, a company should prioritise the order in which it takes action based on the severity and likelihood of the adverse impact. For example, in the case of risks to human rights, the severity of the potential adverse impact and whether a delayed response would make the impact irremediable must determine the action’s priority.
- **Apply internationally recognised RBC standards.** The due diligence process is based on the OECD Guidelines for Multinational Enterprises. These Guidelines provide principles and standards of RBC consistent with applicable laws and internationally recognised standards. Where national law conflicts with international standards, companies are expected to explore ways to honour the principles of the relevant international standards.
- **Engage with stakeholders.** Due diligence includes engagement with stakeholders (stakeholders are persons or groups who have interests that could be affected by an enterprise’s activities).
- **Be transparent.** Communicate externally about your due diligence processes, findings and plans.



## Step 1: RBC Policies



In the **first step** of your Due Diligence Management process, you develop and articulate policies for responsible business conduct (RBC) with regard to your company's own operations, supply chains and other business relationships.

- When composing or reviewing and updating your RBC policies consider using policies developed by others.

You may also want to use the tool below as a source of inspiration. This tool is based on elements of the model for RBC presented in the [OECD-FAO Guidance for Responsible Agricultural Supply Chains](#). Note that this model is to a large extent designed for companies operating themselves in countries with high RBC-related risks. Many KNSV members are, however, only linked to such regions through their supply chains. If your company does not operate directly in these regions, all themes may not be equally relevant. Consider rephrasing certain RBC requirements to tailor them to your company's characteristics (e.g., expressing that supply chains must comply with the requirements). Make sure that when prioritising RBC issues, risks for potential victims of the company's direct and indirect operations should prevail, not business risks!

- For communication purposes consider framing your RBC policies in the context of the **Sustainable Development Goals (SDGs)**, possibly in addition to the above. To further strengthen this, consider signing the [SDG Charter](#). The focus of the SDGs is on realising positive impacts (doing good), but please be aware that in the context of due diligence you should at least concentrate on not causing harm!
- Make sure your RBC policies are **endorsed by the company's CEO**.

- Consider including the fact the company is devoted to RBC with regard to its own operations, supply chains and other business relationships in the company's **mission statement**.
- Develop and implement procedures for periodic and systematic evaluation of these RBC policies and consider embedding them in your management systems. To facilitate measurable evaluation, define output and outcome indicators for the new policies.
- Consider registering **the company's RBC achievements** with [Ecovadis](#), [SEDEX](#) or similar initiatives. These are increasingly used in the marketplace.
- Make one person or team responsible** for the practical implementation, monitoring and evaluation of the RBC policies (RBC coordinator). This coordinator should participate in regular meetings with the CEO and managers of departments. Add RBC as a fixed topic on the agenda of internal management meetings.
- Clearly communicate your RBC policies** with stakeholders. Make them publicly available, on your website, for example.
- Develop a strategy for internal communication on RBC policies**, including SMART communication objectives, target groups and tailored approach.



Potential General RBC Themes	(Partially) adopted in company's RBC policies	Not adopted in company's RBC policies	Clarification
<b>Cross-cutting standards</b>			
<b>Impact assessment</b> We will continuously assess and address in decision-making the actual and potential impacts of our operations, processes, goods and services over their full life-cycle with a view to avoiding or, when unavoidable, mitigating any adverse impacts. Impact assessments should involve a representative number of all relevant stakeholder groups.			
<b>Disclosure</b> We will disclose timely and accurate information related to foreseeable risk factors and our response to particular environmental, social and human rights impacts to potentially affected communities, at all stages of the investment cycle. We will also provide accurate, verifiable and clear information that is sufficient to enable consumers to make informed decisions.			
<b>Consultations</b> We will hold good-faith, effective and meaningful consultations with communities through their own representative institutions before initiating any operations that may affect them and we will continue to hold consultations with them during and at the end of operations. We will bear in mind the different risks that may be faced by women and men.  We will hold effective and meaningful consultations with indigenous peoples through their own representative institutions in order to obtain their free, prior and informed consent consistent with achieving the ends of the United Nations Declaration of Rights of Indigenous Peoples and with due regard for particular positions and understanding of individual states.			
<b>Benefit sharing</b> We will ensure that our operations contribute to sustainable and inclusive development, including, as appropriate, through promoting fair and equitable sharing of monetary and non-monetary benefits with affected communities on mutually agreed terms, in accordance with international treaties, where applicable for parties to such treaties, e.g., when using genetic resources for food and agriculture.			
<b>Grievance mechanisms</b> We will provide for legitimate, accessible, predictable, equitable and transparent operational-level grievance mechanisms in consultation with potential users. We will also co-operate in other non-judicial grievance mechanisms. Such grievance mechanisms can enable remediation when our operations have caused or contributed to adverse impacts due to non-adherence to RBC standards.			
<b>Gender</b> We will help eliminate discrimination against women, enhance their meaningful participation in decision-making and leadership roles, ensure their professional development and advancement, and facilitate their equal access and control over natural resources, inputs, productive tools, advisory and financial services, training, markets and information.			
<b>Human Rights</b>			
Within the framework of internationally recognised human rights, the international human rights obligations of the countries in which we operate as well as relevant domestic laws and regulations, we will: <ul style="list-style-type: none"><li>• Respect human rights, which means avoid infringing on the human rights of others and address adverse human rights impacts with which we are involved.</li><li>• Within the context of our own activities, avoid causing or contributing to adverse human rights impacts and address such impacts when they occur.</li><li>• Seek ways to prevent or mitigate adverse human rights impacts that are directly linked to our operations, products or services by a business relationship, even if we did not contribute to those impacts.</li><li>• Carry out human rights due diligence as appropriate to the size, nature and context of our operations and the severity of the risks of adverse human rights impacts.</li><li>• Provide for, or co-operate through legitimate processes in, the remediation of adverse impacts on human rights when we identify that we have caused or contributed to these impacts.</li><li>• Within the context of our own activities, ensure that all persons' human rights are respected, without distinction of any kind, such as race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status.</li></ul>			



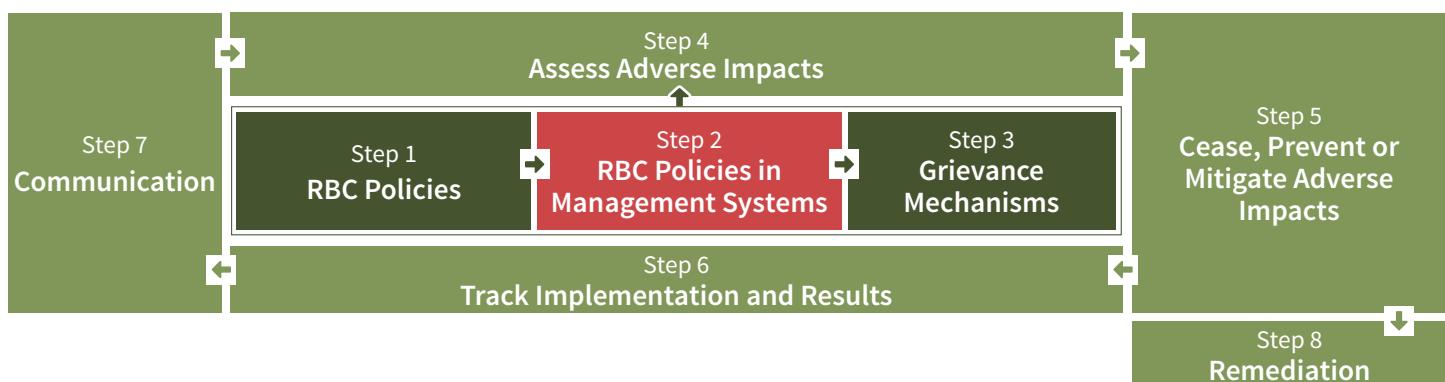
Potential General RBC Themes	(Partially) adopted in company's RBC policies	Not adopted in company's RBC policies	Clarification
<b>Labour rights</b>			
<p>We will respect international core labour standards in our operations, namely the freedom of association and the right to collective bargaining, including for migrant workers, the elimination of all forms of forced or compulsory labour, the effective abolition of child labour and the elimination of discrimination in respect of employment and occupation.</p> <p>In our operations, we will also:</p> <ul style="list-style-type: none"> <li>• Ensure occupational health and safety.</li> <li>• Ensure decent wages, benefits and working conditions, that are at least adequate to satisfy the basic needs of workers and their families, and strive to improve working conditions.</li> <li>• Promote the security of employment and co-operate in government schemes to provide some form of income protection to workers whose employment has been terminated.</li> <li>• Seek to prevent abuses of migrant workers.</li> <li>• Adopt approaches, measures, and processes to enhance women's meaningful participation in decision-making and leadership roles.</li> </ul> <p>We will contribute to the realisation of the right to work, by:</p> <ul style="list-style-type: none"> <li>• striving to increase employment opportunities, both directly and indirectly</li> <li>• ensuring that relevant training is provided for all levels of employees, to meet the needs of the enterprise and the development policies of the host country, including by increasing the productivity of the youth and/or their access to decent employment and entrepreneurship opportunities</li> <li>• ensuring maternity protection at work.</li> </ul>			
<b>Health and safety</b>			
<p>We will promote public health by:</p> <ul style="list-style-type: none"> <li>• adopting appropriate practices to prevent threats to human life, health, and welfare in our operations, as well as threats deriving from the consumption, use or disposal of our goods and services.</li> <li>• contributing to the protection of the health and safety of affected communities during the life-cycle of our operations.</li> </ul>			
<b>Food security and nutrition</b>			
<p>We will strive to ensure that our operations contribute to food security and nutrition.</p> <p>We will give attention to enhancing the availability, accessibility, stability and utilisation of safe, nutritious and diverse foods</p>			
<b>Tenure rights over and access to natural resources</b>			
<p>We will respect legitimate tenure right holders and their rights over natural resources, including public, private, communal, collective, indigenous and customary rights, potentially affected by our activities. Natural resources include land, fisheries, forests, and water.</p> <p>To the greatest extent possible, we will commit to transparency and information disclosure on our land-based investments, including transparency of lease/concession contract terms, with due regard to privacy restrictions.</p> <p>We will give preference to feasible alternative project designs to avoid or, when avoidance is not possible, minimise the physical and/or economic displacement of legitimate tenure right holders, while balancing environmental, social, and financial costs and benefits, paying particular attention to adverse impacts on the poor and vulnerable.</p> <p>We are aware that, subject to their national law and legislation and in accordance with national context, states should expropriate only where the rights at issue are required for a public purpose and should ensure a prompt, adequate and effective compensation.</p> <p>When holders of legitimate tenure rights are negatively affected, we will seek to ensure that they receive a prompt, adequate and effective compensation of their tenure rights being negatively impacted by our operations</p>			



Potential General RBC Themes	(Partially) adopted in company's RBC policies	Not adopted in company's RBC policies	Clarification
<b>Environmental protection and sustainable use of natural resources</b>			
We will establish and maintain, in co-ordination with responsible government agencies and third parties as appropriate, an environmental and social management system appropriate to the nature and scale of our operations and commensurate with the level of potential environmental and social risks and impacts.  We will continuously improve our environmental performance by: <ul style="list-style-type: none"><li>• preventing, minimising and remedying pollution and negative impacts on air, land, soil, water, forests and biodiversity, and reducing greenhouse gas emissions avoiding or reducing the generation of hazardous and non-hazardous waste, substituting or reducing the use of toxic substances, and enhancing the productive use or ensuring a safe disposal of waste</li><li>• ensuring the sustainable use of natural resources and increasing the efficiency of resource use and energy</li><li>• reducing food loss and waste and promoting recycling</li><li>• promoting good agricultural practices, including to maintain or improve soil fertility and avoid soil erosion</li><li>• supporting and conserving biodiversity, genetic resources and ecosystem services; respecting protected areas, high conservation value areas and endangered species; and controlling and minimising the spread of invasive non-native species</li><li>• increasing the resilience of agriculture and food systems, the supporting habitats and related livelihoods to the effects of climate change through adaptation measures.</li></ul>			
<b>Governance</b>			
We will prevent and abstain from any form of corruption and fraudulent practices.  We will comply with both the letter and spirit of the tax laws and regulations of the countries in which we operate.  We will refrain from entering into or carrying out anti-competitive agreements among competitors and will co-operate with investigating competition authorities.  To the extent to which they apply to enterprises, we will act consistently with the Principles contained in the OECD Recommendation of the Council on Principles of Corporate Governance.			
<b>Technology and innovation</b>			
We will contribute to the development and diffusion of appropriate technologies, particularly environmentally friendly technologies and those that generate direct and indirect employment.			



## Step 2: RBC in Management Systems



In the **second step** of your Due Diligence Management process you embed RBC policies in your company's management systems to make sure that these policies become part of your regular business processes.

- Consider implementing the [ISO 20400 guidance standards for Sustainable Procurement](#). This standard can be used to systematically incorporate recommended due diligence measures in management procedures. Alternatively, if relevant, and to the extent possible, make due diligence measures part of existing **management systems** (e.g., ISO 9001, BRC Food, FSSC 22000, ISO 14.001).
- **Assign responsibility for implementing aspects of the RBC policies** across relevant departments within the company. Pay particular attention to workers whose actions and decisions are most likely to influence risks to adverse impacts.
- Make sure that there are **adequate communication channels** between the RBC coordinator and implementing departments for sharing and documenting information on risk and decision-making and to discuss RBC-related dilemmas.
- Develop or adapt existing **record keeping systems** to collect information on due diligence processes, and related decision-making and responses. For example, a vendor rating system in which suppliers' RBC performance is systematically recorded (including a provision for possible agreements on mitigating measures) could be used. Also generate data about reserve or potential suppliers that may be needed in case of emergency procurement. Make sure such record keeping is compliant with EU regulations on the protection of privacy.
- Develop a **supplier code of conduct** based on your RBC policies and let this be signed by current and future suppliers. Use codes developed by other companies as a source of inspiration, such as the [OLAM Code of Conduct](#). Make clear how compliance with the code will be monitored and what the consequences of non-compliance will be. As much as possible explain the background, scope and contents of the code during personal conversations. If suppliers are not fully fluent in English, consider having this code translated into local languages. Try to avoid contract-language and do not try to seek liability or product recall indemnity. Excessive risk transfer to the supplier can have unintended consequences like the supplier's choice to avoid sourcing from 'difficult' origins altogether. This could further aggravate the situation of local workers, communities and others.
- Also add your company's RBC requirements to the **general purchasing conditions, purchase contracts/orders, product specifications and possible supplier self-audit questionnaires**.
- A **general template for a supplier self-audit questionnaire** can be found in annex 1 of this toolkit. Please note this template should be considered the most extensive version of such questionnaire. Some companies may find it desirable to reduce the number of questions and/or issues addressed. In general, this questionnaire should be tailored to the issues and attention points addressed in your RBC policies and requirements. Before you share this questionnaire with suppliers, make sure you already know what you will do with the answers. The general purpose of it is to obtain intelligence on RBC risks in your supply chains in order to start a dialogue with your suppliers how these can be mitigated. The objective is not to use this as a kind of tool for selecting suppliers. It may therefore be wise to only present it to your most important suppliers with whom you expect a fruitful cooperation on RBC can be established.
- Explicitly include in the supplier code of conduct, purchasing conditions, purchase contracts/orders, product specifications and possible supplier self-audit questionnaires **the expectation that first tier suppliers, as far as is reasonable, also conduct due diligence among their suppliers**. Also include the expectation that suppliers are supposed to implement mitigating measures if violations are encountered (possibly in cooperation with your company). Written evidence of such due diligence must be provided to you and you should register this in your record keeping system.
- Make the supplier code of conduct and (adjusted) purchasing conditions **publicly available**, for example, by publishing it on your website.
- Consider **encouraging suppliers to register their RBC performance** with [Ecovadis](#), [SEDEX](#) or similar initiatives.
- Develop a **template for supplier visit reports**, including a section on supplier's RBC performance. Use this information as input for your record keeping system.

