

## **Addressing Human Rights Challenges in the Agricultural Supply Chain**

### **New Zealand's Great Opportunity**

#### **Background**

GLOBALG.A.P held an event in Berlin in early February 2024, aimed to develop action steps to be taken by supply chain actors to decrease the risk of workers human rights exploitation in the agriculture industry.

Participants included 34% buyers/retailers, 24% producers, 22% representatives from voluntary standards, 17% from NGOs (non-governmental organisation) and 3% from certification bodies.

NZ Ethical Employers (NZEE) were invited to the in-person event to share our membership and compliance framework and facilitate discussion groups aimed at discovering additional ways to mitigate the risk of exploitation.

The event marked a significant milestone in bringing together various stakeholders from across the global agricultural supply chain. Feedback on the event has been overwhelmingly positive, with praise for the quality of presentations, the depth of discussions, and the constructive exchange of diverse viewpoints.

The 4 panellists at the Berlin event included;

1. Joe Martinez (CEO [CIERTO Global](#))
2. Jantine Werdnüller, (Co-CEO [Stronger Together](#))
3. Henning Kleinespel, (Deputy Managing Director [German Fruit Trade Association \(dfhv\)](#))
4. Tanya Pouwhare (CEO, [NZ Ethical Employers \(nzee\)](#))

Participation, collaboration, and enthusiasm were integral to the success of this event. The panellists and the breakout room participants each played a crucial role.

NZEE's travel costs to the Berlin roundtable on Human Rights challenges in the Agricultural supply chain were met through the support of Woolworths Group New Zealand.

This report is more than a compilation of facts and figures, it represents my interpretation and adaptation of the invaluable insights gained during my participation in the Berlin event organized by GLOBALG.A.P.

As I reflect on the discussions, presentations, and collaborative exchanges that took place among stakeholders from diverse backgrounds, I am compelled to convert this knowledge into actionable steps tailored to the context of New Zealand's Primary Industries.

One particular highlight of the Berlin event was the realisation that New Zealand has a great opportunity to lead the charge in promoting ethical employment practices and responsible supply chain management. Inspired by this, the subsequent sections of this report delve into the unique ability that New Zealand possesses to enact positive change within our primary industries and to lead globally on worker protections.

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## Recommendations - Government

1. This report and recommendations will be presented to the Minister of Workplace Relations and Safety, and a meeting requested to further discuss the recommendations.
2. Inclusion of mandatory **Human Rights Due Diligence (HRDD)** within New Zealand's Modern Slavery legislation.
3. Creation of an **Anti-Slavery Commissioner of New Zealand**.
4. Worker exploitation to be incorporated into the **New Zealand Health and Safety at Work Act** risk management procedures.
5. Minor legislative amendments to the **Accident Compensation Act** to enable redress. And amendments to the **Protected Disclosures Act**, to encourage reporting. And amendments to the **Crimes Act** to enable more prosecutions. And amendments to the **Holidays Act 2003** to stop underpayments to workers.
6. Ensure **regulators have adequate resources** to enforce regulations effectively.
7. Significantly increase the **promotion** of the UN Guiding Principles and OECD standards throughout New Zealand and the Pacific (beyond posting on the website [here](#)) reinforced with **training and tools** to support **awareness, understanding and implementation**.
8. Commit to **continuous education** on legal regulations and standards and how to adhere to them, and global trends to ensure competitiveness.
9. Mandate all **financial institutions** operating in New Zealand to conduct **risk-based due diligence** across their supply chain. Primarily banks but bringing in accounting and payroll providers.
10. Invest in and enable a **common data infrastructure** accessible to agencies within Government and business and NGO to reduce duplication of data capture. This will require bringing **immigration processes online**. The benefits, such as enhancing efficiency and enabling data-driven decision-making, are extensive.
11. All labour mobility policy settings to include **basic protections for all migrant workers**, including the implementation of human rights policies, due diligence processes, and avenues for remedy and reporting.
12. Incorporate **Just Good Work** app into all labour mobility schemes (including RSE, AEWV, AIP)
13. Ensure businesses receiving economic diplomacy or other support from the New Zealand government, including from MFAT or NZTE **adhere to relevant OECD guidance** as a condition of that support.
14. **Enhanced collaboration** among all supply chain actors to pursue **collective proactive measures** rather than reactive solutions in silos.

