

Members Fortnight Call – Opening Statements



The Food Network for Ethical Trade – Every fortnight 10 – 11 hrs

Competition Law and Safe Space Statements

Participant Identity:

Please display your name and the business name

Competition Law Statement

"We are meeting to discuss issues raised in the forum of the Food Network for Ethical Trade.

We take competition compliance seriously. Whilst discussions can cover matters of interest to our industry, we cannot discuss or exchange sensitive commercial information.

If at any time during this meeting, you think our discussions may be in breach of competition rules, please inform the Chair. The Chair may close the meeting at any time if the chair believes that discussions are in breach of competition law"

Safe Space Statement

The fortnightly members call is a safe space for members to discuss and exchange ideas on human rights risks and improvement actions and all are reminded to please always respect this principle.

Agenda 8th August 2023

	Timing	ltem
	10.00 - 10.05	Introduction & competition law statement
	10.05 – 10.20	Risks created by the Seasonal Worker visa – Kate Roberts, Head of Policy, FLEX (Focus on Labour Exploitation)
	10.20 - 10.40	Warehousing – Paul McAnulty, Business Development Manager, Stronger 2Gether
	10.40 - 10.50	Agencies alone cannot stop labour exploitation – Geoff Taylor, Commercial Director, The ClearVue
	10.50 - 10.55	Horizon scanning/trends space
	10.55 - 11	Member announcements, AOB, Upcoming FNET dates
Ī	11.00	Close

FNET

FOOD NETWORK FOR ETHICAL TRADE – Confidential

Risks created by the horticultural Seasonal Worker visa

Kate Roberts Head of Policy, FLEX

Kate.roberts@labourexploitation.org



FLEX

- Research and Policy organization
- Spectrum of exploitation
- Address structures which can create risks of exploitation in the mainstream economy

Examples of created vulnerability include:

Labour abuses, eg non payment of wages, excessive accommodation, equipment or documentation charges, withholding documents

Employment relationships which limit access to justice eg precarious work, false self employment

Restrictive or insecure immigration statuses



Post Brexit immigration routes

- Assessment of the risks of the SWP
- Ongoing research and policy work
- Growth of scheme
- Structural risks not addressed
 - No EPP- debts
 - No guarantees of work
 - No safety net/ guaranteed transfers
 - Gaps in monitoring and LME





Risks created by the horticultural Seasonal Worker visa

High migration costs plus fees

 Interim findings – no Indonesian worker in the sample reported paying less than £3,500

Short term restricted visa

 6 months, no recourse to public funds, only work where placed by Scheme Operator

No guarantees of work

- 32 hours paid per week. No guarantee on duration
- Interim findings 2 out of 5 of workers in the UK on the SWV interviewed over a period of around 10 months until end of May this year were unsure they would earn enough money during their time in the UK to cover travel costs.

UK costs

Accommodation, transfers, safety equipment, consumables



Reforms to address risk

- Structural:
 - Renew visa
 - Fewer restrictions- transfers
 - Safety net
 - Migration costs- EPP
 - Guaranteed work/ income
 - Accommodation

Enforcement

- Proactive LME, distinct from immigration
- Fast track compensation/ access to UK employment law



Action against exploitation

Information for agricultural workers on the Seasonal Worker Visa on your rights and support whilst in Scotland

English



Informați pentru lucrătorii sezonieri din agricultură din Spațiul Economic European Privind drepturile și asistența de Care beneficiază în timp ce se află



"Agencies alone cannot stop labour exploitation"



C Unresolved Risks

	Exploitation	Welfare	
1	Modern Slavery Flags	Lack of a Safe Space	2
3	Totally Inclusive Workplace	Umbrella Payroll Schemes	4
	Welfare	Exploitation	Complex made simple



Direct Worker Feedback

2











Transparency Now Possible

Geoff Taylor - Commercial Director geoff@theclearvue.co.uk +44 7469 858892

Emerging trends & member concerns

Please share any insights or concerns you are picking up from your sourcing countries and supply chains.

They can be raised anonymously.