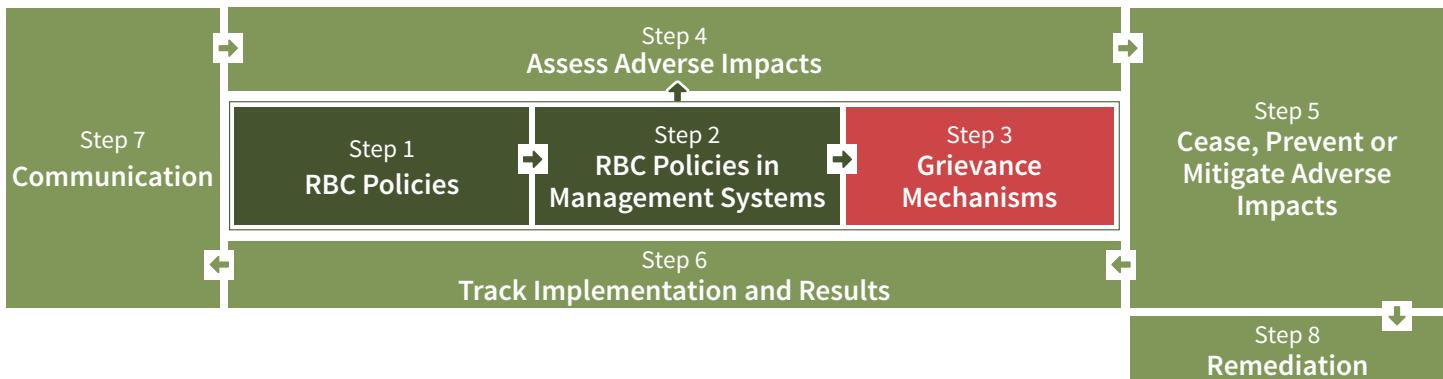


## Step 2: RBC in Management Systems

- Develop clear **instructions and give training** for procurement staff and other relevant workers on how to deal with due diligence, including the role of the supplier code of conduct, the purchasing conditions, product specifications and possible supplier self-audit questionnaires.
- Develop **incentives for workers and business units** to actually apply due diligence. Consider assessing RBC-related key performance indicators (KPIs) for procurement staff and other relevant workers (possibly included in balanced scorecards). This could, for example, cover the number of suppliers conducting due diligence in their supply chains and/or the number of suppliers registered in systems such as EcoVadis or SEDEX. Explicitly address compliance with such KPIs in performance and assessment evaluations and consider linking this performance to salary increases and/or bonuses.
- Include RBC expertise and/or evident RBC engagement as an explicit selection criterion in the **recruitment processes** for procurement staff and other relevant workers.
- **Address barriers** arising from your company's way of doing business that may make it more difficult for your suppliers and other business relationships to implement RBC policies (such as your purchasing practices and commercial incentives). For example, make sure that current bonuses for procurement staff and other workers do not frustrate procurement of sustainable spices.
- If possible, **reduce the number of suppliers** and aim to **establish long-term/permanent relationships** with suppliers to address RBC challenges. Consider establishing an MOU with some long-term strategic suppliers confirming the ambition to conduct due diligence in supply chains, including implementation of any necessary mitigating measures.
- Consider providing **due diligence guidelines or training to direct suppliers**. This may take place in the context of audits. If known, consider cooperating with other clients of these suppliers (e.g., within the context of the ICSR covenant and/or the Sustainable Spices Initiative (SSI))
- Consider earmarking an **annual budget to further RBC**. Explicitly link decisions on the way this budget will be spent to priority actions identified by RBC risk assessment (see Step 4 of this due diligence document).
- In the case of **mergers / acquisitions**, make sure to also include the RBC performance of the potential partner company in decision-making processes.



## Step 3: Grievance Mechanisms

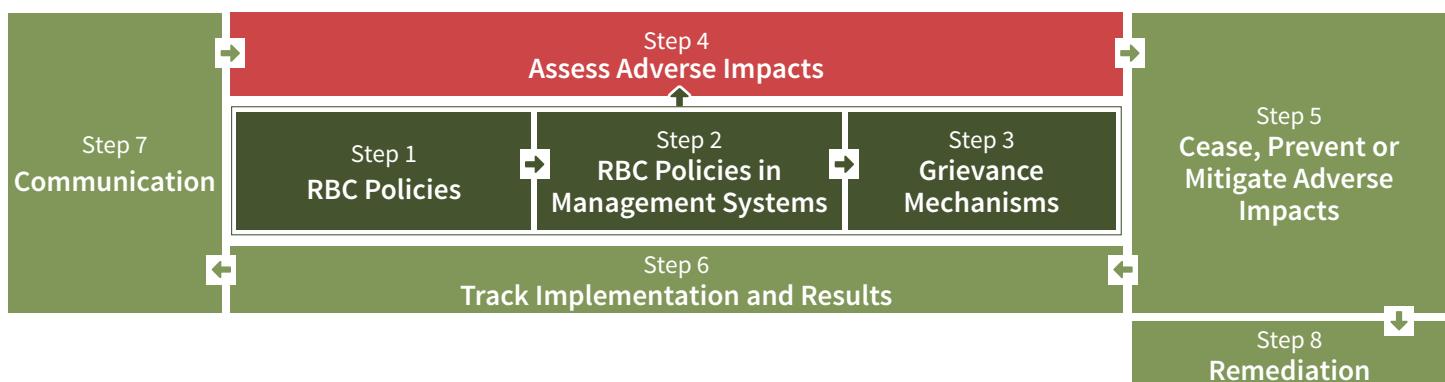


In the **third step** of your Due Diligence Management process you consider developing a grievance mechanism that allows employees, suppliers, clients, local communities and other stakeholders to voice concerns about RBC issues. Examples include providing contact information for a company's ombudsman, supplier relationship contacts, department contacts or a company's ethics hotline. A collaborative grievance mechanism at the level of KNSV or the Sustainable Spices Initiative may be possible as well.

- An effective grievance mechanism has the following characteristics:
  - **Legitimate** Enables trust from the stakeholder groups for whose use it is intended, and is accountable for the fair conduct of grievance processes.
  - **Accessible** Is known to all stakeholder groups for whose use it is intended, and provides adequate assistance for those who may face particular barriers to access.
  - **Predictable** Provides a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation.
  - **Equitable** Seeks to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms.
  - **Transparent** Keeps parties to a grievance informed about its progress, and provides sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake.
  - **Rights-compatible** Ensures that outcomes and remedies are in accord with internationally recognised human rights.
  - **A source of continuous learning** Draws on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms.
  - **Based on engagement and dialogue** Consults the stakeholder groups for whose use it is intended on its design and performance, and focuses on dialogue as the means to address and resolve grievances.
- If your company engages directly with farmers (e.g., in the context of projects) always make an effort to inform them about the existence of a grievance mechanism. Tailor your communication to the culture and capacities of the local communities. Note that if it concerns indigenous peoples specific guidelines must be considered (see annex B of [OECD-FAO Guidance for Responsible Agricultural Supply Chains](#)).
- Encourage first tier suppliers to also set up a grievance mechanism that is open to farmers and other stakeholders. Stress that such a grievance mechanism may enable them to effectively obtain information for their own due diligence. Consider including this in the suppliers code of conduct and possible self-audit questionnaire.



## Step 4: Assess Adverse Impacts



In the **fourth step** of your Due Diligence Management process you identify, assess and prioritise actual and potential adverse impacts associated with your operations, supply chains and other business relationships. In general, please note that it may take sometimes years of engagement and propagation of expectations through several tiers of the supply chain before the information on RBC issues and risks returned to you can be considered accurate and complete. However, what is most important is not that the information is completed immediately, but that the completeness of information improves over time!

- Start with a **Quick Scan** to identify all business areas, including supply chains, where RBC risks are most likely and most significant. You may want to make use of a so-called [heat map](#) linking various RBC risks with various supply chains. You may also want to focus on priority or strategic suppliers first, recognising that obtaining adequate information from all suppliers may be time-consuming. Sources of information include reports from governments, international organisations, independent auditors, civil society organisations, workers' representatives and trade unions, National Human Rights institutions, media or other experts. Based on this Quick Scan identify the most significant **red flag** RBC-related risk areas and prioritise these as the starting point for a deeper assessment of potential and actual impacts (see below). Review the findings on a regular basis and make updates whenever your company makes significant changes.
- Systematically **monitor RBC related requirements and expectations of direct and indirect clients**. Include these topics in the format of visit reports. Make sure sales people fill these in and report back to the RBC coordinator. Also include the company's RBC performance as an item in client satisfaction surveys. Ask clients for suggestions for improvement. Consider including such input from clients in your assessment of **red flags**.
- Subsequently, starting with the **red flag** RBC related-risks identified in the Quick Scan, carry out more **in-depth assessments** of prioritised operations, suppliers and other business relationships in order to identify and assess specific actual and potential adverse RBC impacts. Map supply chains relevant to the prioritised risk, if necessary also beyond first tier suppliers! Also include spices sourced from reserve or potential suppliers in this risk assessment approach. Review the findings on a regular basis and make updates whenever your company makes significant changes. Consider cooperating with others to conduct these in-depth analyses (for example within the context of the Sustainable Spices Initiative).
- Consider cooperating with **globally active NGOs** specialised in RBC risks related to spice supply chains. Ask them to actively inform you if RBC risks in spice supply chains are encountered. In addition, periodically contact these NGOs yourself to identify possible new RBC issues and to validate findings of your own risk assessments and risk management plans (see Step 5 of the Due Diligence Management process).
- As part of your in-depth analyses, **monitor international RBC initiatives** related to spice supply chains. If your supply chains/suppliers explicitly endorse and/or are audited by such initiatives, all or part of the RBC risks may be sufficiently addressed. These initiatives include:
  - Multistakeholder initiatives such as the [Sustainable Spices Initiative](#) or the [Sustainable Vanilla Initiative](#).
  - Codes and guidance principles. Several individual companies, such as [OLAM](#), have implemented such tools for their suppliers.
  - Certification initiatives such as [Rainforest Alliance](#), [Organic](#), [Fairtrade](#) and [Fairwild](#).
  - Projects such as the [Biotrade Initiative of UNCTAD](#) and [spice projects of ICCO](#).

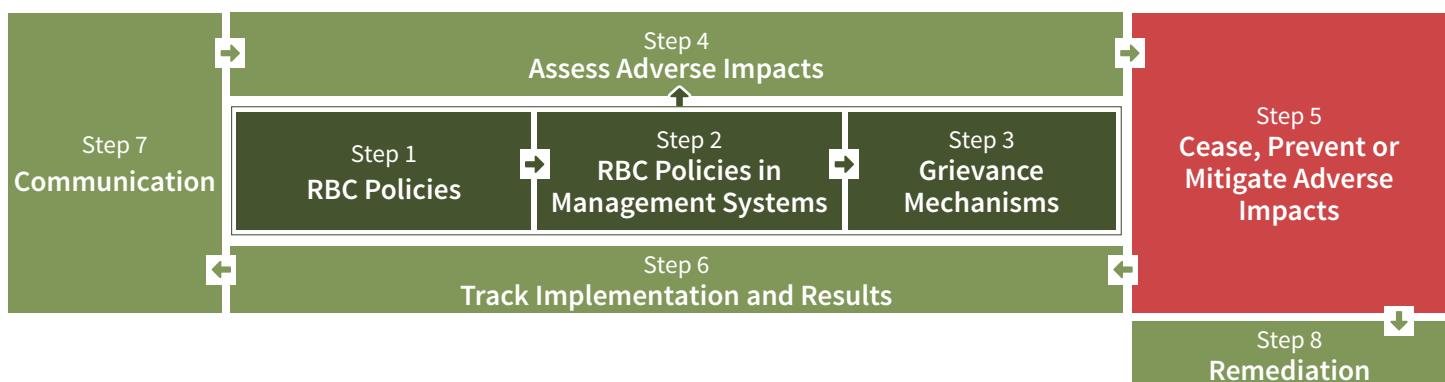


## Step 4: Assess Adverse Impacts

- Consider using the following practical tips to obtain RBC information from your suppliers:
  - Engage suppliers through in-person meetings and phone calls rather than by email.
  - Allocate longer lead times for suppliers to respond to data requests.
  - Increase the priority given to responses by escalating to senior procurement staff.
  - Use a third party to conduct regular and timely follow-ups with suppliers.
  - Create a yearly supplier excellence award for suppliers that are able and willing to provide requested data.
  - Use financial incentives (e.g., pre-finance of orders, shorter payment periods).
  - Collaborate with your customers to collect information from suppliers.
  - Consider terminating business relationships if information is not provided.
  - Work with supplier associations to help facilitate data transfer from their members.
- Consider spot checks of the information provided by suppliers to assess the information they have provided (e.g., desk review, site visits or audits).
- Assess your company's involvement with the actual or potential adverse impacts identified in order to determine your responsibility to act. Specifically, assess whether the company: caused (or would cause) the adverse impact, contributed (or would contribute) to the adverse impact or whether the adverse impact is (or would be) linked to its operations, products or services by a business relationship. See also 'What is Your Responsibility?' in the introductory section of this toolkit
- Based on the information obtained on actual and potential adverse impacts, prioritise the most significant RBC risks and impacts for action, where necessary. In general, prioritisation must be based on severity and likelihood of adverse impacts. Give priority to potential or actual impacts that may be addressed immediately and to activities that are causing or contributing to adverse impacts. Prioritisation will be relevant where it is not possible to address all potential and actual adverse impacts immediately. Once the most significant



## Step 5: Cease, Prevent or Mitigate Adverse Impacts



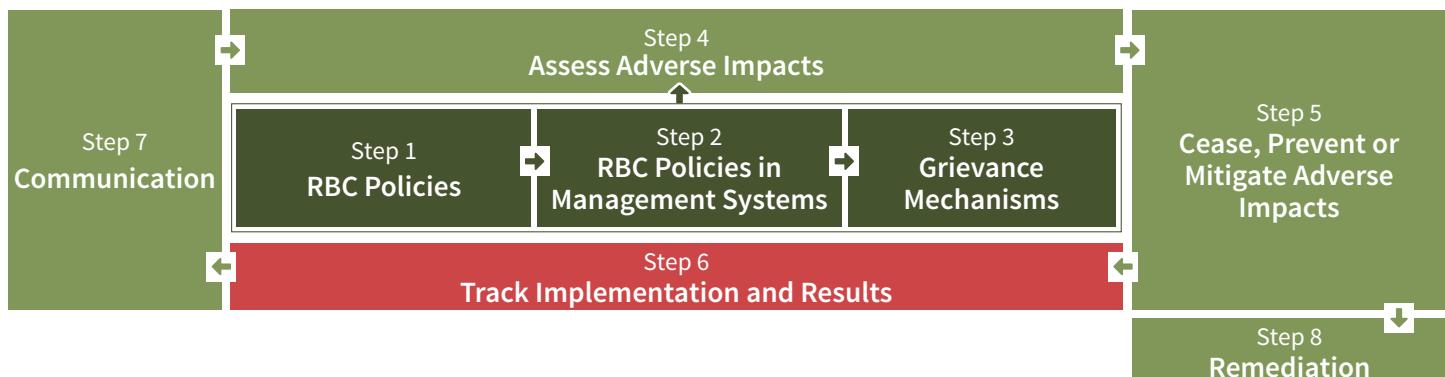
In the **fifth step** of your Due Diligence Management process you develop and implement risk management plans to cease, prevent and mitigate adverse impacts.

- Consider using the following format for a Risk Mitigation Plan.
- If you are causing or contributing to adverse impacts, develop and implement plans to stop related activities and to prevent and mitigate potential (future) adverse impacts. Consult and engage with stakeholders to identify appropriate actions. Update your RBC policies to provide guidance on how to avoid and address the adverse impacts in the future and ensure implementation thereof. If necessary also update and strengthen relevant management systems.
- Consider procuring certified spices or procuring from specific sustainability initiatives (see overview in Step 4: Assess Adverse Impacts of this module on Due Diligence Management).
- Make sure that risk management plans are measurable, and that they include clear output and outcome indicators, in order to facilitate Monitoring and Evaluation (see Step 6 of Due Diligence Management).
- If you are linked to adverse actual or potential impacts, develop and implement plans to prevent or mitigate these. Support or collaborate with relevant business relationships in developing such plans. If your company does not have sufficient influence to prompt business relationship(s) to prevent or mitigate adverse impacts or risks, consider ways to build additional leverage with the business relationship (e.g., through commercial incentives) or through cooperation with others (e.g., KNSV and other KNSV members, in the context of the Sustainable Spices Initiative or through engagement with governments). Appropriate responses to risks associated with impacts linked to business relationships may include:
  - continuation of the relationship throughout the course of risk mitigation efforts,
  - temporary suspension of the relationship while pursuing ongoing risk mitigation or
  - as a last resort, disengagement with the business relationship, after either failed attempts at mitigation, or where the company considers mitigation not feasible, or because of the severity of the adverse impact. A decision to disengage should take into account potential adverse social and economic impacts.



## Risk Mitigation Plan

## Step 6: Track Implementation and Results

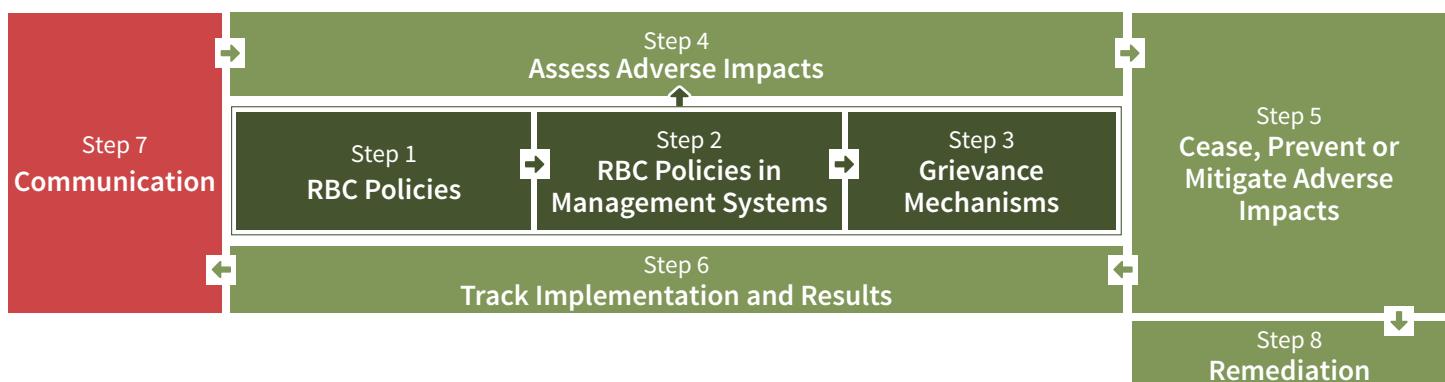


In the **sixth step** of your Due Diligence Management process you track the implementation and results of your due diligence activities.