## Recommendations - Employers

15. Include **basic rights protections for all workers** in your business processes and employment agreements including the implementation of human rights policies, due diligence processes, and avenues for remedy and reporting.
16. Promotion of **fair and ethical recruitment** practises for all. Equip workers with information on their rights and routes to remedy.
17. **Training and awareness** on human rights and labour risks within a business made available for all, including managers through to frontline workers.
18. **Enhanced collaboration** with other supply chain actors to pursue **collective proactive measures** rather than reactive solutions in silos.

## Recommendations – Certification Bodies

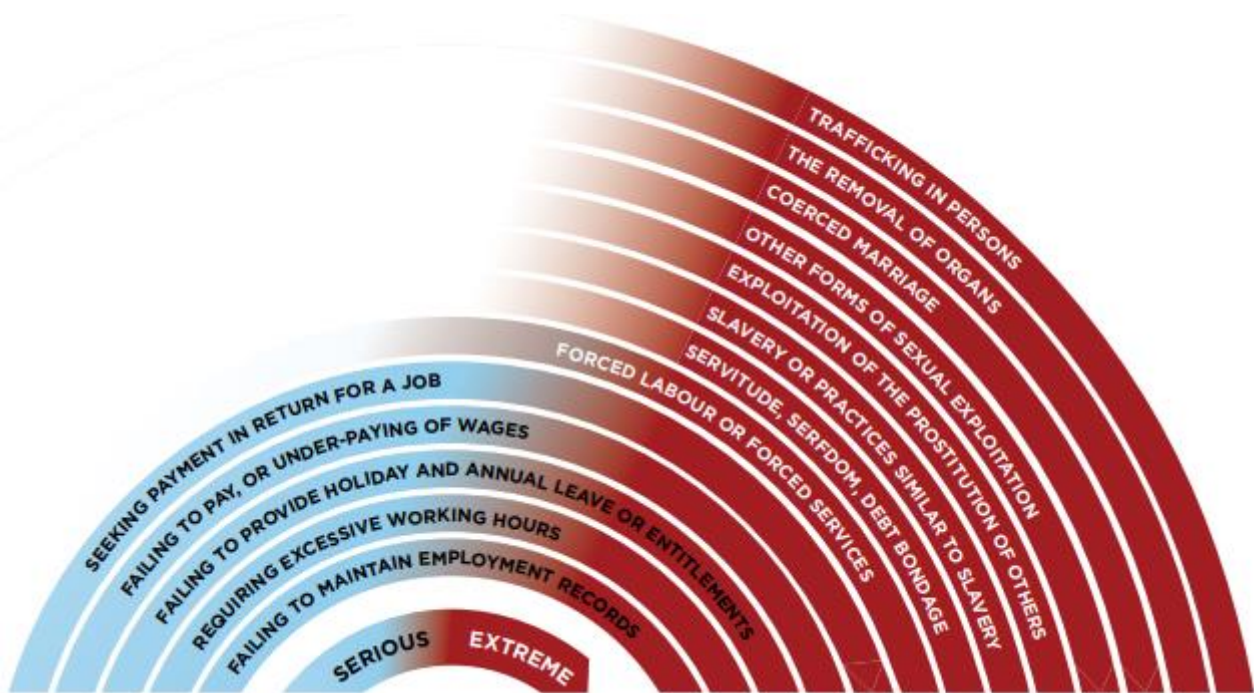
19. Incorporate **basic rights protections** for all workers into your **certification processes and standards**. This includes ensuring that certified businesses have robust human rights policies, due diligence processes, and established avenues for remedy and reporting.
20. Require all social compliance auditors operating in New Zealand to meet a **global professional standard** (such as APSCA).
21. **Enhanced collaboration** among other supply chain actors to **pursue collective proactive measures** rather than reactive solutions in silos.