FOOD NETWORK FOR ETHICAL TRADE – Confidential



Uyghur/China Seafood Background

- The Outlaw Ocean Project is "a non-profit journalism organization based in Washington D.C. that
 produces investigative stories about human rights, labor, and environmental concerns on the two thirds
 of the planet covered by water" (Source: <u>About The Outlaw Ocean Project</u>).
- The Outlaw Ocean Project says it has "uncovered the first evidence of widespread Uyghur forced labour in Chinese seafood processing plants exporting a variety of seafoods globally to major food service and retail, as well as public sector buyers in North America and Europe."
- They say they have also **identified links between at least one business that owns the seafood processing plants in question and fishing in North Korean waters in contravention of UN sanctions, and illegal fishing in Indonesian waters.** The fishing activities being investigated reportedly relate specifically to squid.
- Outlaw Ocean says it has "global publication partners" across a number of countries that will publish articles about this investigation. They say that typically Outlaw Ocean tend to average c. 7-8 million readers globally with their stories. They have not shared the timeline for publication, but they have said further work is needed prior to publication.
- They have indicated that they believe "one third of SEA Alliance member companies are linked to this issue through their sourcing". They said that globally they believe there are c. 300 companies that have supply chain links to this issue.
- They are not disclosing the evidence that they have of the alleged forced labour but highlighted that they have **"multiple points of corroboration"** and that there is **audio-visual as well as documentary evidence**.



ELEFOOD ETHICS PC-JON ALLANS

Uyghur/China Seafood Background

- Outlaw Ocean say the evidence of alleged use of Uyghur forced labour through "a state-imposed labour transfer program" is linked to c. **10 seafood processing plants, and is over multiple years, with occurrences documented as recently as April/May 2023**.
 - Outlaw Ocean stated that their primary goal is to see global media coverage of their investigation. They did
 also highlight an interest in seeing Governments reacting to it using their regulatory powers, and through
 legislation. This may relate to the US Customs and Border Protection's use of Withhold Release Orders
 (WROs), actions under national due diligence laws, and potential influencing of emerging EU legislation on
 due diligence and the restriction of products associated with forced labour.
 - They highlighted that a focus of the investigation will be the inadequacy of existing Human Rights Due Diligence (HRDD) steps carried out by companies, inc. social audits. They are understood to be in contact with SEDEX, as well as the Marine Stewardship Council (MSC) on this.
- In relation to SEDEX, it is believed that one or more of the sites in question underwent SMETA audits that did not detect the issues being alleged by Outlaw Ocean.
- In relation to MSC, the focus of their engagement would appear to be the MSC's Third-Party Labour Audit requirements, which require that land-based sites handling MSC fish undergo a Third-Party Social Audit (this also applies to the handling of ASC-certified products).





Additional Sources of information

- Report to the UN General Assembly on contemporary forms of slavery affecting persons belonging to ethnic, religious and linguistic minority communities. By the Special Rapporteur on contemporary forms of slavery, including its causes and consequences, Professor Tomoya Obokata. <u>Contemporary-forms-of-slavery-HRC51-</u> <u>report.pdf</u> (idsn.org) July 2022.
- We recommending reviewing paragraphs 23 and 24.

"Based on an independent assessment of available information, including submissions by stakeholders, independent academic research, open sources, testimonies of victims, consultations with stakeholders, and accounts provided by the Government, the Special Rapporteur regards it as reasonable to conclude that forced labour among Uighur, Kazakh and other ethnic minorities in sectors such as agriculture and manufacturing has been occurring in the Xinjiang Uighur Autonomous Region of China."







Additional Sources of information

The Helena Kennedy Centre for International Justice at Sheffield Hallam University has done extensive research on state sponsored forced labour.

• They have a database of companies operating in the Uyghur region and companies named as being involved in labour transfer programmes.

Useful Resources | Sheffield Hallam University (shu.ac.uk)



Useful Resources



Companies Operating in the Uyghur Region (XLSX, 8MB)



Sheffield Hallam University Knowledge Applied

Next steps



ETI, FNET and Sea Alliance have a call tomorrow to talk about joint way of working to support our members.

Planning to follow up with

- Professor Laura Murphy, Professor of Human Rights and Contemporary Slavery, Sheffield Hallam University.
- Professor Tomoya Obokata, Special Rapporteur on Contemporary Forms Slavery for the United Nations Human Rights Council in Geneva (also Professor of International Human Rights Law at York Law School)

Excerpt from follow-up communication received from Outlaw Ocean

I'd like to underscore again that our message to any Alliance/ FNET/ETI members interested in participating in future dialogue **is that direct engagement with our written communications, according to the timelines we set, is the only opportunity for them to comment on our findings**. This isn't because we don't recognise the importance of collective action and precompetitive collaboration, but because the findings and relationships are quite complex in many instances and can't possibly all be adequately addressed through a joint statement from any membership body.