- Carry out periodic internal or third party reviews or audits to check if your plans and policies are effective. Communicate results at the relevant levels within your company. Also carry out periodic assessments of business relationships to verify that risk mitigation measures are being pursued or to validate that adverse impacts have actually been prevented or mitigated. Consider cooperating with others to conduct such periodic verification activities (for example within the context of the Sustainable Spices Initiative).
- After implementation of a risk management plan, **continue to conduct due diligence** for the specific supply chain, even after the problem has been solved (the frequency of due diligence may be reduced when the problem has been proven not to have occurred for a long period). Consider cooperating with others to conduct such periodic verification activities. If the problem proves not to have been solved, develop and implement a new risk management plan.
- Identify adverse impacts or risks that may have been overlooked in past due diligence processes and include these in the future.
- **Include lessons learned** into your company's Due Diligence Management process in order to improve the process and outcomes in the future.



## Step 7: Communication

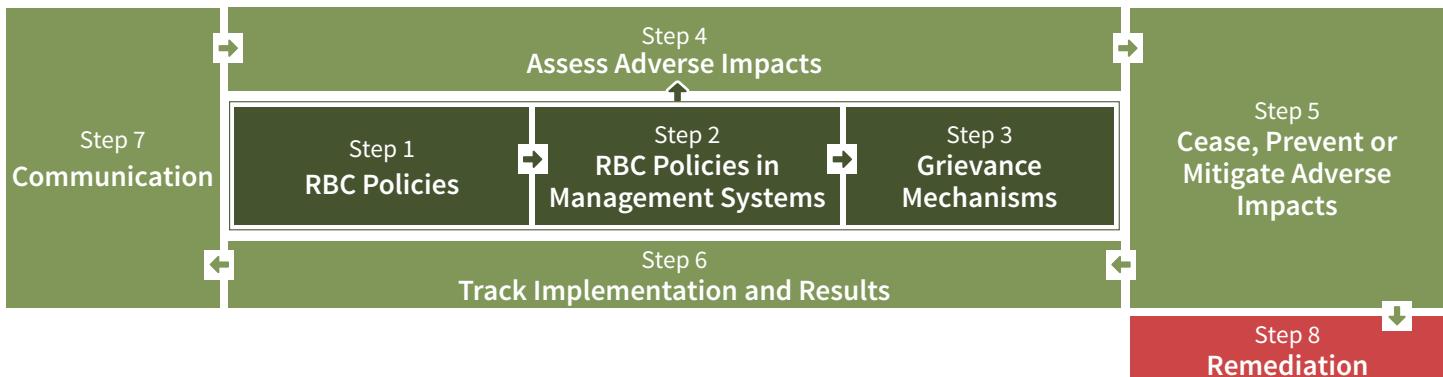


In the **seventh step** of your Due Diligence Management process you communicate externally relevant information on your due diligence efforts.

- Develop a strategy for external communication including SMART communication objectives, target groups and a tailored approach. Make sure you are reaching the right stakeholders in a manner that is effective and that fits your company.
- Publicly report relevant information on due diligence processes through, for example, your company's annual sustainability or corporate responsibility reports or other appropriate forms of disclosure. Include RBC policies, information on measures taken to embed RBC into policies and management systems, the company's identified areas of significant risks, the significant adverse impacts or risks identified, prioritised and assessed, as well as the prioritisation criteria and the actions taken to prevent or mitigate those risks. Also include, where possible, estimated timelines and benchmarks for improvement and their outcomes, measures to track implementation and results and the company's provision of or cooperation in any remediation. Consider using the [UN Guiding Principles Reporting Framework](#) for guidance.
- Publish this information in a way that is easily accessible and appropriate, for example, on your company's website.
- Communication should be carried out with due regard for commercial confidentiality and other competitive or security concerns.
- Consider developing and implementing training for marketers and sales people on the company's efforts in the area of RBC. Make clear why RBC is commercially relevant for specific client groups and make sure sales people systematically discuss with clients the possibility of using certified spices (e.g., Rainforest Alliance, Organic, Fairtrade, Fairwild).



## Step 8: Remediation



**The eighth step of Due Diligence Management process is only applicable if you have identified that you cause or contribute to adverse impacts. You must then provide for or cooperate with remediation.**

- Try to restore the affected person(s) to the situation they would have been in had the adverse impact not occurred (where possible) and enable remediation that is proportionate to the significance and scale of the adverse impact. Comply with the law and identify international guidelines on remediation where available. Where such standards or guidelines are not available, consider a remedy that would be consistent with what has been provided in similar cases.
- **Engagement of stakeholders** is particularly important if you are causing or contributing to adverse impacts. Stakeholders could be affected workers and communities or their representatives, intermediary organisations such as NGOs, trade unions and local governments and RBC experts. Stakeholder engagement is important to fully understand the perspectives of those who are or may be affected, to improve the quality of analysis of impacts and to prioritise and adequately manage impacts. Effective stakeholder engagement must include the right persons, address the right issues and be performed in the right way and at the right time.
- When appropriate, provide for or cooperate with legitimate remediation mechanisms through which impacted stakeholders can raise complaints: **operational-level grievance mechanism**.



## What If You Are a Small Company?

If your company is relatively small, the general principles for Due Diligence Management as described in this toolkit still apply. However, having said that, the OECD guidelines and other international principles acknowledge that due diligence should be tailored to the company's circumstances, including its size. What does that mean?

- In the first place, Due Diligence Management may be even easier if you are small. You may have more informal (and intensive) relationships with your workers, suppliers and other business relationships, your management systems may be more straightforward and therefore easier to adjust and decisions may be easier and faster to take. If you are small your main challenges will be (1) to devote sufficient time to set up and maintain Due Diligence Management and (2) to exert influence if there are adverse impacts.
- The time investment needed for the development of RBC policies and management systems, Steps 1 and 2 of this module, should not be exaggerated. In most cases, it is mainly a matter of using examples developed by others and adding new attention points to existing management structures and documents, but this still takes significant time. It may be an idea to link up with other companies and develop such policies and management systems together. Another idea could be asking an intern/student to help you. This person could also help to conduct the **Quick Scan**, your first step in identifying RBC risks related to your operations, supply chains and other business relationships.
- With regard to the other steps of your Due Diligence Management process it may be wise to seek cooperation with others (e.g., other KNSV members, suppliers, customers). Items to consider:
  - a sector-based grievance mechanism;
  - development and execution of sector-tailored training on RBC and due diligence;
  - execution of in-depth analyses to identify and assess RBC risks;
  - development and maintenance of a sector-based database on RBC related issues and risks;
  - execution of stakeholder engagement;
  - development and implementation of risk mitigating plans, including tracking of effectiveness thereof;
  - sector-based communication.
- Other practical tips for small companies, partly based on the [Guidance tool for Companies “Doing Business with Respect for Human Rights”](#):
  - Start your activities with a focus on a limited number of products and/or RBC-topics (e.g., child labour, see Module 2 of this toolkit).
  - Use the right moments to address RBC issues with suppliers and other business relationships (e.g., contract negotiation or renewal, setting RBC qualification criteria for bidding processes, disbursement of funds, monitoring and auditing processes, provision of technical or advisory assistance, processes for investigating complaints).
  - If possible, minimise your number of suppliers and try to establish long-term cooperation with one or two of the most strategic ones to work on RBC challenges.
  - Make use of training on RBC and due diligence offered by third parties (if this cannot be arranged within the sector). For example, [ISO 20400 training on Sustainable Procurement](#) offered by NEVI.
  - You may want to communicate about your RBC achievements, not necessarily report about them. Direct communication with workers and suppliers and inclusion of relevant information in existing information channels (e.g., annual reports, customer information) may be more appropriate. If you do want to report formally, consider only answering [the eight overarching questions of the UN Guiding Principles Reporting Framework](#).

Cooperation can enable sharing time investment, possible costs, information and expertise. Moreover, through cooperation you can increase your influence (leverage) in order to make an actual impact. The KNSV and/or the Sustainable Spices Initiative may be the right platform for such cooperation.



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## FAQ

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- Please consult the Annex of the [OECD Due Diligence Guidance for Responsible Business Conduct \(RBC\)](#). This Annex presents answers, tips and illustrative examples related to 53 important questions about Due Diligence Management.

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## Abbreviations

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**FAO** = Food and Agricultural Organisation

**(I)CSR** = (International) Corporate Social Responsibility

**ILO** = International Labour Organisation

**KNSV** = Koninklijke Nederlandse Specerijen Vereniging (Royal Dutch Spice Association)

**NEVI** = Nederlandse Vereniging voor Inkoopprofessionals (Dutch Association for Procurement Professionals)

**NGO** = Non-governmental Organisation

**OECD** = Organisation for Economic Co-operation and Development

**RBC** = Responsible Business Conduct



## Checklist/Reporting Template

It is important to report on the progress and impacts of due diligence efforts since companies are supposed to conduct on-going due diligence and to be transparent about it. For reporting, the following document can be used. This document can be used as a checklist for developing your Due Diligence Management process. It can also be used as a template to report on your achievements to stakeholders, for example to the Social Economic Council (SER) within the context of the ICSR covenant.

Company name and address			
Filled in by (name and contact details)			
Date			
Period covered by this report			
Due diligence management point of attention	Implemented, please provide evidence (*)	Partly implemented, please provide evidence (*)	Not implemented, please clarify
Responsible Business Conduct (RBC) policies			
RBC policies regarding company's own operations, supply chains and other business relations developed and endorsed by the company's CEO. Policies contain measurable indicators.			
Procedures in place for periodic and systematic evaluation of RBC policies.			
Senior person/team assigned who is responsible for implementation, monitoring and evaluation.			
Strategy for internal communication about RBC policies implemented.			
RBC policies are clearly communicated with stakeholders and publicly available.			
RBC policies included in company's mission statement.			
RBC embedded in management systems			
Due diligence management embedded in ISO 20400 or other management systems.			
Responsibility for due diligence implementation assigned to relevant departments.			
Adequate communication channels between relevant senior management and relevant departments established.			
Record keeping systems on due diligence processes in place.			
Supplier code of conduct based on RBC requirements implemented.			
RBC requirements integrated in general purchase conditions, purchase orders/contracts, product specifications and possible supplier self-audit questionnaire.			
Supplier code of conduct and purchase conditions are publicly available.			



Template for supplier visit reports with specific attention to RBC requirements is available.			
Due diligence instructions or training available for procurement staff and other relevant workers.			
Incentives for workers and business units to apply due diligence in place.			
RBC expertise/engagement is a selection criterion in recruitment processes of procurement staff and other relevant workers.			
Possible purchasing conditions and commercial incentives impeding suppliers and/or other business relations from implementing RBC identified and addressed.			
Long-term relationships established with suppliers to address RBC challenges.			
Direct suppliers provided with due diligence guidelines and/or training.			
Annual budget for RBC earmarked.			
RBC requirements included in decision-making processes for mergers/acquisitions.			
Grievance mechanism			
A mechanism responding to internally and externally reported grievances is in place.			
Farmers are informed about the existence of grievance mechanism (when there is direct engagement).			
First tier suppliers encouraged to establish grievance mechanism.			
Assessing adverse impacts			
Cooperation with NGOs established.			
RBC expectations and requirements of clients systematically monitored.			
Red flag RBC risks identified based on Quick Scan.			
Relevance of international RBC initiatives for spice supply chains analysed.			
Actual and potential adverse RBC-related impacts identified and assessed.			
Company's involvement with actual and potential adverse impacts assessed.			
RBC risks and needs for action prioritised.			
Making plans			
Plans, appropriate to the kind of involvement with actual and potential adverse impacts developed and implemented. Plans contain measurable indicators.			



Procedures in place for periodic and systematic evaluation of these plans.			
Track implementation			
Procedures in place to track implementation and effectiveness of the plans.			
Procedures in place to systematically learn from due diligence processes.			
Communication			
Strategy for external communication about RBC policies implemented.			
Relevant information on due diligence policies, processes and management is publicly available.			
Training for marketers and sales people on RBC implemented.			
Remediation (if a company causes or contributes to adverse impacts)			
Restore the situation of affected persons and enable appropriate remediation			
Strategy for stakeholder engagement implemented.			
Provide for or cooperate with legitimate remediation mechanisms.			

(\*) For example, website link or report

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## Module 2: Child Labour Due Diligence

This module focuses on child labour risks possibly related to your company's own operations, supply chains and other business relationships. In the context of Responsible Business Conduct (RBC), child labour is one of the most sensitive topics and may constitute a reputational risk to the product or company.

The existence of child labour is also an important indicator for the overall sustainability performance of a production process and, thus, the product. If child labour takes place, it is likely that also other human rights are being violated, that minimum working conditions and health and safety standards are not being obeyed and that insufficient attention is being paid to environmental protection. The use of child labour can be caused by other RBC issues such as extreme poverty, discrimination, gender inequality and/or a lack of freedom of association and collective bargaining. In addition, child labour may keep children uneducated and ignorant, making poverty and other unfavourable situations difficult to improve.

The gravity of child labour is also underlined by the fact that legislation on child labour due diligence is being considered in the Netherlands. Abolishment of child labour is also a major attention point in the ICSR covenant signed by KNSV.

Module 2 builds on Module 1 of this toolkit, which focuses on general Due Diligence Management. Module 2 helps you to identify specifically where child labour may be a risk and how you can address this in the context of Due Diligence Management. In Module 2 only additional recommendations that specifically concern child labour are given. Thus tips regarding general Due Diligence Management will not be repeated here!

In general, it is recommended that you also consult [the ILO-IOE child labour guidance tool for business](#). This guidance tool is in line with the [OECD Due Diligence Guidance for Responsible Business Conduct \(RBC\)](#) (see Module 1 of this toolkit), but tailored to child labour. It gives answers to a number of hard questions about addressing child labour.



# What is Child Labour?

The International Labour Organisation (ILO) considers child labour “work that deprives children of their childhood, their potential and their dignity, and that is harmful to their physical or mental development including by interfering with their education. Specifically, it means types of work that are not permitted for children below the relevant minimum age.”

A person under the age of 18 is considered a child. However, not all work performed by children is considered child labour. Millions of young people above the relevant minimum age undertake work, paid or unpaid, that is lawful, appropriate for their age and maturity and part of their socialisation and school-to-work transition. By working, these young people learn to take responsibility, gain skills, add to their family's or their own income and wellbeing, and contribute to their country's economy.

- The definition of child labour in legislation may vary from country to country. This may be a source of confusion and misunderstanding. As a KNSV member it is recommended that your RBC policies covering your own operations, supply chains and other business relationships contain the internationally widely recognised [International Labour Organisation \(ILO\) standards](#):
- Children who are over the age of 13 years (in developing countries this can be 12) can do light work as long as it does not threaten their health and safety or hinder their education or training. National governments are supposed to determine locally what is acceptable light work, although few countries have.
- Children who are over the age of 15 years (in developing countries this can be 14) can work as long as it does not threaten their health and safety or hinder their education or training.
- Children under the age of 18 years are not allowed to do dangerous work or work in dangerous or unhealthy conditions which could result in illness, injury or death. This is known as hazardous work.”
- [The ILO-IOE child labour guidance tool for business](#) summarises the general causes of child labour and related push and pull factors:

## Causes and General Contextual Factors Include:

- Poor enforcement of child labour laws
- Inadequate social protections
- Lack of quality education for the poor
- Endemic poverty
- Weak rule of law
- Absence of systems for workplace collaboration
- Large parts of the economy are informal
- Rural areas with inadequate infrastructure

## Push Factors Include:

- Household and community poverty
- Economic shocks (e.g., unanticipated health problems)
- Social acceptance of child labour
- Insufficient educational opportunities and/or social or bureaucratic barriers to education
- Discrimination in access to schooling or certain jobs
- Lack of parental guidance and support

## Pull Factors Include:

- Attraction of earning an income
- Unregulated enterprises in informal economy
- Unprotected migrants seeking income earning opportunities
- Family enterprises that rely on their children's work because they are not able to employ adult labour
- Certain work that is commonly organised such that it can be performed only by children
- Hiring practices of recruitment or employment agencies or approaches by individual labour brokers



## What is Child Labour?

- FAO mentions the following **root causes of child labour in agriculture**:
  - Poverty, unemployment and underemployment
  - Inadequate or lack of social protection systems
  - Inadequate protection of workers' rights
  - Limited access and barriers to education
  - Labour intensive agricultural work
  - Poor access to extension services and knowledge
  - Functioning of value chains and the rural and the global economy; for example, when high quotas for export crops displace food production or relegate food production activities to children
  - Insufficient supply of adult labour
  - Inadequate legislative frameworks and enforcement, including exemptions for agriculture
  - Seasonal nature of agricultural work with peaks in labour demand
  - Lack of political will and leadership to respond
  - Traditions and cultural perceptions; for example, sometimes education is not perceived as an important investment and, for some agricultural stakeholders, there is a resistance to acknowledge work-related risks and the extent of such risks for a child.