## Understanding Worker Exploitation: Causes and Manifestations

“Modern Slavery and Worker Exploitation are serious forms of exploitation seen internationally and within New Zealand. Addressing these practices requires a whole-of-society response, undertaken through strong partnerships across government agencies and with civil society, businesses, unions, academia, and international partners.”

- **Ministry of Business, Innovation & Employment (MBIE website)**

Exploitation has many faces. United Nations developed the concept of an exploitation spectrum, this provides a simple way to identify various types of exploitation and how extreme they are. At one end are severe forms like trafficking in persons and forced labour, while responsible recruitment and fair work are at the opposite end.



*The continuum of exploitation - Plan of Action against Forced Labour, People Trafficking and Slavery 2020-25, MBIE*

The spectrum highlights that other activities sit somewhere in between, such as unethical recruitment and labour exploitation, or legal recruitment and employment practices in systems that lack sufficient legal protection or rights. Worker exploitation and violations of employment standards can serve as early warning signs of more severe harm.

NZ fruit & vege growers & labour hire companies (employers) have some control of the risks around recruitment through their company policies and due diligence of their recruitment systems. Other risks are prevalent but less controllable like financial stress, labour supply pressures that cause increased recruitment costs, labour shortages, difficult and complicated immigration systems, and criminal /corrupt activities in their supply chain.

Other issues causing risks

- Complex rules and regulations
- Fraud, deception, extortion & abuse
- Gendered abuse & human trafficking
- Ignorance of requirement
- Insufficient laws and government enforcement

Different modus operandi of exploitation in the agricultural industry globally and in NZ are known

- producer/grower knows and becomes accomplice
- management staff/labour hire companies directly involved without knowledge of producer/grower
- recruitment intermediaries or third parties involved in exploitation
- criminal organisations explicitly functioning in one or all the above levels

A visible violation is often a symptom not the root cause. Human rights violations can be caused by

- **Systemic causes:** May happen in one end of the supply chain and create vulnerabilities at the other end (example: from the retailer's side: pressure on sourcing produce and changes in orders. Or price fixing too high up the supply chain without understanding of true cost of labour on the ground)
- **Structural causes:** Poverty, social and political marginalisation
- **Regulatory and enforcement causes:** poor compliance or lack of resources and procedures to enforce laws, or limited capacity in different countries. And legislation that creates loop holes for exploitation (ie Holidays Act)

Another tangible symptom, which is quite straightforward to address, is the lack of awareness regarding requirements (ignorance of requirements). There is a necessity for **continuous education** on legal regulations and standards and how to adhere to them. A **human centred approach** fosters a culture of compliance and ethical business practice. Integrating awareness of rights alongside legal requirements, ensures that businesses comprehend not only their legal obligations but also the rights they must uphold for their employees, customers, and stakeholders.

While the New Zealand government can significantly enhance awareness efforts, these **initiatives need to be reinforced with appropriate training and tools to support such endeavours**. Additionally, it's crucial to keep New Zealand businesses updated on global trends to ensure their competitiveness.

The global agriculture industry has seen the growth of exploitation of worker's rights through the development and application of the following activities (*not exhaustive*)

- **Labour practices:** unclear, unfair, and illegal sourcing, recruitment, and employment practices of labour for and by established producer/growers
- **Lack of oversight:** allowing bad actors to exist
- **Labour providers and subcontracted labour:** lacking clear procedures and systems that indicate willingness to work and equal treatment for workers.
- **Loans and deductions:** These are common practices in the global agricultural industry. Lack of understanding in the true cost of recruitment. Lack of process to uncover & prosecute corruption.
- **Retention of personal belongings:** when done without clear procedures or workers willingness becomes an indicator of forced labour.

## Efforts to Combat Worker Exploitation: Strategies and Initiatives

“We can all join forge an effective convergence of national and international policies that lead to a fair globalisation and great access to decent work for woman and men everywhere. We can all join to make this happen to move in the direction of great respect for human dignity and global prosperity, to fulfil the needs and the hopes of people, families, and communities worldwide.”