Sedex Sedex

Sedex

Sedex position on the effectiveness of social audits in identifying state-imposed forced labour - WORKING DRAFT

August 2023

At Sedex, we are committed to leading the way in making global supply chains more socially and environmentally sustainable. Our accessible tools and services provide datadriven insights to help companies and our community to continually improve their ESG performance. As a responsible and ethical business, we understand the importance of tackling labour rights risks and encouraging responsible sourcing practices. With this in mind, we have developed a position paper that offers guidance to businesses, including Sedex member companies, on the effectiveness of social audits in identifying stateimposed forced labour.

 ${\bf State-imposed}$ forced labour is a recognised subset of forced labour, covered by ILO Convention 105. It prohibits specifically the use of forced labour imposed by state authorities

- as punishment for the expression of political views.
- for the purposes of economic development,
 as a means of labour discipline
- as a means of tabour discipline,
 as a punishment for participation in strikes
- as a means of racial, religious or other discrimination

It is estimated that 3.9 million people were in state-imposed forced labour at any point in time in 2021^2 .

Understanding the limitations of social audits

Social audits are highly effective in identifying labour rights risks and issues within supply chains. However, we recognise the limitations of social audit in identifying state-imposed forced labour. Contributing factors to this include:

Lack of transparency: State-imposed forced labour is often concealed, or hidden from public view, or in regions with restricted access for external, independent auditors or investigators, making it challenging to gather accurate information through audits Governments may actively suppress information, impose stringent controls or limit the areas auditors can assess, hindering independent auditors' ability to assess the full extent of forced labour.

Coercion and fear: State-imposed forced labour relies on coercion, threats, and fear to maintain control. Workers may be unable to disclose their experiences due to the severe punishment or relialation they could face. The climate of fear limits the effectiveness of social audits, as workers may be unable to openly share their situations. There may be significant risks to auditors themselves in some circumstances, who may not feel it is safe for them to explicitly acknowledge or report state-imposed forced labour.

¹ https://www.ile.org/global/topics/forced-labour/definition/lang_eg/index.htm ² Global Estimates of Modern Stavery. Forced Labour and Forced Marriage. International Labour Organization (U.D), Walk Free, and International Organization for Migration (UM), Geneva, 2022



Sedex position on the effectiveness of social audits in identifying state-imposed forced labour - WORKING DRAFT Not for sharing beyond FNET

Member consultation 2 sessions this week for Sedex members to understand Sedex's approach and provide feedback

- Thursday 10th August 8-9 am UK Time: Register <u>here</u>
- Thursday 10th August 3-4pm UK Time: Register <u>here</u>

FOOD NETWORK FOR ETHICAL TRADE – Confidential

Sedex Sedex

Sedex believes that identifying state-imposed forced labour requires a comprehensive approach that goes beyond social audits. While social audits remain valuable for identifying labour rights risks and issues, its limitations necessitate additional strategies to effectively identify and work to combat state-imposed forced labour.

In cases where the imposition of forced labour by the state makes conducting due diligence or providing effective remediation impossible, the UNGPs recommend that companies should consider withdrawing from a supplier relationship. This decision should be aligned with the principles of the UNGPs and be accompanied by active engagement in collaborative efforts to address systemic issues and promote responsible supply chains.

Ultimately, the decision on whether companies should source goods from regions associated with state-imposed forced labour requires careful consideration of the specific circumstances, risks, and a company's ability to meaningfully address those risks. We advise companies to seek guidance from relevant experts, consult human rights organisations, and stay updated on the evolving landscape of responsible sourcing practices.



Sedex is committed to continue exploring opportunities to enhance our tools and services for more effective risk identification, exploring collaborative activities, and supporting our Sedex members in this area. Improving detection of forced labour is a key focus of our current Strategy and product roadmap.

FOOD NETWORK FOR ETHICAL TRADE – Confidential

Upcoming FNET dates



- •FNET/Sedex Call Wednesday 16th August 2-3pm
- •Board nominations deadline Friday 1st September
- •Raw Materials & Services working group Thursday 14th September 1-3pm
- •Webinar on Indigenous People date tbc
- •FNET AGM in fortnightly call Tuesday 3rd October 10-11
- •Responsible Recruitment working group Wednesday 4th October 2-3pm
- •Climate & Human Rights working group Wednesday 11th October in-person workshop, London