- [In the case of disasters or conflicts](#), which are increasing due to various factors including climate change, a child's life in agricultural areas is likely to be negatively affected. In such situations:
  - Children separated from their families may need to work to survive.
  - Families may resort to negative coping strategies and pull children from school and put them into work.
  - Attending school may no longer be possible due to unsafe conditions, restricted access, impeded mobility or because of the destruction of infrastructure.
  - Harvest failure increases the chances that children will be needed to support household income and production.
  - Children may be forced into more harmful situations, such as joining armed groups.
- This [report](#) gives a general overview of global child labour problems.



## General Child Labour Risks Related to Spices

**Unless you are directly involved in spice cultivation and/or processing in countries of origin, it is unlikely that your company runs child labour risks within your own facilities. In most cases, if child labour is an issue, it will be restricted to supply chains and possibly other business relationships.**

- Child labour in certain spices is primarily an issue at farm level (activities such as weeding and harvesting) and related to the collection of herbs and spices in the wild. Children may work at their parents' farm or as a hired worker (mainly for seasonal labour). As long as internationally agreed minimum ages are obeyed, the children can go to school and they are not exposed to dangerous situations, child labour does not have to be a problem. See also the 'What is Child Labour' section of this module (hier interne link naar deze sectie).
- In many cases, however, child labour in agriculture is highly undesirable. According to the FAO, about 70 million children aged 5-17 are in agriculture, 59 percent of all children employed in hazardous work. Agriculture can involve many hazards, such as exposure to pesticides, dangerous machinery, heavy loads, long hours and hostile environments, where children are more at risk than adults. ILO lists the most common examples of accidents in agriculture involving children:
  - cuts and wounds from knives, machetes, crop stubble, and plant stumps
  - being struck by a moving vehicle, such as a tractor, harvester, or forklift truck
  - being trapped by something falling, collapsing, or overturning, such as bales, crates, and shelving
  - falls from a height - from working platforms, ladders, bales, and trees
  - slips, trips or falls on the same level, including falling under moving vehicles or trailers
  - contact with, or entanglement in, unguarded or poorly guarded machinery
  - contact with electricity - due to defective fixed installations or portable tools, extension cables, and so on - resulting in electrocution and/or burns
  - asphyxiation in, for example, water, grain, or animal slurry
  - injuries from farm animals, including being bitten, butted, gored, or trampled
  - musculoskeletal injuries and disorders due to: handling, lifting and carrying heavy and/or awkward loads and tools
  - repeated movements resulting in repetitive strain injuries
  - poorly designed tools and machinery
  - vibration and jolting when working on tractors or other self-propelled machinery
  - being bitten by snakes or other poisonous insects, and even attacks by wild animals
- Children are particularly vulnerable to pesticide exposure for various biological and behavioural reasons:
  - Children's minds and bodies are still developing;
  - Their lower body weight and size combined with greater rates of breathing and higher surface area to volume ratio, result in a greater exposure to pesticides for their size;
  - Children's organs are less able to detoxify pesticides;
  - The high growth rate of children amplifies toxic effects on the cells and organs, which may only be manifested years later;
  - Children's likelihood of ingesting pesticides is higher due to greater hand-to-mouth behaviour; and
  - Children have lower capacity and skills to assess risks when working with or close to pesticides.
- It cannot be excluded that children are also involved in post-harvesting activities related to spices (e.g., sorting, cleaning) or various processing activities. Low wages, bad occupational health and safety situations and other unfavourable labour conditions are points of attention.



# Child Labour Policies and Management Systems

This section builds on Steps 1-3 and 7 of your Due Diligence Management process (see Module 1 of this toolkit). In this section only additional recommendations with regard to specifically child labour are given.

- Make sure to explicitly mention in your RBC policy the commitment that your company strives for the abolishment of child labour in **entire supply chains** and that your company seeks collaboration with suppliers and possibly other parties to achieve that.
- Consider specifically emphasising abolishment of hazardous work for children in **your RBC policies**, as this is a major problem in agricultural supply chains.
- For communication purposes, consider putting your RBC policies in the context of the **Sustainable Development Goals (SDGs)**, possibly in addition to another formulation. Relevant SDGs are SDG 8 (decent work and economic growth) and possibly SDG 1 (no poverty), SDG 4 (quality education) SDG 12 (sustainable consumption and production) and/or SDG 17 (partnerships for the goals).
- Make sure your **supplier code of conduct** and **possible supplier self-audit questionnaires** at least address the following topics:
  - Abolishment of child labour
  - Compliance with (local) legislation
  - Payment of living wages/incomes to the extent possible
  - Stimulation of acceptable working hours
  - No discrimination
  - Freedom of association and collective bargaining
  - Commitment that your company is willing to contribute to solutions should problems be encountered
  - The measure with which compliance with the code will be monitored and what consequences of non-compliance will be.
- Include the **ILO definition of child labour** in your supplier code of conduct, purchasing conditions, purchase contracts/orders, product specifications and possible supplier self-audit questionnaires (see the 'What is Child Labour?' section of this module).
- Explicitly include in your supplier code of conduct, purchasing conditions, purchase orders/contracts, product specifications and possible supplier self-audit questionnaires the condition that your first tier suppliers are, as far as reasonable, also expected to **conduct child labour due diligence among their suppliers**.
- Make it explicit to **new suppliers** that occurrence of child labour in supply chains will be considered a knock-out criterion. Make it clear to **existing suppliers** that if child labour in supply chains is encountered, a plan to phase this out should be developed in cooperation with your company. Also make clear how compliance will be monitored. Include this arrangement in the purchasing conditions and purchase contracts/orders.
- Make the fact that workers involved in the entire supply chain should preferably receive a **living income/wage** an explicit point of discussion in engagements with suppliers (not just the legal minimum income/wage). Use this tool to calculate living wages.
- **Include child labour as attention point** in templates for supplier and client visit reports, supplier (self) assessment questionnaires, your suppliers' record keeping systems, instruction/training materials for your own procurement and sales people and possibly your suppliers.
- Also include child labour in your **internal and external communication efforts**. Describe general child labour policies, approach and findings of child labour due diligence, specifics of risk management plans and the results of implementation of the plans (at outputs and outcomes level).
- Identify one or more **globally active NGOs** specialised in child labour. Ask them to actively inform your company if child labour in relevant supply chains is encountered. In addition, contact these NGOs yourself at least once/year to identify possible new child labour issues and to validate your company's own child labour risk assessments and risk management plans.
- Make sure that the existence of your **grievance mechanism** is explicitly brought to the attention of relevant stakeholders who could address child labour possibly related to your own operations, supply chains and other business relationships.



# How to Identify, Assess and Prioritise Risks in Supply Chains?

For general guidance on how to identify, assess and prioritise RBC risks and issues within your Due Diligence Management process see Module 1 of this toolkit (Step 4: Assess Adverse Impacts).

For the identification, assessment and prioritisation specifically of child labour risks in your supply chain, it is recommended that you take a two-step approach.

- Start with a **Quick Scan** to identify possible child labour hot spots in your supply chain. If you have many supply chains and limited capacity consider setting a target to conduct Quick Scans for X supply chains per year. Together with your first tier suppliers (and possibly other parties), map your entire supply chains. If your first tier suppliers are reluctant to cooperate or if they do not have reliable information themselves, conduct desk research or seek cooperation with NGOs or external experts to identify these risks. A first assessment of child labour risks, including prioritisation, can be made based on this Quick Scan. You may want to distinguish between child labour risk categories, for example based on the following principles.

Risk level	Assessment
HIGH	<p>Child labour with regard to the specific supply chain (product-country combination) is specifically mentioned in:</p> <ul style="list-style-type: none"><li>• <a href="#">List of Goods produced by child labour of US Department of Labor</a> and/or</li><li>• <a href="#">Findings on the worst forms of child labour</a> of US Department of Labor and/or</li><li>• <a href="#">ILO documents</a> and/or</li><li>• <a href="#">ILO-IPEC documents</a> and/or</li><li>• <a href="#">UNICEF documents</a> and/or</li><li>• Products of <a href="#">child labour map</a> of Anti-Slavery International and/or</li><li>• <a href="#">Child Labour Index Map 2014</a></li><li>• Other documents or information from reliable sources</li></ul>
SIGNIFICANT	<p>Product-country combination associated with child labour is not explicitly mentioned in literature, but:</p> <ul style="list-style-type: none"><li>• Country is considered an extreme risk country according to <a href="#">Child Labour Index Map 2014</a> and</li><li>• &gt;10% of children <a href="#">in the country is involved in child labour</a> and</li><li>• &gt;50% of <a href="#">child labour in the country is related to agriculture</a> or</li><li>• Country is considered an extreme risk country according to <a href="#">Child Labour Index Map 2014</a> and</li><li>• No quantitative data on child labour available</li></ul>
MEDIUM	<p>Product-country combination associated with child labour is <u>not</u> explicitly mentioned in literature and Product-country combination does not fall in any of the other risk level categories.</p>
LOW	<p>Product-country combination associated with child labour is <u>not</u> explicitly mentioned in literature and Country is considered a low risk country according to <a href="#">Child Labour Index Map 2014</a>.</p>



# How to Identify, Assess and Prioritise Risks in Supply Chains?

- Based on a Quick Scan executed in 2017 and these risk categories, the following assessment has been made with regard to a number of specific product-country combinations.

HIGH	SIGNIFICANT	MEDIUM	LOW
<ul style="list-style-type: none"><li>Black pepper-Vietnam</li><li>Cardamom-Guatemala</li><li>Chillies-India</li><li>Cloves-Madagascar</li><li>Cloves-Comoros</li><li>Cumin-Turkey</li><li>Saffron-Iran</li><li>Vanilla-Madagascar</li><li>White pepper-Indonesia</li></ul>	<ul style="list-style-type: none"><li>Cinnamon-Vietnam</li><li>Coriander-Russia</li><li>Cumin-Syria</li><li>Cumin-India</li><li>Fenugreek seed-India</li><li>Garlic (dried)-China</li><li>Ginger-Nigeria</li><li>Onion-India</li><li>Oregano-Peru</li><li>Paprika-Peru</li><li>Paprika-China</li><li>Turmeric-India</li></ul>	<ul style="list-style-type: none"><li>Basil-Egypt</li><li>Black pepper-Indonesia</li><li>Cinnamon-Indonesia</li><li>Coriander-Morocco</li><li>Coriander-Bulgaria</li><li>Coriander-Ukraine</li><li>Dried Herbs-Morocco</li><li>Dried Herbs-Turkey</li><li>Dried Herbs-Egypt</li><li>Nutmeg/mace-Indonesia</li><li>Oregano-Turkey</li><li>Pink pepper-Brazil</li></ul>	<ul style="list-style-type: none"><li>Paprika-Spain</li><li>Parsley-France</li><li>Parsley-Spain</li></ul>

- Important notes related to this risk categorization:

- If a child labour risk is assessed relatively high this does not mean that child labour actually occurs in the specific supply chain(s) of your company.
- If a child labour risk is assessed relatively low absence of child labour is not guaranteed. This only implies that no specific information on child labour has been found.
- In such an assessment, the level of severity of child labour has not been taken into account.
- References to possible occurrence of child labour are related to assessments at a specific moment. The current and future situation may change.
- Subsequently, if relevant, carry out **in-depth analyses** with regard to supply chains considered to have a high or significant risk of child labour. In this analysis, you must first assess if child labour actually occurs and, if so, what the root causes of it are and what mitigating measures your company could possibly take. Differences between boys and girls must be considered, both regarding root causes and mitigating measures. If this step involves many supply chains and you have limited capacity, consider setting a target for conducting in-depth analyses for X supply chains per year. Consider cooperating with others (other KNSV members, suppliers, clients) to conduct such in-depth analyses (possibly in the context of the Sustainable Spices Initiative).
- For these in-depth analyses, consider identifying and contracting **an external organisation** to carry out research in the specific production region. Such organisation must be expert in child labour issues, should make use of local researchers who speak the language and are sensitive to the socio-cultural context and who preferably have experience with the agricultural/spice sector. Make sure this organisation works according to the [guidelines of the handbook for monitoring and evaluation of child labour in agriculture](#). If they engage with indigenous peoples they must also consider the guidelines of annex B of [OECD-FAO Guidance for Responsible Agricultural Supply Chains](#). You may want to use the following template as an invitation to such organisations to submit a research proposal.



# Child labour due diligence spice supply chains?

Request for proposal / Terms of Reference

## 1. Introduction

European food industries and retailers are becoming progressively concerned about social and environmental issues related to the production of spices. In addition, sustainability is increasingly becoming a topic in Dutch legislation. For example, the Dutch government is planning to implement legislation to eliminate child labour in the Dutch companies' supply chains. Anticipating these developments, the Royal Dutch Spice Association (KNSV) has signed a covenant with the Dutch government to strengthen efforts in the area of International Corporate Social Responsibility.

Within this context, we will try to eliminate possible child labour in our supply chains. For this purpose, we invite you to submit an in-depth analysis of child labour in the following supply chain(s):

- Mention the specific product-country combination(s)
- ....
- ....

### General objectives:

1. To assess if child labour actually takes place in our specific supply chain; if so
2. To obtain in-depth insight into the scope and root causes of child labour;
3. To identify feasible measures to mitigate or prevent child labour.

Insight into the scope and root causes of child labour is crucial for obtaining a better understanding of potential effective measures to eliminate it. Root causes may entail various socio-economic, cultural, legal/political and practical issues, such

as:

- Level of poverty in the area (including family income);
- Access to education (costs, availability, quality);
- All kinds of cultural and/or religious characteristics;
- Values around work and importance given to education;
- National/local labour laws and level of enforcement;
- Social context: household level information (single headed families, number of children, position of women and girls), child headed families);
- Type of work;
- Outsourcing practices;
- Supply chain characteristics.

With regard to 'feasible measures' it is important to stress that we want to identify measures leading to real and structural improvements for the children. We are not satisfied if the project just leads to improvements on paper. We will not change suppliers just as a result of child labour being encountered. On the other hand, the measures must be feasible and appropriate in the context of our position in the supply chain and related to our 'responsibility to act' (according to the UN Guiding Principles on Business and Human Rights).

In general, the information must be based on consultations with stakeholders in the production areas (e.g., farmers, suppliers, traders, workers, children, schools, associations, community leaders, local governments, community based organisations, trade unions) and possibly desk research.

## 2. Research questions, planning, deliverables and budget

For this project, the following research questions must be answered:

### Child labour related to the spices under consideration in the region

1. What are the most important stakeholders in this region related to child labour and the spices under consideration and what roles do they play?
2. How can child labour related to the spices under consideration in the region be characterised (e.g., children of



- farmers, migrant workers, related to forced labour)?
3. What kinds of activities are performed by these children (if relevant distinguish more steps in the value chain).
  4. What can be said about the severity of the child labour in terms of numbers of children involved, age, scope of work and payments received?
  5. Are both boys and girls involved and, if so, to what extent do their activities differ? Is there a difference with regard to the severity of the work for boys and girls?
  6. What are the root causes of child labour (consider specific socio-economic, cultural, legal/political and/or practical issues)? Is there a difference between boys and girls?

#### **Child labour in the specific supply chains**

7. To what extent are findings in research questions 2-6 also applicable to our specific supply chain(s)? What are possible differences?
8. If child labour is currently not taking place in our specific supply chain(s) what measures have been implemented to prevent this? What lessons can be learned?
9. If child labour occurs in our specific supply chain(s) what are potential measures to effectively and structurally eliminate this? Which stakeholders must play a role in the execution of these measures?
10. What specific and feasible measures could our company take, taking into consideration our position in the supply chain and related ‘responsibility to act’ (according to the UN Guiding Principles on Business and Human Rights)?
11. What are possible costs related to the implementation of mitigating measures and which stakeholders are willing to financially contribute?
12. To what extent will these measures be supported by local producers and traders and other crucial stakeholders (e.g., community leaders, local governments, community based organisations, trade unions)?
13. Are there any other consequences related to the implementation of these measures?

Period of execution: xxxx

Deliverables: The project must be executed in two phases:

1. Phase 1 will give answer to research questions 1-6 and the results will be presented in an interim report (in English).
2. Phase 2 will give answer to research questions 7-13 and the results will be presented in an overall report that also includes the results of the interim report (in English).