- **Juan Somavia**, former Director-General of the International Labour Organization (ILO)

GLOBALG.A.P held two online events prior to the face-to-face in Berlin. 76% of respondents identified illegal activities and the infiltration of organized crime (resulting in the exploitation of workers' rights) as a perceived risk within their operations or supply chain. 41% of respondents reported having confronted organised illegal activities within their business supply chain.

Current human rights **monitoring** includes

- independent verification of suppliers
- social audits
- human rights impact/risk assessments (in relation to HRDD)
- worker voice/grievance mechanisms/worker training
- stakeholder engagement (workers, communities, NGOs)

**Social Standards** that are voluntary in design ([GLOBALG.A.P. NZGap](#), [Zespri CAV](#)) are used to demonstrate responsible employment practises beyond legal minimum compliance. To be effective such voluntary standards and their auditing systems (and auditors) need to be credible, impartial, transparent, and accurate. Voluntary standards cannot guarantee, because of nature and design, that abuses do not occur. They are not a substitute for active policies for corporate responsibility or accountability, or remedy.

**Education and training** are essential components in addressing these issues. Training on human rights and labour risks within a business is useful for raising awareness, fostering a culture of respect, and empowering employees to recognise and (where appropriate) how to address issues within the workplace. It is noted that **investigations of worker exploitation need to be conducted by professionals** with expertise in this area to ensure appropriate handling of the matter (and potential victim/s).

When considering **information sharing and training**, content must be tailored to suit the audience in a language they understand, and the level of knowledge and literacy considered. It should be **accessible to all** including senior leadership, HR and operational management, supervisors, team leaders, and workers. Training sessions serve to motivate and educate, while practical resources aid in implementation. See [Stronger Together](#) for more examples.

[Just Good Work](#) is a free interactive mobile app that is currently applied through the **UK Seasonal Worker Visa programme**. It is operational in 32 countries & translated into 30 different languages. The app gives jobseekers and workers critical information and advice on their rights and responsibilities for everything needed on the journey to work, from recruitment to employment and life in a new destination, to moving on or returning home, and where to access help at every stage. And offers a worker voice tool to understand worker experience and modern slavery or worker exploitation complaints throughout the journey. **A proposal, by the kiwi developer of the app, was submitted by NZEE to Immigration New Zealand (INZ) in May 2023, with the recommendation that the app be integrated into the NZ RSE Scheme and wider (ie. AEWV), INZ has not yet responded.**

## New Zealand Context

New Zealand is bound by international guidelines. We are a founding member of the [International Labour Organisation \(ILO\)](#) which is the key global labour body and source of international labour law. New Zealand has ratified, and is bound by, a significant body of ILO Conventions.

New Zealand signed the Convention founding the [Organisation for Economic Co-Operation and Development \(OECD\)](#) pledging its full dedication to achieving the Organisation's fundamental aims.

New Zealand also endorsed the UN Guiding Principles on Business and Human Rights.

“States should ensure that governmental departments, agencies and other State-based institutions that shape business practices are aware of and observe the State's human rights obligations when fulfilling their respective mandates, including by providing them with relevant information, training, and support.”

- UNGP Principle 8

There are two main laws that promote and protect human rights in NZ. One is the [Human Rights Act 1993](#), and the other is the [New Zealand Bill of Rights Act 1990](#). Protections for workers in NZ are overseen by a large range of NZ legislation relevant to employment relationships, including [Employment Relations Act 2000](#), [Health and Safety at Work Act 2015](#), [Accident Compensation Act 2001](#), [Trade Unions Act 1908](#), [WorkSafe New Zealand Act 2013](#), [Holidays Act 2003](#)

With the support from NZ's Sector Workforce Engagement Programme (SWEP) and Ministry of Social Development (MSD) and guided by [Tūhāna Business and Human Rights](#), NZ Ethical Employers (NZEE) have developed a common understanding of **human rights due diligence**, responsible supply chain management, and robust workforce development for employers in NZ's Primary Industries. Members of NZEE are demonstrating **proactive responsibility**, not solely due to legal obligation, but because they are engaged and motivated and strive for continuous improvement. **They demonstrate that SMEs can prioritise people within business operations and make the UNGPs work in high-risk sectors.** Members believe it is not just the right thing to do, but it enhances business and individual success by allowing people's full potential to be realised.

