

15

& COLLECTIVE BARGAINING

FREEDOM OF ASSOCIATION

PILLARS 2 & 3 SUSTAINABLE OPERATIONS & VALUE CHAINS

# FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING

STANDARD

#### Commitment

Empower workers, producers, and their representatives to organize, establish, and join trade unions, bargain collectively without interference, and participate in decision-making on matters that affect them.

Sorting Almonds by hand. © Marco Ossino/Shutterstock

The rights to freedom of association<sup>a</sup> and collective bargaining<sup>b</sup> are enabling rights, meaning they are essential prerequisites for the exercise of other human rights.<sup>1</sup> They ensure that workers' voices are integrated into business decision-making, help balance power, and support workplaces to become more inclusive.<sup>2</sup> In regions where worker protections are weak, addressing the power imbalances between workers and companies through freedom of association and collective bargaining is of paramount importance for the improvement of conditions at work, building trust and strong relationships with workers, and responding to issues that arise.

- a. Freedom of association is worker's "right to establish and, subject only to the rules of the organisation concerned, to join organisations of their own choosing without previous authorization" (Source: ILO, "Freedom of Association and Protection of the Right to Organise Convention (No. 87)," 1948, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P121 00\_INSTRUMENT\_ID:312232:NO, Article 2.) Freedom of association is a prerequisite to collective bargaining.
- b. Collective bargaining is the voluntary negotiation between an employer, a group of employers or one or more employers' organizations, on the one hand, and one or more workers' organizations, on the other, to (a) determine working conditions and terms of employment; and/or (b) regulate relations between employers and workers; and/or (c) regulate relations between employers or their organizations and a workers' organization or workers' organizations, all these by means of collective agreements. Collective bargaining builds on freedom of association. (Sources: ILO, "Right to Organise and Collective Bargaining Convention (No. 98)," 1949, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:::NO:12100:P121 00\_INSTRUMENT\_ID:312243:NO, Article 4; ILO, "Collective Bargaining Convention (No. 154)," 1981,

https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\_INS TRUMENT\_ID:312299, Article 2.)



In some cases, however, companies in regions with weak union protections or enforcement actively suppress unions through intimidation tactics. SDG-aligned companies avoid these activities and use their leverage with business relationships to prevent them from occurring in their value chains and ecosystems. They also develop strategies to empower workers and create an enabling environment for the respect for these rights.

Companies that respect freedom of association and collective bargaining create an enabling environment to protect human rights and align with the SDGs in their operations, value chains, and broader ecosystems.<sup>3</sup>

#### BOX 18: KEY RESOURCES ON FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING RIGHTS

- Freedom of association: Compilation of decisions of the Committee on Freedom of Association.<sup>4</sup>
- ILO Brief-The role of social dialogue in formulating social protection responses to the COVID-19 crisis.<sup>5</sup>
- ILO The need for social dialogue in addressing the COVID-19 crisis.<sup>6</sup>
- Freedom of association in company supply chains: A practical guide. (Ethical Trading Initiative).<sup>7</sup>





# **SDG-ALIGNMENT:** THIS STANDARD CONTRIBUTES TO ACHIEVING THE FOLLOWING SDGS:

#### 1 1000000 **Ř톆**†

#### SDG 1 – No poverty

Target 1.1: By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day.

Target 1.4: By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services, including microfinance.



# SDG 8 – Decent work and economic growth

**Target 8.3:** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation.

Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Target 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.



#### SDG 10 - Reduce inequalities

**Target 10.1:** By 2030, progressively achieve and sustain income growth of the bottom 40 percent of the population at a rate higher than the national average.

Target 10.2: By 2030, empower and promote the social, economic, and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic, or other status.

Target 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies, and practices and promoting appropriate legislation, policies, and action in this regard.

Target 10.4: Adopt policies, especially fiscal, wage, and social protection policies, and progressively achieve greater equality.



## SDG 16 – Peace, justice and strong institutions

Target 16.10: Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.

Target 16.b: Promote and enforce nondiscriminatory laws and policies for sustainable development. 