Maximum budget: xxxx

#### **3. Requirements proposal**

Deadline for receipt of proposal: xxxx

Please briefly address the following in your proposal:

- Vision on the project
- Approach, including the way you will follow the [guidelines of the handbook for monitoring and evaluation of child labour in agriculture](#).
- Planning
- Deliverables
- Experience, both as an organisation and of the researchers involved (include CVs)
- The role of this project in the context of your existing programmes and ambitions (if relevant), including your possibilities to play a role in implementation of improvement measures
- Budget

Contact person for this Terms of Reference: xxxx



## How to Identify, Assess and Prioritise Risks in Supply Chains?

- For the Quick Scan and especially for the in-depth analyses, in most cases **you will depend on the cooperation of your first tier suppliers**. Some first tier suppliers will most likely be distrustful when they receive your inquiries because they may not have immediate answers themselves, they do not understand why you want to interfere with their procurement policies and/or they are afraid of losing business. It is, therefore, important to create an atmosphere of trust and to make clear that you will share the challenges and the potential benefits if child labour in supply chains can be adequately eradicated. Personal communication and awareness of cultural, economical and social sensitivities are key.
- As part of the child labour risk assessment and the analysis of possible mitigating measures it is recommended that you also consult as to what extent **international RBC initiatives related to spice supply chains** sufficiently address and prevent child labour. See ‘Module 1, Step 4: Assess Adverse Impacts’ of this Due Diligence Management toolkit for an overview of such initiatives. Main checkpoints are explicit reference to the entire supply chain (not just first tier suppliers) and to sub-contractors (not just contractors).
- Based on the information obtained from the Quick Scan and in-depth analyses, where necessary, **prioritise the most significant child labour risks and impacts for action**. In general, prioritisation must be based on severity and likelihood of adverse impacts. Severity is determined by three factors: (1) scale (gravity of the impact on children), (2) scope (the number of children affected) and (3) remediability (any limits on the ability to restore affected children to a situation at least the same as, or equivalent to, their situation before the impact). Where the Likelihood of an impact occurring is also high, the salience of the issue increases. However, because salience focuses on the severity of the harm to people, impacts of high severity and low likelihood should still be prioritised for attention.
- In general, give priority to potential or actual impacts that may be addressed immediately and to activities that are causing or contributing to adverse impacts. Prioritisation will be relevant where it is not possible to address all potential and actual adverse impacts immediately. Once the most significant impacts are identified and dealt with, the company should move on to address less significant impacts.



## How to act?

This section builds on Steps 5, 6 and 8 of your Due Diligence Management process (see Module 1 of this toolkit). In the section below only additional recommendations with regard to specifically child labour are given. Thus, tips regarding general Due Diligence Management will not be repeated below!

- There are several strategies for interventions to abolish child labour ‘on the ground’. Such strategies should be tailored to targeting the root causes of child labour. For example, these include:
  - Training and awareness raising of local authorities to improve enforcement of regulation;
  - Development of clear definitions of what should be considered ‘light’ or ‘hazardous’ child work within a specific sector (important for enforcement);
  - Community engagement and implementation of a programme strengthening the economic resilience of parents and enabling them to generate a higher income (e.g. income diversification, premium prices, creation of product added value and implementation of good farming practices that would increase productivity);
  - Reintegration programme for the youngest children (e.g. below 13 years old) to return to school;
  - Coaching and educational programme for older children (e.g. 13 – 17-year old);
  - Vocational and technical training for children having completed basic education;
  - Programme for improving access to saving or micro-financing schemes, including training on financial literacy;
  - Campaign to discourage families to send their children to work (including awareness raising);
  - Campaign to discourage employers and labour intermediaries to hire children (including awareness raising);
  - Deployment of occupational health and safety experts;
  - Improvement of quality of -and access to- local education;
  - Improvement of infrastructure and facilities (e.g. electricity, water, sanitation, child care facilities, recreation) for workers (in collaboration with local authorities);
  - Increase of transparency in the supply chain with a stronger focus on traceability;
  - User-friendly, easy-to-access grievance and feedback mechanisms;
  - Child Labour Free Zones (see [this document](#) for more information).
- Many KNSV members are probably only linked to possible child labour through their supply chains. Such companies are mainly expected to make an effort together with others to improve the situation for the children. However, If your company lacks sufficient leverage with suppliers/business relationships, you may want to increase leverage, for example by:
  - Introducing RBC and due diligence expectations into commercial contracts.
  - Establishing commercial incentives linked to RBC criteria.
  - Establishing longer-term relationships with your suppliers or other business relationships.
  - Partnering with suppliers/business relationships to develop and implement corrective action plans that are time-bound and outcome-oriented.
  - Providing technical guidance to suppliers/business relationships, for example in the form of training, management systems upgrading, etc.
  - Facilitating the participation of suppliers/business relationships in broader sector-wide initiatives or regional initiatives to prevent impacts.
  - Facilitating linkages of suppliers/business relationships with local service providers.
  - Facilitating access to financing for suppliers/business relationships to help implement corrective action plans, for example through direct financing, low-interest loans, guarantees of continued sourcing, and assistance in securing financing.
  - Teaming up with companies sourcing from the same supplier and developing and sharing a common set of requirements. This way you can apply combined leverage to encourage the shared suppliers to implement effective corrective action measures. However take competition law into consideration!
  - Establishing a sector-wide or regional level initiative to identify and engage suppliers that operate at common control points in the sector supply chain (e.g., the Sustainable Spices Initiative).
  - Joining existing geographic or child labour-specific initiatives that seek to prevent and mitigate child labour (e.g., country, commodity or sector roundtables, multi-stakeholder initiatives and on-the-ground programmes).

In general, it is recommended to assess a baseline on the children’s work as a priority starting point before implementing measures for change.

- However, your responsibility to act and the expectation that you are directly involved in such interventions on the ground depends on your position in the supply chain (see also the section ‘What is Your Responsibility?’ in the introductory section of this toolkit). In general, if your company causes or contributes to child labour through its own activities, it is expected to stop doing so, and remediate the harm or its contribution to the harm. Where child labour is only linked to your company’s business relationships, your company is expected to take action to try to mitigate the risk of the impact continuing or recurring.

- In general, employers’ and workers’ organisations, civil society organisations, international organisations and other stakeholders can all contribute to the elimination of child labour. Your company may want to further increase leverage by engaging or partnering with these organisations. In addition, you may want to engage with governments in sourcing countries to discuss the their critical role in protecting children. In doing so, it can be particularly helpful to engage through national employers’ organisations.



## How to act?

- Consider procuring certified spices or spices from specific sustainability initiatives, providing that these certification schemes and initiatives sufficiently address abolition of child labour. See overview in Due Diligence Management Module 1: Step 4: Assess Adverse Impacts.
- In general, if child labour is somehow related to your company's current supply chains or other business relationships, **disengagement with the business relationship** should only be considered as a last resort. This is because the situation for the affected children will not improve or may even deteriorate. Disengagement should only be considered either after failed attempts at mitigation or where the company considers mitigation not feasible.
- Although it is unlikely that many KNSV members **cause or contribute to** child labour, if such situation occurs the company must implement a policy to communicate with impacted or potentially impacted right holders in a timely, culturally sensitive and accessible manner. In that case consider implementing the actions as presented in sections 6.1 and 6.2 of the [OECD Due Diligence Guidance for Responsible Business Conduct](#).
- In the case of possible involvement in interventions on the ground and/or for monitoring of the effectiveness of measures make sure to consider the [ILO Guidance for Developing Child Labour Monitoring Processes](#). This Guidance aims to prevent negative side effects when interacting directly with children. In case of engagement with indigenous peoples also consider the guidelines of Annex B of [OECD-FAO Guidance for Responsible Agricultural Supply Chains](#).
- Note that failing to take meaningful action to prevent and address child labour in the company's operations or value chain **cannot be offset** by doing good elsewhere.
- After child labour risk management plans have been implemented, **continue to conduct child labour due diligence** for the specific supply chain, even when child labour has been abolished (the frequency of due diligence may decrease when child labour has been proven not to have taken place for a longer period). Consider cooperating with others to conduct such periodic verification activities. If child labour proves not to have been abolished, develop and implement a new risk management initiative.



## Case studies

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In 2018 a number of case studies with regard to spices from specific origins have been carried out. The objective of these studies were (1) analysis of the scale, scope, severity and root causes of child labour and (2) identification of possible mitigating measures. These case studies are examples of in-depth analyses referred to in the “How to Identify, Assess and Prioritise Risks in Supply Chains?” section of this toolkit (module 2).

It concerns:

- [Cardamom from Guatemala](#)
- [Cumin from Turkey](#)
- [Turmeric from India](#)



# Cardamom from Guatemala

## Why this case study?

Child labour in cardamom production in Guatemala is mentioned in several documents. Several international NGOs also stressed prevalence of child labour in this sector is very likely.

## Approach case study

- Conducted by [Heifer International](#).
- The research was conducted in ten municipalities of the two departments that produce 82% of cardamom production in Guatemala: Alta Verapaz (68%) and Quiché (14%). The department of Alta Verapaz also stands out for having the highest rate of child labour in Guatemala. Interviews and focus group discussions were held with local governments, NGOs, entrepreneurs in the cardamom supply chain, community leaders, cardamom farmers and children. In addition, field observations during the cardamom harvesting seasons took place.



Photo: Heifer International

## Scale, scope and severity of child labour

- It is generally confirmed by all parties that child labour occurs in cardamom production (not in processing). It is specifically related to the harvest period, from September to March. Sometimes children are also involved in clearing and maintenance of the plot, pruning, the loading of cardamom fruits from the plot to the community collection point and selection of cardamom.
- The children work in the family plot, together with the family, and in some cases they accompany their parents in farms or in other plots, when the parents travel to work as day labourers. In general these children don't get any remuneration. Children of small producers are involved from an early age (sometimes starting at 7 years old, average at 10 years old). There are also cases of work of paid adolescents (15 - 17 years old) on farms: they are self-employed as day labourers.
- The children may be exposed to hot and humid weather conditions, insects and snakes bites, dust, heavy work (e.g. carrying of sacks), long working days and accidents (e.g. some work with machetes). In addition, child labour may be a trigger for early school drop-out. However, with the exception of reduced school attendance, these risks are generally not recognised by the parents, the children themselves and several other local stakeholders.
- There is a gender division of work between boys and girls, who both participate in the cardamom production, but in a different manner: boys are able to perform various tasks, from cleaning and pruning to harvesting and carrying the cardamom sacks, while girls harvest and bring food to the workers in the plot.
- The following root causes for child labour are identified:

- Socio-economic factors.** The perception of stakeholders is that child labour originates in the conditions of poverty and extreme poverty in which most of the families of the area live. Families are looking for ways to increase their income by reducing production costs, and therefore, they turn to the labour of children.
- Legal / political factors.** The almost absence of government entities exercising a role of monitoring, prevention and eradication of child labour, evidences that the State is not coordinating any specific measures focused on child labour, despite being prohibited by law. In Alta Verapaz, the departmental delegation of the Ministry of Labour lacks personnel, financial resources and knowledge about the subject, to fulfil its mandate.
- Cultural factors.** Child labour, especially during the harvest season of coffee, cardamom, cocoa, and other crops, is a widespread practice rooted in the families of small producers in general. Several stakeholders consider child labour as something normal that commonly happens. It seems that families don't consider child labour harmful, but on the contrary, they value it as something positive, which contributes to the family's economy and trains their children. This is the main reason why the awareness of the severity of child labour is so weak, despite the number of children involved, the conditions and consequences. Changing these cultural patterns will be one of the main challenges of the actions to be implemented to address the problem.

- Other factors.** Another factor that influences the involvement of children are their physical characteristics (size and motorial skills), which facilitate cutting the cardamom, since the fruit is located in the lower part of the plant. Dysfunction in local schools (absenteeism of teachers, lack of basic equipment, low quality educational content) is another factor that encourages children and their parents to prefer the harvest to school.



## Cardamom from Guatemala

### Proposed measures to reduce child labour risks

Heifer International recommends implementing a series of measures aimed at four specific objectives:

1. Close the income gap of cardamom smallholder famers families, increasing productivity and quality of production, diversifying income and improving their inclusion in the cardamom value chain. Specifically for example through the creation and development of an agroforestry system productive model, linked with dryers owned by cooperatives and buyers guided by corporate social responsibility.
2. Replace the culture favourable to child labour with a culture favourable to education and the rights of children: Raising awareness on education, rights of the child and consequences of child labour, among children, teachers, parents and decision-makers at local level.

3. Strengthen public entities that address child labour at the departmental level to improve their capacities for monitoring and inter-institutional coordination.

4. Create awareness and commitments among the main actors of the cardamom value chain on corporate social responsibility.

It is recommended to implement these measures as a pilot project, on a small area (like a micro region), with public-private partnerships (NGOs, private sector and government institutions), to leverage the objectives.



# Cumin from Turkey

## Why this case study?

The incidence of child labour in cumin production in Turkey is explicitly mentioned in among others the [List of Goods produced by child labour](#) of the US Department of Labour and on the [child labour map of Anti-Slavery International](#).

## Approach case study

- Conducted by the [Fair Labour Association](#) (FLA).
- In addition to desk-based research, FLA gathered field data from July 2-6, 2018, during the peak harvest season in the Konya and Afyon regions in Central Anatolia, where cumin is produced extensively. A Worker Demographic Profiling was undertaken to profile workers and existing labour practices. FLA surveyed 21 workers' families covering 172 individuals involved in cumin production. 3 out of the 21 surveyed households were locals, and 18 were migrant families. In addition to the household survey, FLA interviewed representatives from 2



governmental organizations and 4 civil society organizations, 2 traders, 2 labour contractors, 7 farmers and 3 cumin exporters (suppliers).

- The research was conducted in a specific region and regarding specific supply chains. Other regions and supply chains may have other characteristics.

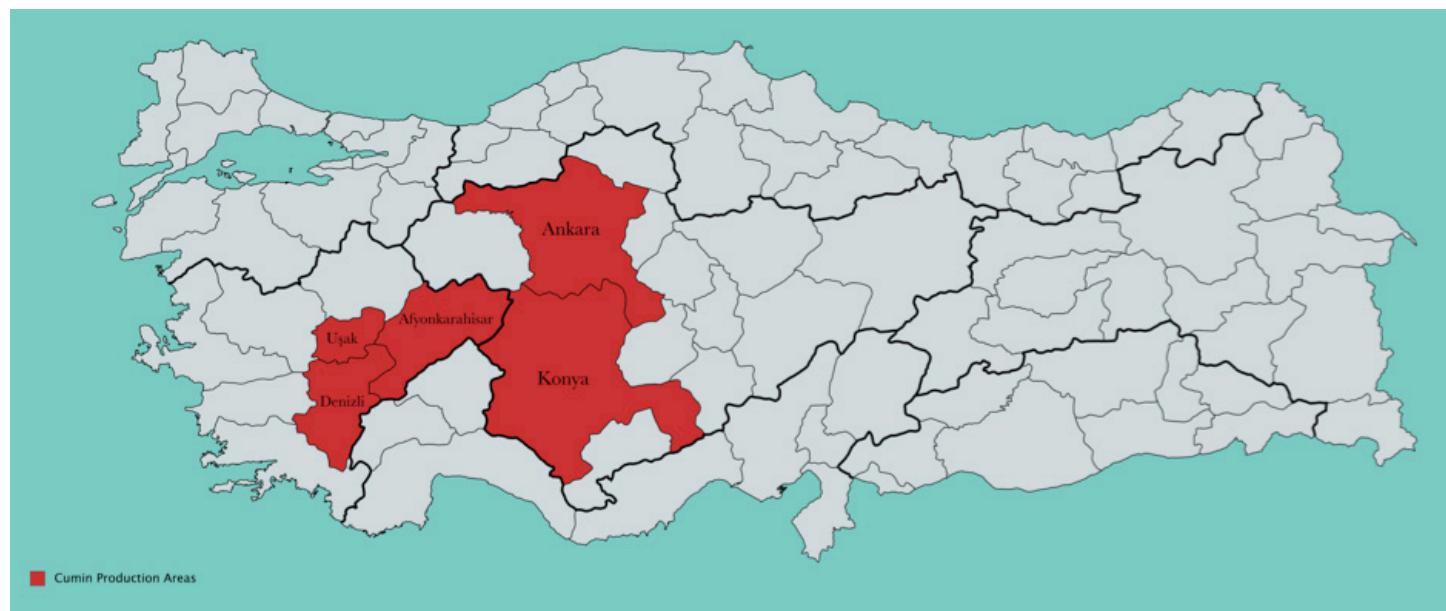


Figure 1: Cumin Production Areas in Turkey

## Scale, scope and severity of child labour

- In general, in Turkey most child labour is related to agriculture. Due to the seasonal nature of agricultural work throughout the country, farmworkers often migrate with their families for up to seven months per year. Besides cotton, hazelnuts, citrus fruits, sugar beets, peanuts, apricots, melons, cherries and pulses cumin is one of the commodities falling in the circle of seasonal agriculture migratory work. Hired labour is required during weeding and harvesting periods. Farmers prefer hiring temporary workers if their production area is large or if they do

not have enough labour force within their own household.

- Turkey has ratified ILO Conventions on Child Labour 138 and Worst Forms of Child Labour 182. As per the local legislation, work of children below the age of 15 years is considered 'Child Labour' and all work of children under the age of 18 years involved in seasonal migratory labour is considered 'Worst Forms of Child Labour'. The research showed a high prevalence of child labour in cumin under 15 years of age (39.7%). In total 50.2 % of the working population is under 18 years old. 59 out of 100 surveyed children were found to be actively working in cumin harvest (see table). Of the 59 working children and young workers, 27 are male and 32 are female.