We shouldn't underestimate the potential for employers to create meaningful change through gradual, incremental changes over time. Small shifts in business policies, practices, and workplace culture, when consistently applied and supported by leadership, can lead to significant improvements in working conditions and employee wellbeing.

“At the heart of ethical behaviour lies social justice – the lynch pin for building better businesses, better employment opportunities, better society. NZEE sits in the that nexus of doing better for all.”

- **Brent Wilton**, Principal [Tūhāna Business and Human Rights](#), and former Secretary General of the International Organization of Employers (IOE)

## New Zealand's Great Opportunity

The biggest takeaway from participating in the GLOBALG.A.P Berlin Round Table event, was that due to our size and community connectedness, New Zealand has a great opportunity to stop lagging behind the rest of the world and get out in front and lead when it comes to worker protections and human rights.

In their Modern Slavery Legislation submission Tūhana Business & Human Rights set out how the New Zealand government could aspire to set a global example in fulfilling its duty to protect against human rights violations by third parties, including businesses. This involves implementing effective measures to prevent, investigate, penalise, and address such misconduct through strong policies, laws, regulations, and judicial processes. New Zealand has an opportunity to show global leadership by:

- recognising modern slavery as a **workplace harm** and combatting it using **human rights due diligence; health and safety, and accident compensation legislation;** and
- taking a **common approach to action domestically** on labour rights, violence, harassment, and abuse (including gender-based violence) and workplace safety.

If worker exploitation and violations of employment standards serve as early warning signs of more severe harm, then they must be considered as **key components** of the overall system of **workplace safety**.

Addressing worker exploitation should be incorporated into the risk management procedures outlined in the **New Zealand Health and Safety at Work Act 2015**. This legislation covers all workplaces in New Zealand by imposing responsibilities on boards of directors and management, mandates worker representation, adopts a proactive stance towards prevention, and is overseen by a well-equipped regulatory body. It also includes promotional activities, awareness campaigns, and enforcement measures, alongside imposing substantial penalties for violations of health and safety standards.

Responsible recruitment, fair & safe workplaces, and effective human rights due diligence can become the norm. All New Zealand businesses can excel in upholding internationally recognised human rights standards, not just multinational enterprises (MNEs). NZEE members demonstrate that small and medium-sized enterprises (SMEs) can do this too. With the right support.

There are many opportunities to maximise the use of existing legislation to ensure a coherent, coordinated, and inclusive approach to **harms at work**. This includes minor legislative revisions to the **Accident Compensation Act** to facilitate redress; and amendments to the **Protected Disclosures Act** (Protection of Whistleblowers), to promote and encourage reporting. And amendments to the **Holidays Act**.

Our legislation must also **prioritise the needs of victims** when addressing and rectifying issues of worker exploitation to build trust in the process. This is essential to ensure victims feel safe coming forward to report, without the fear of being fired, deportation or other adverse consequences. Given the vulnerability of complainants and the sensitive nature of these investigations, it is crucial that regulation and investigations are conducted by **professionals with expertise** in handling such matters, such as [Ethical Labour Investigation | AIM CRI](#)

**Promotion and education** play a crucial role in workers understanding their rights, this requires employers to understand their responsibility to embed respectful practises into the every-day operation of their business, and to know how/what information to share with workers.

We need a system that fosters **coherence and collaboration**, where government, businesses, and workers actively participate, demonstrate leadership, and hold themselves accountable. This integrated approach should be guided by the same internationally recognised standards that New Zealand has already adopted and



signed up to - the UN's Guiding Principles on Business and Human Rights (UNGPs) and the OECD's Due Diligence for Responsible Business Conduct.