## Cumin from Turkey

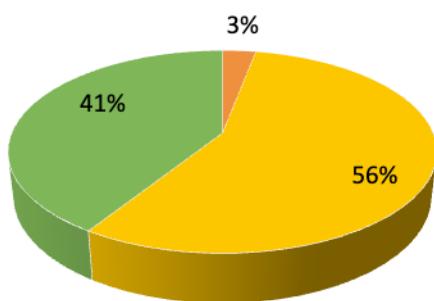
Distribution of working children in age groups (n=59)

Age Group (years)		Working in cumin	Surveyed children	Percentage
	0-4	0	15	
	5-11	14	33	42.5%
	12-15	32	37	86.5%
	16-18	13	15	86.6%

- 53.4% of the people amongst the working population (116) were illiterate. Illiteracy rate is higher for female workers. Of the 59 working children (under 18 years of age) who are in the school going age, 30 are illiterate and 28 are literate (1 worker was 6 years old and under the school going age). Among the working children and young workers, 28 have never attended school, 25 are currently students in elementary and high-school. The rest have dropped out of school.
- Two types of workers can be distinguished: local workers and seasonal migrant workers. Seasonal migrant workers are mostly families from the South-Eastern part of Turkey and Syrian refugees. 97 out of 100 children surveyed belonged to seasonal migratory agricultural communities, while 3 of them belong to local communities (see figure).

### Percentage of children (%)

■ Local   ■ Migrant (Sanliurfa)   ■ Migrant (Syrian)



- All interviewed seasonal workers stated that they work with a labour contractor, who arranges work, transportation from hometown and also mediates between the farmer and the workers on working conditions and compensation. It is common for seasonal migrant workers to borrow money from the labour contractor in order to pay for their expenses. In return for the services, labour contractors deduct intermediary commission from the workers' earnings, which is generally set at 10% of the total earnings.

- The total working hours of both local and migrant workers fall in the range of 63 to 77+ hours per week. This also applies to children. This is way beyond the legal limit of 45 working hours per week for any type of work.
- Working conditions in the cumin fields are often harsh. Children are exposed to the same risks as they are actively contributing to weeding and harvesting activities. The farms are mostly located on dry and huge lowlands without any shade. In July, during summer, Konya and Afyon regions experience very high temperatures. One of the risks to workers' health during this harvesting period is sunstroke and dehydration. Given the lack of shaded areas in the farms, the workers are not able to take a break from the heat. They must rely on caps and full sleeves clothes to protect themselves. Additionally, since the land is arid, dust levels are very high and this may adversely affect workers respiratory system and eyes due to long-term exposure. There are no toilets and running water on the farms. Workers have to carry their own water and food. The cumin plants have thorns that are harmful for the hands of the workers. Proper gloves must be used.
- Workers surveyed did not report they have received any trainings or awareness sessions on any topics (health & safety, good agriculture practices, labour rights, agronomics etc.) at the farms.
- Children involved in seasonal migratory agriculture work also face poor living conditions. In general, the camps or the places where they reside in the farms have poor sanitary conditions with limited access to potable water and electricity. In addition, since workers are not familiar with the cities they work in, they do not have their own transportation and they live far from the city, they cannot easily access healthcare services.
- Many migrant families work without registration and social security.



# Cumin from Turkey

## Key root causes

- In general, the socio-economic status of migrant families and Syrian families is very low. Most of them state they can barely subsist on the money they earn from agriculture. Many of them have debts and very few receive social aid. 90% of the households reported that their income is not enough to meet basic needs. Consequently, all family members, including children, need to work to maximize income. Cumin does not provide them with a living wage. On the contrary, workers are not even paid the legally mandated minimum wages or benefits. Local workers earn 50 Turkish Lira (TRY) (approx. Euro 6) per day, which is below the daily equivalent of minimum wage in Turkey. Migrant workers receive lump sum payments calculated according to the acre of the cumin they harvest. The price per acre varies between TRY 60- 80 depending on the negotiated terms between the farmer and labour contractor. Labour contractors deduct 10% of the total earnings. In the end, seasonal migrant workers only earn TRY 40-55 per day. Children were reported to be paid half of the adult wages, yet in some cases, farmers may decide to pay the children the adult wages if they work efficiently.

- None of the surveyed workers reported presence of a day care or other child care facilities where they can place children when they go to the farms. Hence they have no other option than bringing their children with them.
- The camp areas where migrants live are usually far from the city and town centres and there is no transportation opportunity. Hence, it is difficult for children attending school.
- Farmers tend to hire entire families given that they need a lot of workforce within a very short harvesting period. They are under increasing pressure to harvest due to changing climate.
- To be able to supply high volumes, Turkish suppliers tend to source from multiple parties such as directly from farmers, farmer cooperatives, local markets, wholesalers and other smaller companies. Hence, a 100% traceable supply chain is difficult unless a supplier is exclusively producing and processing cumin grown on its own farms. A second layer of complexity in knowing the upstream supply chains is when cumin is bought in Syria and sold through the companies or traders based in Turkey.
- Suppliers and traders may raise concerns if increased costs for enhanced labour and living conditions of workers and better traceability cannot be compensated by higher cumin prices.
- Local administrations may convey their concerns about that they do not receive enough support and funding from the central government to improve living and working conditions of the workers- such as providing proper camp areas, training center for the children etc.

Given that almost 50% of the current workers population are children, it will be difficult to replace all of them immediately in a short term. It may also have counter-productive consequences if the income of the households is not maintained. Remediation therefore requires careful thinking and planning and funding over a period of 3-5 years. A short, medium- and long-term remediation and mitigation strategy needs to be developed that will improve the current child labour situation, provide a decent living to the families and enhance the working and living conditions of the workers. Dutch spice companies and their Turkish suppliers cannot achieve this alone and they will need to work with a number of key partners. There are however some actions that both the Turkish suppliers and the Dutch companies can take in the near future and which are under their sphere of influence.

## Proposed mitigating measures by Turkish suppliers

FLA recommends Turkish suppliers to:

- Assign a responsible person** to develop, implement and monitor responsible sourcing programs.
- Develop an internal monitoring program** that stipulates how to monitor and collect data, to engage with farmers, to communicate their requirements to the farmers, to gain their loyalty and to start a dialogue with them on how to address the issues of age verification, practices of labour contractors, and payments.
- Increase of transparency in the supply chain with a stronger focus on **traceability**.
- Put in place **annual target and key performance indicators** related to responsible sourcing programs.
- Together with downstream supply chain actors (intermediaries) to **launch awareness raising and training programs** on child labour and labour rights (compensation, working hours, employment relationships, health and safety) to target both farmer and seasonal migrant worker communities. Ensure that workers are informed about the terms and conditions of their employment and their rights issued in a proper contract by the labour contractors or farmer, that workers are paid at least minimum wages according to national laws, that they work reasonable hours and have reasonable production quotas.
- Deploy **occupational health and safety experts** during the cumin harvest across the entire region and arrange trainings by these experts to both farmers and workers.
- Develop a comprehensive program to **target labour intermediaries' capacity and awareness** through formal and practical trainings in order to improve both working and living conditions of seasonal migrant workers. If labour intermediaries capacity increases, they can demand decent living conditions to be provided by the employer (field and orchard owners) and relevant public bodies and



# Cumin from Turkey

- organisations.
8. Engage with local governorates, municipalities, local directorates of Ministry of Agriculture, and Chamber of Agriculture to **improve infrastructure** (electricity, water, sanitation facilities - toilets, cooking facilities rest and recreation) for workers living in harvest regions to ensure minimum standards of hygiene and decent living conditions.
  9. Establish user-friendly, easy-to-access **grievance and feedback mechanisms** that would bring workers into direct contact with companies and also public authorities and private actors.
  10. Cooperate with farmers to increase the implementation of **good farming practices** that would increase productivity.
  11. Other than labour intermediaries, **private employment agencies can be another option to recruit agriculture workers** since the employment terms are clear and more feasible to monitor. Especially farmers are integral part of the programme, their participation in decision making and programme development is crucial. Farmers should be involved maintaining responsible sourcing programmes and trainings on fair labour practises.
  12. Suppliers and spice companies can communicate with government bodies and related local administrations to reach solutions for corrective actions, especially to get support what can be done for the living conditions in the camp areas, such as providing running water, toilets etc. Create projects on WASH (Water, Sanitation and Health), improving working conditions in the region. Implementation strategies should be built around **public-private partnership** initiatives and **multi-stakeholder collaborations**.
  13. Specific intervention on the **Child Labour Free Zone (CLFZ)** will need to be adapted for seasonal migrant labour as these workers are mobile. CLFZ and other area-based approaches are more applicable with populations that experience localized issues. Nevertheless, components of the CLFZ such as interface with the authorities on the access to schools, or provision of the child friendly spaces can be adopted.
- Proposed measures for Dutch spices companies**
- The FLA recommends international (downstream) buyers to
1. Develop or/and revise a **Supplier Code of Conduct to regulate buying and production practices for the cumin sector**. This code should include labour and environmental standards. Standards specific to Turkey related to the seasonal migrant cumin workers should be added as an annex to the overall code.
  2. Include the standard as part of the **Supplier Contracts** and the supplier should cascade the standards all the way down to the farm level. It is important that the suppliers and the companies have the same understanding of the various clauses of the standards. For example, what is meant by supply chain traceability or child labour. It is important to not just treat the Code of Conduct as an administrative document, but a document to engage in dialogue with suppliers.
  3. Set goals for supply chain mapping and traceability targets and ask suppliers to increasingly disclose the location of the farms to the companies so that if required companies can conduct monitoring exercise. It is recommended that foreign spice companies facilitate the supplier to conduct supply chain mapping and train them in monitoring labour standards. Finally, monitor the application of the standards throughout the supply chain.
  4. Set annual targets along with key performance indicators related to responsible sourcing programmes. These indicators should be monitored to ensure progress towards the goal of compliance.
  5. Launch a **technical support and capacity building program for suppliers** by setting clear guidelines on the aim of the program, how to monitor cumin production fields in collaboration with other stakeholders and create action plans. Provide tools to the suppliers, build their capacity and conduct joint farm visits with them to take stock of the situation.
  6. Reserve a budget (e.g. a proportion of their annual revenue (0.01-0.03 %) related to cumin production in order to support supply chain actors improving working conditions of seasonal agricultural workers and eliminate child labour. The following are some activities for which this fund could be used:
    - a. building of temporary **decent accommodation units/ living quarters** for seasonal agricultural workers during the cumin harvest. Utilities such as electricity, clean water, sanitation and safety of their living spaces can be improved in collaboration with local authorities, municipalities, suppliers and farmer organizations. Companies need to engage with local governments to pull the METIP resources in harvest regions.
    - b. providing **personal protection equipment (PPE)** to workers.
    - c. supporting establishment of **child friendly spaces, child care facilities play and sports centers, and summer schools** in selected areas in collaboration with local authorities and NGOs to keep children away from cumin farms.
    - d. contributing of a portion of the **social security premiums** of the workers in order to ensure that workers are covered under social security.
  7. Support the establishment of or join an existing **multi-stakeholder multi-sectoral round table** for the agricultural sector in Turkey to join forces with peers.



# Turmeric from India

## Why this case study?

Several international and Indian NGOs mentioned there are high risks of child labour in turmeric production in India.

## Approach case study

- Conducted by [Global March Against Child Labour](#).
- In 2018, in addition to desk-based research, Global March gathered field data as much as possible during the turmeric harvesting season in Erode (Tamil Nadu), Guntur, Kadapa and Duggirala (Andhra Pradesh), Chamarajanagar (Karnataka) and Basmat (Maharashtra). The fieldwork consisted of household surveys, in-depth interviews with turmeric farmers, community members, village heads and turmeric suppliers and focus group discussions with farmers, community members and suppliers.
- The research was conducted in a specific region and regarding specific supply chains. Other regions and supply chains may have other characteristics.



## Scale, scope and severity of child labour

- The Global March researchers concluded that, within the specific turmeric supply chains and regions investigated, child labour is not a problem, nor at farm level nor in other stages of the supply chains. It was mentioned that child labour on turmeric farms occurred 10-15 years ago, mostly in stages such as sowing, boiling and drying of turmeric, but in these specific regions this is now a thing of the past.
- Based on this research, some factors have been identified to argue that Indian turmeric is a less susceptible commodity for having child labour:

### 1. Socio-economic condition of turmeric farmers.

Manufacturing of turmeric in India has been a traditional practice with many turmeric farmers being the third or fourth generation farmers today. In general, turmeric has essentially remained a profitable commodity for the farmers thereby minimising the risks of putting their children to work. Cross-cropping is also a reason why most turmeric farmers get saved from colossal economic damages since they also grow other crops along with turmeric.

### 2. Demographic factors.

Most of the turmeric producing states in India rank high on socio-economic indicators. Tamil Nadu, a leading turmeric producing region is in fact one of the most progressive states of India with a literacy rate of almost 75% in rural areas (India census 2011). Andhra Pradesh on the other hand has seen a huge paradigm shift in terms of promoting pro farmer policies such as waiving of farmer loans and increasing subsidies, making the farmers economically stronger. States such as Maharashtra and Karnataka have witnessed increasing focus on higher education and improvement in primary public schooling with a downfall in the number of out of school children.

3. **Intensive nature of the crop.** Turmeric's properties is one of the reasons that prevents children from working in the farms. Many farmers who were interviewed for this study expressed their concerns over the heat producing nature of turmeric which is harmful for the children. It is also more labour intensive, with farm owners relying mostly on migrant or seasonal labour for the manual labour and some other processes such as boiling and polishing which is now done by machines. The mechanisation is also a result of buyers moving towards more investments in technology and machines for a better quality product.

4. **Role of businesses.** As a commodity, turmeric has gained a lot of significance in the global trade of spices, making the businesses more cautious for providing sustainable products to the western market. In general, suppliers interviewed for this case study share a long relationship with the farming communities and they have been working towards linking them to the global market and encouraging them to adopt best farming practices. Some suppliers are involved in farm interventions targeting:

- Knowledge building of farmers for economic resilience;
- Productivity increase, product integrity enhancement and reduction in cost of cultivation;
- Community engagement by building a more holistic and not just a business relationship with the farming community;
- Certification – Sustainability certifications such as Rainforest Alliance for spices follow and promote agricultural practices that are more long lasting and profitable for better livelihoods.

This approach does not directly address the issue of child labour, but is a means to prevent it in the supply chains by building economic resilience of the turmeric farmers, thereby giving them fair wages and ensuring the same for a long term. As a result, the farmers are able to not only produce sustainable turmeric but also make enough to invest in their children's education as the suppliers make sure that the farmers receive not only minimum price for their produce but also a premium from these suppliers. Regular trainings for the farmers is sometimes given and the topic of child labour is discussed with them to ensure they do not hire children to work on the farms.



# Turmeric from India

## Proposed measures to reduce child labour risks

Global March summarises the following measures for reducing child labour risks in turmeric.

Indicator	Impact
Direct contact with farmers	Interacting with farmers regularly not only builds an interpersonal relationship between the company and the farmer, but also gives the supplier access to farmer's household and community to better analyse the situation of children in the region.
Community's engagement and active participation	By integrating communities as stakeholders, companies can gain more knowledge about the socio economic issues of the regions they are working in and at the same time can build a relationship based on trust for working on prevention of practices such as child labour and forced labour from a more local perspective.
Role of LEAs and government authorities	Initiatives by companies to address child labour can only be strengthened if concerned LEAs and government departments work in collaboration with farmers, communities and the companies to better understand the measures needed for prevention of child labour in supply chains.
Theory of change	By directing efforts for economic resilience of farmers and their households through sustainable farming practices and ensuring fair prices, chances of child labour can be reduced as the farmers would be economically stable to invest in the education of their children.
Incentivising spice production	Incentives such as fair price, premium on products, training and on-the-farm coaching, as well as access to market intelligence and community support can incentivise spices farming and make it more sustainable and economically profitable for a long term.
Expanding the definition of sustainability	Including a social wellbeing principle in sustainability standards can help in integrating stakeholders such as communities and farmers households to work in collaboration on initiatives for prevention and elimination of child labour and ensuring education for all.
Transparency – Backward integration	Transparency, when maintained at all levels of supply chain, i.e. with farmers, buying companies and communities brings in more trust and simplifies the complexities of global supply chains, especially when there are millions of small scale farmers as they value transparency, which contributes to building trust between them and the companies.
Science and technology	Use of technology can also help in strengthening transparency and connecting the western buyers with the smallest farmers and make them more aware about their supply chain. Such transparency will also ensure that practices like child labour or other labour rights violations are not encouraged. An App that a specific supplier uses can be used as an example as it stores all the data from the field, records yield update types of chemicals/fertilisers being used and show test results of the samples. All of these factors play a huge role in maintaining supply chain control, transparency and traceability which is essential for following due diligence by companies.
Certification	Even though certifications in spices such as Unilever Sustainable Agriculture Code, (USAC) Certification SAN (Sustainable Agriculture Network) and SAC (Sustainable Agriculture Code) standards are benchmark for responsible agricultural practices and include no child labour policy, their focus still remains more on sustainable farming and food safety and need to be more inclusive of human rights violations in the supply chains.



## More reading

### General information:

[Child Labour Resource Guide, Executive Summary, Unicef](#)

[Doing Business with Respect for Human Rights, a Guidance Tool for Companies, Shift, 2016](#)

[Findings on the Worst Forms of Child Labor, 2016, Bureau of International Labor Affairs, US Department of Labor](#)

[Global Estimates of Child Labour, RESULTS AND TRENDS, 2012-2016, ILO, 2017](#)

[How to do business with respect for children's right to be free from child labour: The ILO-IOE child labour guidance tool for business](#)

### Child labour in agriculture:

[Child Labour in Agriculture in Protracted Crises, Fragile and Humanitarian Contexts, FAO, 2017](#)

[Handbook for Monitoring and Evaluation of Child Labour in Agriculture, Measuring the Impacts of Agricultural and Food Security Programmes on Child Labour in Family-based Agriculture, FAO, 2015](#)

[Hazardous child labour: FAO's contribution to protecting children from pesticide exposure, FAO, 2015](#)

[International Programme on the Elimination of Child Labour, Safety and Health Fact Sheet: Hazardous Child Labour in Agriculture, an Overview, ILO, 2004](#)



## **Template Suppliers Self-Assessment Questionnaire on CSR (Herbs and spices)**

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Dear supplier,

Our company is committed to sustainability. This includes respect for universally recognised principles on human rights including for example labour rights, the environment, and business ethics. As our clients and society in general increasingly demand for sustainably produced herbs and spices, we believe that by continuously improving the sustainability performance of these products all parties in herbs/spices supply chains will benefit. Therefore, we seek to ensure that our own company and our supply chains operate in accordance with our requirements and expectations.

This supplier self-assessment questionnaire is designed to give us a better understanding of possible sustainability challenges related to our herbs and spices supply chains. It aims to identify existing and potential adverse sustainability issues/impacts and your company's current efforts to address these. In case significant adverse sustainability issues take place, we may want to discuss with you how these can be prevented or mitigated. Your answers will not be shared with any other 3<sup>rd</sup> parties.

Please note that our requirements with regard to product quality / food safety are not addressed in this questionnaire.

We kindly ask you to fill out the questionnaire and return it to us. Please use the "Clarification/additional information" box wherever specifically requested or if you find that a simple "yes/no" answer is not enough.

Please send your answers with supporting/verifying documentation as this will help us to better understand the CSR performance and possible bottlenecks in our herbs and spices supply chains. This may include CSR reports, management plans, audits, measurements, recordings of employee information, outlines of activities (such as trainings and others) and any additional information you believe may be relevant.

If you have any questions regarding this questionnaire, including our objectives with it, please do not hesitate to contact us.

Kind regards,

BUYER



## **Self-assessment Questionnaire**

Corporate Social Responsibility (CSR)/Sustainability is a process for companies to integrate social, environmental, governance and supply chain sustainability into corporate strategy and operations.

This Self-Assessment Questionnaire is designed to be an inventory of sustainability challenges in herbs and spices supply chains and to give us an impression of your efforts in this area. In addition, based on your information, we may want to discuss with you how possible (remaining) adverse sustainability issues/impacts can be prevented or mitigated, possibly through collaborative efforts.

This questionnaire relates to both corporate and site level (factory/farm) and herbs and spices supply chains.

<b>General Information</b>	
A. Company Name	
B. Address	
C. Number of Employees	
D. Site name (factory or farm) (if differs from A)	
E. Address	
F. Kind of spices in assortment	
G. Main operations	
H. Supplier ID (DUNS number, VAT number, other)	
I. Filled in by: • Name • Position • Email • Tel.	
J. Date	



<b>A. General Management</b>	<b>No</b>	<b>Yes</b>	<b>Clarification / additional information</b>	<b>Background</b>
1. Does your company comply with all national laws and regulations?  <i>If your answer is 'no', please specify.</i>	0	0		<b>Compliance with national laws and regulations</b> relates to all legal standards with regard to, among others, human rights, working conditions, health & safety, environmental protection, corruption, bribery, taxation, anti-competitive practices, violation of privacy of others.
2. Is your company member of the <b>Sustainable Spices Initiative?</b>	0	0		Information on: <a href="#">Sustainable Spices Initiative</a> . Information on: <a href="#">Ecovadis</a> , <a href="#">SEDEX</a> Information on: <a href="#">Sustainable Development Goals</a>
3. If not, are you potentially interested to become a member?	0	0		
4. Is the CSR performance of your company registered in <b>SEDEX</b> , <b>Ecovadis</b> or similar initiatives?	0	0		
5. Are you actively contributing to the <b>Sustainable Development Goals</b> ?	0	0		
6. Are you involved in any <b>other initiatives or projects</b> addressing sustainability challenges in herbs and spices supply chains?  <i>Please specify if your answer to one or more of these questions is 'yes'.</i>	0	0		
7. Does your company have a <b>management person</b> responsible for:  <ul style="list-style-type: none"> <li>○ Social sustainability</li> <li>○ Environmental sustainability</li> <li>○ Business Conduct and Compliance</li> </ul> <i>If your answer is 'yes', please provide name and e-mail of these persons, even</i>	0	0		<b>Social sustainability</b> relates to practices that contribute to the quality of life of both employees and communities that could be impacted by the company's operations. Examples of social topics to address include working conditions, nondiscrimination, freedom of association and collective bargaining, health and safety at work, etc. (See Section B).  <b>Environmental sustainability</b> relates to practices that contribute to the quality of the environment on a long-term basis. Examples of company practices include recycling programmes, carbon emissions reduction programmes, programmes for waste management, etc. (See Section C).



<p><i>if the person is the same as mentioned in the 'general information' table.</i></p>			<p>Companies are expected to appoint a senior management representative, who irrespective of other responsibilities, serves as a <b>management person</b> responsible to ensure that the company meets its commitment related to social sustainability, business conduct and compliance and environmental sustainability.</p> <p><b>Business conduct and compliance</b> relate to the principles that guide business conduct in its relations towards its business partners and customers. Examples of unethical business practice include corruption, extortion and bribery and illegal anti-competitive practices. (See Section D).</p> <p><i>The contact details that you provide in response to this question will not be contacted without prior notice. In the first instance, enquiries will be directed to the person that completes this self-assessment questionnaire.</i></p>
<p>8. Does your company <b>publish</b>:</p> <ul style="list-style-type: none"> <li>○ A Corporate Social Responsibility (CSR)/ Sustainability Report, 0 0</li> <li>○ An Environmental report, 0 0</li> <li>○ CSR/Sustainability report integrated in annual report and/or 0 0</li> <li>○ Other (please specify) 0 0</li> </ul> <p><i>If your answer is 'yes', please insert web link or share report</i></p> <p>9. If so, is your most recent report assured by a third party? 0 0</p> <p><i>If your answer is yes, please provide the name of the third party.</i></p>			<p>A <b>CSR/ sustainability report</b> is an organisational report that gives information about economic, environmental, social and ethical performance.</p> <p>An <b>environmental report</b> is a systematic document published by companies with the aim of communicating with stakeholders on the most relevant environmental issues.</p>



10. If so, are the operations of all your company sites (factories/farms) included in this report?	0	0		
11. Does your company have a <b>Code of Conduct on Responsible Business Conduct</b> in place?  <i>If your answer is yes, please insert web link or share document.</i>	0	0		A <b>Code of Conduct</b> is a set of rules outlining the responsibilities or proper practice for an individual (employee) and organisation. It covers social, ethical and environmental aspects and are beyond minimum legal requirements.
12. If so, Is the Code of Conduct enforced at the site (factory/farm) from where our herbs/spices are supplied?	0	0		
13. Does your <u>company</u> organise <b>training sessions</b> to enhance the understanding of <b>Corporate Social Responsibility/Sustainability</b> ?  <i>If your answer is yes, please specify if these training sessions are implemented on a regular basis and on which topics they are organised (e.g. Code of Conduct, Social issues, Anti-corruption and ethics, Health &amp; safety, Environmental management).</i>	0	0		<b>Training sessions</b> to enhance the understanding of CSR/ Sustainability refers to companies training their employees on the expectations, policies and procedures relating to Corporate Social Responsibility within the company context. Training is intended to raise awareness on CSR topics, so that specific functions could identify and act on issues they encounter in their day-to-day activities. Training could be function-specific (e.g. trainings for buyers, managers, etc.), or topic-specific (e.g. on anticorruption, Health&Safety, etc.)  <b>Corporate Social Responsibility (CSR)</b> is a process for companies to integrate social, environmental, ethical and human rights concerns into their operations and core strategy, in close collaboration with their stakeholders. In general, it concerns measures going beyond minimum legal requirements.  Examples of <b>social issues</b> that companies could conduct training sessions on include nondiscrimination, human rights, etc. (See Section B)
14. If so, did employees working on the <u>site</u> (factory/farm) from where our herbs/spices are supplied also participate in this <b>Corporate Social Responsibility/Sustainability training</b> ?  <i>Please specify if your answer is yes.</i>	0	0		



<p>15. Does your company have a <b>grievance mechanism</b> open for complaints of, among others, workers, suppliers and local communities?</p> <p><i>Please specify if your answer is yes.</i></p>	0	0		<p>An <b>effective grievance mechanism</b> has the following characteristics:</p> <ul style="list-style-type: none"> <li>○ <b>Legitimate</b> Enables trust from the stakeholder groups for whose use it is intended, and is accountable for the fair conduct of grievance processes.</li> <li>○ <b>Accessible</b> Is known to all stakeholder groups for whose use it is intended, and provides adequate assistance for those who may face particular barriers to access.</li> <li>○ <b>Predictable</b> Provides a clear and known procedure with an indicative time frame for each stage, and clarity on the types of process and outcome available and means of monitoring implementation.</li> <li>○ <b>Equitable</b> Seeks to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms.</li> <li>○ <b>Transparent</b> Keeps parties to a grievance informed about its progress, and provides sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake.</li> <li>○ <b>Rights-compatible</b> Ensures that outcomes and remedies are in accord with internationally recognised human rights.</li> <li>○ <b>A source of continuous learning</b> Draws on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms.</li> <li>○ <b>Based on engagement and dialogue</b> Consults the stakeholder groups for whose use it is intended on its design and performance, and focuses on dialogue as the means to address and resolve grievances.</li> </ul> <p>If your company engages directly with farmers it is important to make an effort to inform them about the existence of the grievance mechanism and to tailor communication to the culture and capacities of the local communities.</p>
<p>16. Does your company have a policy on active <b>stakeholder engagement</b>?</p> <p><i>Please specify if your answer is yes.</i></p>	0	0		<p><b>Stakeholder engagement</b> is the process by which an organization involves people who may be affected by the decisions it makes or can influence the implementation of its decisions. They may support or oppose the decisions, be influential in the organization or within the community in</p>



			which it operates, hold relevant official positions or be affected in the long term. Companies engage their stakeholders in dialogue to find out what social and environmental issues matter most to them about their performance in order to improve decision-making and accountability.
			Note that if you engage with <b>indigenous peoples</b> you may want to consider specific guidelines (see annex B of <a href="#">OECD-FAO Guidance for Responsible Agricultural Supply Chains</a> ).

B. Social Sustainability	No	Yes	Clarification / additional information	Background
17. Does your company have a formal <b>social policy</b> , which includes a commitment to legal compliance, continuous measurement and continuous improvements in social performance?	0	0		A company policy refers to a business approach to a given issue and contains general principles and/ or practical how-to-do items. A policy may include components such as prohibited behaviours, rights, and grievance procedures. Social issues could be contained in the company HR policy, CSR policy, Human Rights policy, etc.
<i>Please specify if your answer is yes and share relevant documents.</i>				<b>Human rights</b> are the rights we are entitled to simply because we are human beings. They represent the universally agreed minimum conditions that enable all people to maintain their dignity. Human rights are inherent to all of us, whatever our nationality, place of residence, sex, national or ethnic origin, colour, religion, or any other status.
18. If so, are the following areas covered by this policy or the related processes and procedures?				<b>Forced or compulsory labour</b> refers to all work or service exacted from any person under the menace of any penalty and for which that person has not offered himself voluntarily. Examples include forced overtime, retention of identity documents, etc.
<ul style="list-style-type: none"> <li>o Human Rights in general</li> <li>o No forced or compulsory labour</li> <li>o No child labour (e.g. no worker under legal working age, etc.)</li> <li>o Working conditions, including seasonal workers (e.g. equal pay for equal work, acceptable working hours, equal opportunity for everyone to be promoted and rest, leisure and paid holidays, paid maternity</li> </ul>	0	0		<b>Child labour</b> relates to the prohibition of employment of children who are under the legal minimum working age. Young people admitted to work must have working conditions appropriate to their age and be protected against economic exploitation and any work likely to harm their safety, health or physical, mental, moral or social development or to interfere with their education.



<ul style="list-style-type: none"> <li>leave, social security/insurance, no harrassment or abuse, etc.)</li> <li>○ Wages &amp; benefits, including seasonal workers (e.g. no unpaid overtime, etc.)</li> <li>○ Health &amp; Safety</li> <li>○ Non-discrimination (e.g. age, gender, religion, race, etc.)</li> <li>○ Gender equality / women's rights</li> <li>○ Freedom of association (including rights to form and join trade unions)</li> <li>○ Collective bargaining</li> <li>○ Cultural heritage (tangible and intangible)</li> <li>○ Land tenure rights</li> <li>○ Socio-economic development of (surrounding) communities</li> <li>○ Increasing resilience of agriculture and food systems</li> <li>○ Other</li> </ul> <p><i>Please, give your answer with respect to each single issue and share relevant documents if available.</i></p>	0	0	
			<p>The following widely recognised definition of child labour should be applied:</p> <ul style="list-style-type: none"> <li>○ <i>Children who are over the age of 13 years (in developing countries this can be 12) can do light work as long as it does not threaten their health and safety or hinder their education or training. National governments are supposed to determine locally what is acceptable light work, although few countries have.</i></li> <li>○ <i>Children who are over the age of 15 years (in developing countries this can be 14) can work as long as it does not threaten their health and safety or hinder their education or training.</i></li> <li>○ <i>Children under the age of 18 years are not allowed to do dangerous work or work in dangerous or unhealthy conditions which could result in illness, injury or death. This is known as hazardous work."</i></li> </ul> <p><b>Working conditions</b> refer to the working environment and aspects of an employee's terms and conditions of employment. This should also concern working conditions of temporary/seasonal workers. Examples include health, safety and well-being; maximum daily and weekly working hours, including mandatory days off, maternity leave, annual paid leave, no (sexual) harrassment, abuse or intimidation, specific women's rights, etc.</p> <p><b>Wages &amp; benefits</b> relate to the basic or minimum wage or salary and any additional entitlements payable directly or indirectly, in cash or in kind, by the employer to the worker and arising out of the worker's employment. This should also concern wages &amp; benefits of temporary/seasonal workers. Examples include paid sick days, family and medical leave, paid overtime.</p> <p>Examples of specific activities on <b>Health &amp; Safety</b> include:</p> <ul style="list-style-type: none"> <li>• Training and use of Personal Protection Equipment</li> <li>• Training on company Health &amp; Safety policy</li> <li>• Training on work with hazardous materials</li> </ul>



			<ul style="list-style-type: none"> <li>• Distribution of educational materials on health &amp; safety procedures</li> <li>• Information campaign for workers on health &amp; safety procedures specific to the site</li> </ul> <p><b>Non-discrimination</b> is a principle that requires the equal treatment of an individual or group irrespective of their particular characteristics, including sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation.</p> <p><b>Women's Rights</b> relate to securing equal rights for women and removing gender discrimination from operational processes and behavioral patterns.</p> <p><b>Freedom of association</b> relates to the right to freedom of peaceful assembly and to freedom of association at all levels, in particular in political, trade union and civic matters, which implies the right of everyone to form and to join trade unions for the protection of his or her interests.</p> <p><b>Collective bargaining</b> is a process of negotiations between employers and a group of employees aimed at reaching an agreement that regulates working conditions.</p> <p><b>Cultural heritage</b> is the legacy of physical artifacts and intangible attributes of a group or society that is inherited from past generations. Cultural heritage includes tangible culture, intangible culture, and natural heritage.</p> <p><b>Land tenure rights</b> concern efforts to avoid or, when avoidance is not possible, minimise the physical and/or economic displacement of legitimate tenure right holders, while balancing environmental, social, and financial costs and benefits, paying particular attention to adverse impacts on the poor and vulnerable. When holders of legitimate tenure rights are negatively affected, it is important to ensure that they receive a prompt, adequate and effective compensation of their tenure rights being negatively impacted by a company's operations.</p>
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				<p><b>Socio-economic development of (surrounding) communities</b> is a process where community members take collective action and generate solutions to common problems. It is a broad term given to the practices of civic leaders, activists, involved citizens and professionals to improve various aspects of communities, typically aiming to build stronger and more resilient local communities.</p> <p><b>Increasing resilience of agriculture and food systems</b> (including the supporting habitats and related livelihood) relates to all kinds of adaptation measures to make farmers less vulnerable for the effects of climate changes.</p>
19. Does your <u>company</u> have a <b>management system</b> in place to manage the above mentioned social issues?	0	0		<p>A <b>management system</b> is a set of documented controls, processes and/or procedures reviewed by management. It could be internal or developed according to a standard. Examples of relevant social standards include:</p> <ul style="list-style-type: none"> <li>• ISO26000 Guidance social responsibility</li> <li>• ISO31000 Risk management</li> <li>• ISO20400 Principles for sustainable procurement</li> <li>• SA8000 Social management system</li> <li>• OHSAS 18001 Health &amp; Safety Management</li> </ul>
20. If so, is the system certified?	0	0		<p><b>Social audits</b> enable an organisation to assess and demonstrate its compliance to legislation and social, economic, and environmental benefits and limitations. It is a way of measuring the extent to which a company lives up to the shared values and objectives it has committed itself to.</p> <p>Social audits can be conducted internally or by an external 3rd party body that issues a certificate.</p>
21. If so, is this management system also implemented at the site (factory/farm) from where you supply our herbs/spices?	0	0		
<i>Please specify if your answer is yes.</i>				
22. Have social <b>audits</b> been conducted at this site?	0	0		