To fulfil its commitments made at the OECD, the New Zealand government should explicitly communicate its expectations regarding "**responsible business conduct**" to all New Zealand enterprises – beyond posting guidance and links on their website. It needs to be made clear that forced labour and trafficking in New Zealand businesses is a **workplace harm** causing serious psycho-social and often physical harm.

**Continuous education** on rights, legal regulations and standards is crucial (as mentioned middle of pg5). This education needs to be reinforced with government awareness campaigns that are supported with suitable training and resources/tools. Keeping New Zealand businesses informed about global trends is also important for maintaining our competitiveness to attract investment, create jobs, and sustain economic growth in the global marketplace. The establishment of an **Anti-Slavery Commissioner** of New Zealand would be very helpful in this regard. We can take cues from the recent process on establishing an Australia Anti-Slavery Commissioner including the importance of independence, engaging with people with lived experience, supporting businesses, own motion powers, and government oversight.

Mandating **risk-based due diligence** and meeting for all **financial institutions** operating in New Zealand's supply chains is essential for mitigating various risks, including worker exploitation. This includes not only traditional financial institutions but also accounting and payroll providers. By tracking financial transactions and expenditures, irregularities indicating exploitation can be detected, such as low wages or excessive fees. Analysing financial records over time helps identify systemic issues, holding those responsible accountable and addressing root causes within the supply chain, to reduce exploitation effectively.

**Billions of dollars go through payroll each year**, contributing to a huge risk area where employers can underpay workers without knowing. NZ's state run DHB has reported their underpayments to employees in regard to leave is at least \$1B. The issue is systemic and long standing. **New Zealand Payroll Practitioners Association (NZPPA)** works with payroll providers and businesses every day and have been vocal about the issues with the Act since 2007. Businesses face real problems in trying to pay employees correctly with this unworkable legislation.

**Investing in a common data infrastructure** accessible to government, businesses, and NGOs - necessitating ALL immigration processes online - would revolutionise MBEs approach. This approach promises extensive benefits in combating worker exploitation. Centralising relevant data would streamline processes and foster collaboration, enabling stakeholders to share information and jointly identify pockets of exploitation. Enhanced monitoring and detection would allow for proactive intervention and support for affected workers, while promoting accountability and transparency in employment practices. This would **enable data-driven, evidence-based policymaking** that would result in targeted interventions, cost savings, and improved outcomes for **ALL people** - from employers and workers to growers and consumers to payroll to labour inspectors and enhancing New Zealand's reputation on the global stage.

Business owners, leaders, decision makers, policy makers, NGOs, certification bodies, unions, financial institutions, payroll providers, we must all work together to bring about change that adds value and shows real results on reducing worker exploitation. It's important that **all stakeholders are strongly engaged** and share information openly while keeping any private data safe. Being fair and using consistent tools for **training and assessment** is crucial. As well as incentivising companies who are integrating ethical employment policies and practises into their organisations and are committed to continuous improvement.

## Migrant Labor: Challenges and Opportunities in New Zealand

New Zealand's aging demography marked by falling birth rates, highlights the role for ongoing migrant labour to sustain and **grow our primary sectors**. The regions, where much of New Zealand's productive land and primary sectors are concentrated, often face high rates of workforce attrition (over 65's leaving the workforce) alongside low unemployment rates and declining birth rates, further tightening the labour market. In such areas, the reliance on migrant labour becomes especially pronounced as a means to address seasonal labour peaks and sustain the productivity of key industries.

To **advance human rights** in labour mobility schemes, policy settings must be refined to ensure fundamental protections for ALL migrant workers regardless of the scheme through which they entered New Zealand. Policy settings should be subject to the same legal requirements, due diligence, inspection, enforcement, and remedy. We must also address ineffective policy instructions that hamstring business growth and foster discrimination based on country of origin.

We need **accountability and transparency** across all stakeholders. This involves Government agencies, contracted services, recruitment agents, and labour sending units. Strong clear management systems to uphold compliance, along with public reporting and adherence, is essential. Promotion of the UN Guiding Principles and OECD standards throughout the pacific should be significantly intensified.