<i>Please specify if this was an internal audit or an external audit by a 3rd party. Please share relevant documents if available.</i>			
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C. Environmental Sustainability	No	Yes	Clarification / additional information	Background
23. Does your company have a formal <b>environmental policy</b> , which includes a commitment to legal compliance, continuous measurement and continuous improvements in environmental performance?	0	0		<p>An <b>environmental policy</b> shows the company's overall intentions and direction related to its environmental performance. It reflects the company's commitment and is formally expressed by top management.</p> <p>It provides a framework for action, setting environmental objectives which takes into account applicable legal and other requirements and the company's environmental impact of its operations, products and services, with the purpose of decreasing the environmental impact, saving resources and costs.</p>
<i>Please specify if your answer is yes and share relevant documents.</i>  24. Are the following areas covered by this policy or the related processes and procedures?				<p><b>Energy consumption / greenhouse gas emissions</b> concern all kinds of measures to reduce the use of fossile fuels and/or to apply renewable energy sources (e.g. solar, wind, hydro or geothermic power).</p> <p><b>Water usage</b> concern all kinds of measures to reduce the use of water and/or to avoid water pollution.</p> <p><b>Hazardous emissions to air, water or soil</b> may be related to the use of agro-chemicals and other hazardous substances. For example, measures may relate to a reduction of quantities used, an increase of the effectiveness of application in time and place and/or a reduction of the hazardousness of applied chemicals.</p> <p><b>Waste management</b> relates to an environmentally sound storage, collection and disposal (as much as possible recycling) of hazardous and non-hazardous waste. It concerns substituting or reducing the use of toxic substances (e.g. crop protection agents), and enhancing the productive use or ensuring a safe disposal of waste.</p>



				<p><b>Soil degradation</b> relates to good agricultural practices to maintain or improve soil fertility and avoid soil erosion.</p> <p><b>Deforestation and other forms of conversion of natural habitats</b> into production systems are among the most important underlying factors for biodiversity degradation. Special attention must be paid to preservation of protected areas, high conservation value areas and natural areas with high levels of organic carbon (e.g. peatlands).</p> <p><b>Other impacts on biodiversity</b> may relate to a wide range of activities, including fire hazards related to land preparation, fragmentation of natural habitats, overexploitation of natural resources, introduction of invasive species and the disturbance or killing of flora and fauna.</p>
25. Does your <u>company</u> have an <b>environmental management system</b> in place?	0	0		<p>An <b>environmental management system</b> enables a company, in a structured and preventive way, to work with its environmental performance and improve environmental impact from its operations, products and services. Examples include: developing a policy/ directions; establishing objectives; subscribing to legal and other requirements; risk management; implementing working procedures to achieve continuous improvements to support environmental protection; and reducing or preventing pollution. Examples of relevant standards and certification include:</p> <ul style="list-style-type: none"> <li>• ISO14001 EMS</li> <li>• ISO14064 GHG</li> <li>• PAS 2060 Carbon neutrality</li> <li>• BS/EN/ISO14006:2011/14004:2010/14001:2004 Environmental management systems</li> <li>• BS8555 Certification: Implementation of environmental management systems</li> <li>• PAS2050 Carbon footprint</li> <li>• EU Eco-Management and Audit Scheme (EMAS)</li> </ul>
<i>Please specify if your answer is yes and share relevant documents.</i>				
26. If so, is the system certified?	0	0		
<i>Please specify if your answer is yes and share relevant documents.</i>				
27. If so, is this management system also implemented at the <u>site</u> (factory/farm) from where you supply our herbs/spices?	0	0		
<i>Please specify if your answer is yes.</i>				
28. Have <b>environmental audits</b> been conducted at this site (factory/farm)?	0	0		<p><b>Environmental audits</b> enable an organisation to assess and demonstrate its compliance to legislation; environmental performance; and the benefits and limitations of its environmental policy. It is a way of measuring the extent to which a company lives up to the shared values and objectives it</p>



<i>If your answer is yes, please specify if this was an internal audit or an external audit by a 3rd party. Please share relevant documents if available.</i>				has committed itself to. Environmental audits can be conducted internally or by an external body that issues a certificate.
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D. Business Conduct and Compliance	No	Yes	Clarification / additional information	Background
29. Does your <b>company</b> have a formal <b>policy</b> in place regarding <b>business conduct and compliance</b> ?  <i>Please specify if your answer is yes and share relevant documents.</i>	0	0		<b>Corruption</b> can take many forms that vary in degree from the minor use of influence to institutionalised bribery. It is defined as the abuse of entrusted power for private gain. This can mean not only financial gain but also non-financial advantages.  <b>Extortion:</b> The solicitation of bribes is the act of asking or enticing another to commit bribery. It becomes extortion when this demand is accompanied by threats that endanger the personal integrity or the life of the private actors involved.  <b>Bribery</b> is an offer or receipt of any gift, loan, fee, reward or other advantage to or from any person as an inducement to do something which is dishonest, illegal or a breach of trust, in the conduct of the enterprise's business.
30. Are the following areas covered by this policy or the related processes and procedures?  <ul style="list-style-type: none"> <li>o No corruption, including extortion</li> <li>o No bribery</li> <li>o No anti-competitive practices</li> <li>o No tax evasion or avoidance</li> <li>o Other</li> </ul> <i>Please specify if your answer is yes and share relevant documents.</i>	0	0		 <b>Anti competitive practices</b> relate to unfair business practices that are likely to reduce competition and lead to higher prices, reduced quality or levels of service, or less innovation. Anti competitive practices include activities like price fixing, group boycotts, and exclusionary exclusive dealing contracts or trade association rules, and are generally grouped into two types: <ul style="list-style-type: none"> <li>• agreements between competitors, also referred to as horizontal conduct</li> <li>• monopolization, also referred to as single firm conduct</li> </ul> <b>Taxation</b> concerns compliance with both the letter and spirit of tax laws and regulations.
31. Does your company have a <b>business conduct and compliance ethics management system</b> in place?  <i>Please specify if your answer is yes and share relevant documents.</i>	0	0		



32. If so, to what extent is your business conduct and compliance <b>management system</b> documented?  <i>Please specify if your answer is yes and share relevant documents.</i>	0	0	
33. If so, is this management system also implemented at the <u>site</u> (factory/farm) from where you supply our herbs/spices?  <i>Please specify if your answer is yes.</i>	0	0	

E. Supplier Management	No	Yes	Clarification / additional information	Background
34. Is your company able to supply <b>certified herbs and spices</b> , for example Rainforest Alliance, Fairtrade, Organic, Fairwild?  <i>Please specify if your answer is 'yes'.</i>	0	0		Background on <b>certification initiatives</b> can be found here: <ul style="list-style-type: none"><li>• <a href="#">Rainforest Alliance</a></li><li>• <a href="#">Fairtrade</a></li><li>• <a href="#">Fairwild</a></li></ul>
35. Does your company have a formal <b>supplier CSR/sustainability policy or sustainable/responsible procurement policy?</b>  <i>Please specify if your answer is yes and share relevant documents.</i>	0	0		Examples of <b>Supplier CSR/Sustainability Policy / Sustainable/Responsible Procurement Policy</b> could be a specific Supplier Code of Conduct or a Company Conduct document which applies to both internal employees as well as external business partners, such as suppliers.  The objective should be to promote, for example, healthy working conditions, environmental responsibility and ethical business conduct throughout the entire supply chain. It includes a process of continuous due diligence in relation to all potential sustainability impacts.
36. If so, which areas are covered by this policy?  <ul style="list-style-type: none"> <li>○ Traceability</li> <li>○ Human rights</li> <li>○ No forced or compulsory labour</li> </ul>	0 0 0	0 0 0		<b>See also background information related to questions 16, 24 and 30.</b>



<ul style="list-style-type: none"> <li><input type="radio"/> No child labour</li> <li><input type="radio"/> Decent working conditions</li> <li><input type="radio"/> Living income farmers and workers</li> <li><input type="radio"/> No discrimination</li> <li><input type="radio"/> Freedom of association</li> <li><input type="radio"/> Collective bargaining</li> <li><input type="radio"/> Health &amp; safety</li> <li><input type="radio"/> Gender/women's rights</li> <li><input type="radio"/> Land tenure rights</li> <li><input type="radio"/> Cultural heritage of, among others, indigenous peoples (both tangible and intangible)</li> <li><input type="radio"/> Resilience of agriculture and food systems (climate change adaptation)</li> <li><input type="radio"/> Energy consumption / greenhouse gas emissions</li> <li><input type="radio"/> Water usage</li> <li><input type="radio"/> Environmental pollution (e.g. caused by unsound use of agro-chemicals, cleaning processes, inadequate waste management)</li> <li><input type="radio"/> Soil degradation</li> <li><input type="radio"/> Deforestation and other forms of conversion of natural habitats and natural areas with high levels of organic carbon</li> <li><input type="radio"/> Other impacts on biodiversity</li> <li><input type="radio"/> No corruption, including extortion</li> <li><input type="radio"/> No bribery</li> <li><input type="radio"/> No anti-competitive practices</li> <li><input type="radio"/> Other, please specify</li> </ul>	0	0	
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37. Are all suppliers covered by this policy?	0	0		
<i>If your answer is no, please specify</i>				
38. If relevant, which of the following actions/tools do you have in place to ensure that your Supplier <b>CSR/sustainability policy or Sustainable/Responsible Procurement Supplier Sustainability Policy</b> is effectively implemented by your suppliers?	0	0		
o Measures to control the origin of raw materials (e.g. audit, controls, approvals)	0	0		
o Integration of CSR criteria when subcontracting/externalizing labor resources	0	0		
o Supplier CSR code of conduct	0	0		
o Suppliers self-assessment questionnaire	0	0		
o Supplier meetings	0	0		
o Detailed risk analysis per purchasing category completed	0	0		
o Company specific training of buyers on social and environmental issues within the supply chain	0	0		
o Systematic integration of specific social or environmental contract clauses	0	0		
o Regular supplier assessment on environmental or social issues	0	0		
o On-site audits of suppliers on environmental or social issues	0	0		



<ul style="list-style-type: none"> <li><input type="radio"/> Corrective actions to facilitate supplier capacity building on environmental or social issues</li> <li><input type="radio"/> Integration of social and environmental principles into buyers performance appraisal</li> <li><input type="radio"/> Other</li> </ul>	0	0		
<p><i>Please specify if your answer is yes and share relevant documents.</i></p> <p>39. Does your CSR/sustainability policy or Sustainable/Responsible Procurement Supplier <b>Sustainability Policy</b> include preventing and mitigating identified potential adverse sustainability impacts?</p> <p><i>Please specify if your answer is yes and share relevant documents.</i></p>	0	0		
<p>40. Does your company <b>communicate</b> its Supplier CSR/Sustainability Policy to your suppliers?</p> <p><i>If your answer is yes, please specify</i></p>	0	0		
<p>41. If so, how is the Supplier CSR/Sustainability Policy communicated?</p> <ul style="list-style-type: none"> <li><input type="radio"/> During supplier meetings</li> <li><input type="radio"/> In contractual terms</li> <li><input type="radio"/> Through brochures/magazines/ newsletters/web-page</li> <li><input type="radio"/> Other</li> </ul>	0	0		



*Please specify*

F. Potential or Actual Issues/Impacts in Supply Chains					
42. Are you aware of any potential or actual adverse issues/impacts in herbs and spices supply chains (including farm level) mentioned in the following table?					
Sustainability issue	No / minor issue/impact	Medium issue/impact	Major issue/impact	Don't know	Clarification/additional information
<b>Social sustainability</b>					
Inadequate <b>decent (living) income</b> for farmers (e.g. as a result of low productivity, inferior product quality and low and/or volatile prices).					
Inadequate <b>decent (living) wages</b> for (seasonal) workers. <i>(farm and processing level)</i>					
<b>Health &amp; Safety risks</b> farmers (e.g. as a result of exposure to hazardous chemicals, extreme weather conditions and other dangerous situations).					
<b>Health &amp; Safety risks</b> (seasonal) workers (e.g. as a result of exposure to hazardous chemicals, extreme weather conditions and other dangerous situations). <i>(farm and processing level)</i>					
Inadequate <b>other labour conditions</b> farmers.					
Inadequate <b>other labour conditions</b> (seasonal) workers (e.g., secondary labour conditions, working times, payment for overwork, leave arrangements, access to sanitary facilities, training, maternity leave). <i>(farm and processing level)</i>					
<b>Child labour</b> (both farmers and workers).					
<b>Forced labour</b> (both farmers and workers)					



<b>Debt traps</b> , resulting in <b>bonded labour</b> (both farmers and workers).					
<b>Discrimination of workers</b> (e.g. based on race, ethnic background, religion, sex). <i>(farm and processing level)</i>					
<b>Inadequate freedom of association and the right to collective bargaining</b> for workers <i>(farm and processing level)</i>					
General abuse of <b>migrant workers</b> (both working and living conditions). <i>(farm and processing level)</i>					
Inadequate attention to <b>gender</b> (e.g. women have no meaningful participation in decision-making and leadership role, no equal access and control over natural resources, inputs, productive tools, advisory and financial services, training, markets and information).					
Inadequate attention to <b>indigenous peoples</b> (e.g. indigenous people have no meaningful participation in decision-making and leadership role, no equal access and control over natural resources, inputs, productive tools, advisory and financial services, training, markets and information).					
Conflicts related to <b>land tenure rights</b> and <b>access to natural resources</b> (e.g. land, fisheries, forests and water). This includes inadequate <b>compensation mechanisms</b> .					
Inadequate measures to <b>mitigate climate change / increase resilience of spice production systems</b> .					
<b>Excessive crop loss</b> (e.g. as a result of inadequate post-harvest practices and/or risks of harvest failures).					
Inadequate <b>access of farmers to finance</b> (credit and insurance).					



General <b>adverse impacts on local communities</b> (e.g. as a result of adverse impacts on tangible and intangible cultural heritage, influx of migrants, access to healthcare and education).					
<b>Environmental</b>					
<b>Conversion of natural ecosystems</b> into production systems, including deforestation and fragmentation of natural habitats.					
<b>Soil degradation</b> (erosion, depletion).					
<b>Water and soil pollution</b> (e.g. as a result of agro-chemicals use and post-harvest cleaning practices).					
<b>Air pollution</b> (e.g. as a result of burning practices, fumigation).					
Contribution to <b>climate change</b> (e.g. as a result of use of fossile fuels, deforestation and/or dewatering of peat lands).					
Excessive <b>water use</b> ( <i>at farm and processing level</i> ).					
Inadequate <b>waste management</b> ( <i>at farm and processing level</i> ).					
Introduction of <b>invasive species</b> (including GMO).					
<b>Overexploitation</b> of species collected in the wild.					
Contribution to <b>depletion of (other) natural resources</b> .					
<b>General adverse impacts</b> on protected areas, high conservation areas and/or endangered species.					
<b>Other</b>					
Inadequate <b>consumer safety</b> (e.g. as a result of product contamination).					
Occurence of <b>corruption and/or bribery</b> , including <b>extortion</b> .					
Occurence of <b>tax evasion and/or avoidance</b> .					
Occurence of <b>anti-competitive practices</b> .					



Inadequate <b>diffusion of appropriate technologies and innovations</b> , particularly environmentally friendly technologies.					
Inadequate <b>disclosure</b> about sustainability risks in supply chains and efforts to prevent or mitigate these.					
Inadequate supply chain <b>traceability</b> .					
Inadequate <b>consultations with spices communities</b> , especially indigenous peoples, among other reasons in order to obtain their free, prior and informed consent.					
Inadequate <b>grievance mechanisms</b> in place.					
Other, namely....					

F. Potential or Actual Issues/Impacts in Supply Chains (continued)	No	yes	Clarification/additional information
43. If you have indicated a medium or major issue/impact in the previous table, can you demonstrate that you are trying to prevent or mitigate such potential and/or actual adverse issues/impacts?	0	0	
<i>Please specify and share relevant documents</i>			
44. If have indicated a medium or major issue/impact in the previous table, can you demonstrate that you track the effectiveness of your response to such potential and/or actual adverse issues/impacts?	0	0	
<i>Please specify and share relevant documents</i>			
45. If have indicated a medium or major issue/impact in the previous table, has your company established remediation processes and/or does your company participate in remediation processes?	0	0	



<i>Please specify and share relevant documents</i>			
46. If have indicated a medium or major issue/impact in the previous table, do you see specific bottlenecks in preventing and/or mitigating them?	0	0	
<i>Please specify.</i>			
47. If have indicated a medium or major issue/impact in the previous table, do you think the situation can be improved by collaborative action?	0	0	
<i>Please specify.</i>			
48. Does your company provide suppliers (including farmers) training to mitigate any potential or actual adverse issues/impacts mentioned in the previous table (e.g. trainings in health and safety, proper handling of chemicals and pesticides, Good Agricultural Practices).	0	0	
<i>Please specify and share relevant documents</i>			

**Signature**

Supplier hereby confirms that the content and statements in this completed questionnaire give a truthful and accurate description of the current situation.