Labour laws and policies, including the **Bilateral & Inter-Agency Agreements**, in both New Zealand and workers' countries of origin, should be reviewed and strengthened to support protections for ALL migrant workers' rights. This involves effective enforcement, clear procedures for issue resolution, **a commitment to holding perpetrators of abuse and exploitation accountable, and avenues for redress for any harms done.**

Failure to support appropriate immigration policy regulation leads to **government-facilitated exploitation**. The underfunding of the Labour Inspectorate exacerbates this issue, increasing the risk of exploitation of migrant workers by bad actors. The significance of local insights possessed by Labour Inspectors (LI) within their respective regions, alongside their proximity to businesses and migrant workers, cannot be overstated. For example, RSE inspectors play a crucial role in **fostering trust and ensuring compliance**. Establishing an understanding of employers' business is essential to promote cooperation and adherence to labour laws, this collaborative approach addresses concerns early **preventing potential violations from escalating**.

**Government collaboration** with representative organisations of employers and workers, data-driven, evidence-based decision-making, and an integrated approach to social and economic policy are essential. A national strategy for labour mobility, including responsible recruitment policies and pre-departure training, should be developed, and monitored with agreed-upon standards.

## Schedule 1 : Takeaways from the CIERTO Global Presentation at the GLOBALG.A.P Berlin Round Table

Presenter: Joe Martinez (CEO) CIERTO Global

“A successful harvest depends on a skilled and reliable workforce – it’s a partnership to feed the world”

Their name in full is : Centro de Investigación, Entrenamiento y Reclutamiento del Trabajador Organizado (CIERTO) translated into English is - Centre for Research, Training and Recruitment of Organized Workers

CIERTO Global recruits, trains, and places experienced workers into farms in the United States. They recruit from Mexico and Guatemala, supplying labour into the US, via the H2A and H2B work visa schemes. They work with several 3rd party verification organizations, Mexican government agencies, and the International Labor Organization (ILO). They are one of six recruitment agents in Mexico. Over 9,000 agents operate in the US.

They run a comprehensive pre-departure training program in the country of origin, overseen by a 3<sup>rd</sup> party verification party. The 10 Module program, over 1.5 days, aims to empower workers by clarifying their role, setting expectations, fostering skill development, prioritising workplace safety, and cultivating a collaborative on-site atmosphere.

- Transformational recruitment
- Build trust in the communities of origin
- Partner with local organisations
- Verification of recruitment practises
- Engagement with families – their life plan & reintegration plan
- Workers understand their value, their rights, and their job offer
- Verification of all farms before workers are placed - treat their workers with respect and dignity
- Pre-departure Training modules - minimised worker management by 35%
- Assist with conflict resolution between workers and growers
- 3-stage, independent worker surveys, home/work/ home - verify clean recruitment and employment

“Effective strategies to address issues of forced labour and human trafficking must seriously address how workers are recruited from their communities of origin, with the goal of providing recruitment programs that support workers in a fair, legal and respectful manner...Costco strongly supports the work of CIERTO”

- Preston Witt, Human Rights Director, COSTCO WHOLESALE CORPORATION

## **Schedule 2: Takeaways from the German Fruit Association Presentation at the GLOBALG.A.P Berlin Round Table**

Presenter: Henning Kleinespel, (Deputy Managing Director) German Fruit Trade Association (DFHV)

DFHV is the national umbrella organisation of the German fruit industry and represents the interests of all trading companies in the fresh fruit and vegetable sectors. This includes direct marketing, wholesale, import and export, as well as food retailing.

They developed their own "DFHV Code of Conduct for the Consideration of Social Standards", and translated the Code into all common foreign languages in the industry so that partners in other countries can easily understand which standards are agreed.

Their "sphere of responsibility" covers consumer protection, sustainability, social, and research. And they have a 'crisis management team' to support its members in coping with problems that arise.

- Legislation - German Supply Chain Due Diligence Act
- Responsibility for human rights and environmental violations in their industry is understood by DFHV
- No guarantees exploitation won't exist, but efforts in prevention must occur
- Don't focus on cost first – are they compliant should be first
- Importance to integrate due diligence into the business policies
  - Risk analysis to identify actual and potential adverse impacts arising in own operations and of business partners in the value chain
  - Prevent, mitigate, and end adverse impacts
  - Prioritise risks according to influence, severity, and probability
  - Monitor effectiveness and public reporting

### **Risks**

- Thousands of supply chains
- Sub-contractors & labour hire companies not regulated/supported by anyone
- Multiple risks from different countries
- Missing the know-how for effective controls
- Compliance overload, too many different requirements (one standard would reduce bureaucratic effort and compliance regulation)
- Low trust in compliance certificates
  - Lack of independence (certificate shopping & corruption)
  - Efficiency is questionable if
    - Audits are announced
    - Checklist checking
    - Unqualified auditors
    - High acceptance in high-risk sectors (ie labour hire)

### **Opportunities**

- Accreditation control body
- Retailers supporting capacity building in employers
- Better standardised education of auditors (APSCA)
- Flexible risk-based controls (prioritise high-risk areas while maintaining controls elsewhere)
- Liability for gross negligence and exploitation
- Recognition for streamlined processes
- Explore non-competitive collaboration ie. Appellando (see below)
- Avoid duplication
- More education for consumers and customers

### Schedule 3: Appellando – an Alliance for Global Grievance Mechanisms in Supply Chains

The [EHI Retail Institute](#) together with a group of retailers started the initiative [Appellando](#). They held their first workshop in June 2023. The objective was to establish a multi-stakeholder alliance that designs and implements **industry-wide grievance mechanism services**.

Their mission:

Better protection of human rights and the environment. To establish a multi-stakeholder framework for harmonising grievance mechanisms worldwide and organizing solutions with our partners to better protect human rights and the environment in supply chains.

Their aim is to ensure that **every worker and rightsholder can find access to help through trusted channels**.

The Appellando Framework follows internationally recognised mechanisms

- UN Guiding Principles on Business and Human Rights (UNGPs)
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct
- UN Sustainable Development Goals (SDGs).

They are adopting a collaborative approach to harmonise standards for ‘technical interoperability’ (multiple organisations working together to exchange information using a common format), enhance monitoring efficiency, and streamline effective investigations. Their goal is to establish coordinated and continuous remediation efforts that can be applied across **local and global supply chains, spanning various businesses, commodities, industries, sectors, and countries/regions**.

Current signatories of the Alliance include:

Lidl	Convive induction cepaim
Aldi	Migros
Edeka	SYGMA certification
Q&A Quality and Advisor	Greenyard fresh Spain
Ethical trade Denmark	Issara institute
Greenyard	Fruit alliance
Ulula	Bio Sabor
Albenfruit	Kölla fruit company
Labour Solutions	Sustify
CCOO Industria	Ask Your Team

## Acknowledgements

This report lays the groundwork for further discussion on the human rights challenges and opportunities that lie ahead for New Zealand. I want to acknowledge David & Brent from Tūhana Business & Human Rights (NZEE's Human Rights Foundation Partner), and my Chair, Mike Chapman. Three mentors, I lean on heavily.

Thank you to Woolworths Group NZ, without your support it would not have been possible to attend this event and be exposed to these insights and discussions. And to NZEE's funding partners who help us keep the doors open and lights on, found here: [NZEE Partnerships](#)

SWEP & MSD, thank you for supporting NZEE to promote ethical employment practices and responsible supply chain management in New Zealand's primary industries.

And full respect to NZEE member employers who are the ones creating the change everyone else talks about.

As we move towards fairer and more sustainable employment, it is important to acknowledge the role that each stakeholder, from certification bodies to banks, plays in shaping the landscape of ethical employment practices. **By aligning our actions with the lessons learned and recommendations proposed in this report, we can collectively strive towards a future where the rights and dignity of every worker are upheld.**