## STEPS TO MEET THE COMMITMENT

## 1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

#### **1.1. ADOPT A POLICY**

The board or the most senior level of SDG-aligned companies adopt a policy to respect internationally recognized human rights in their operations and business relationships, including the rights to freedom of association and collective bargaining.<sup>c</sup> The policy:

- Recognizes the right of their workers and producers, and those in their value chains, to have representative organizations of their choice for the purpose of collective bargaining.<sup>8</sup>
- Includes a commitment to refrain from interfering in the establishment, functioning, and administration of workers' and producers' organizations and implementing collective bargaining actions.<sup>9</sup>
- Prohibits intimidation, harassment, retaliation, and violence against trade union members and representatives.<sup>10</sup>
- Aligns with and references the international standards listed in Box 19.
- States that, where the national law of the territory where a company and its business relationships operate conflicts with international law, the company defers to the higher standard.<sup>11</sup>

#### BOX 19: INTERNATIONAL HUMAN RIGHTS STANDARDS ON THE RIGHTS TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING<sup>12</sup>

- Universal Declaration of Human Rights.<sup>13</sup>
- ILO Declaration on Fundamental Principles and Rights at Work.<sup>14</sup>
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.<sup>15</sup>
- ILO Freedom of Association and Protection of the Right to Organize Convention (No. 87).<sup>16</sup>
- ILO Right to Organize and Collective Bargaining Convention (No. 98).<sup>17</sup>
- ILO Collective Bargaining Convention (No. 154).<sup>18</sup>
- ILO Workers' Representatives Convention (No. 135).<sup>19</sup>
- ILO Rural Workers' Organizations Convention (No. 141).<sup>20</sup>
- ILO Labour Relations (Public Service) Convention
  (No. 151).<sup>21</sup>
- ILO Recommendations and jurisprudence on Freedom of association and collective bargaining.<sup>22</sup>

#### 1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy, SDG-aligned companies:

- Communicate expectations for implementing the policy internally and externally to the company's workforce, shareholders, subsidiaries' governing bodies, and business relationships, including through contractual terms.<sup>23</sup>
- Integrate the policy into the company's procurement policy, responsible sourcing policy, contract terms with suppliers, clients, recruitment agencies, and other business relationships in the value chain, and partnerships within and beyond the food sector.<sup>24</sup>
- Integrate the policy into by-laws and other governance documents (i.e., Code of Conduct, Code of Ethics), and management procedures.<sup>25</sup>
- Ensure their business practices and the incentives they create do not contradict the policy in form or substance.
- c. The ILO Rural Workers' Organizations Convention (No. 141) states that "all categories of rural workers, whether they are wage earners or self-employed, have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization". Their right to freedom of association and collective bargaining shall be fully respected. (Source: ILO, "Rural Workers' Organisations Convention (No. 141)," 1975, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\_ILO\_CODE:C141, Article 3.)



#### 2. ASSESS ACTUAL & POTENTIAL IMPACTS

To systematically assess actual or potential instances of lack of recognition and respect of the rights to freedom of association and collective bargaining within business operations, value chains, and broader ecosystems on an ongoing basis and in accordance with ILO labor standards,<sup>26</sup> SDG-aligned companies:

- Consider how their business model and common business practices incentivize or facilitate negative impacts on freedom of association and collective bargaining.
- Regularly consult with workers, workers' representative
  organizations, management, and other potentially affected
  stakeholders with diverse genders, ethnicities, and other identities.
- Conduct a joint assessment with global trade union counterparts when considering entry into a new operating context or sourcing market that may pose a heightened risk to trade union rights.<sup>27</sup>
- Apply appropriate assessment methods to effectively communicate with culturally diverse workers of different ages, particularly children, adolescents, women, and migrant workers. The company takes appropriate measures to mitigate conditions that might prevent workers from responding honestly to interview questions regarding freedom of association and collective bargaining rights due to fear of reprisal. These measures may include conducting assessments off-site or using other assessment methods such as focusgroup discussions and participatory assessment methods.
- Apply appropriate verification methods to ensure that management and other staff are not able to conceal actual and potential negative impacts on the rights to freedom of association and collective bargaining, or present themselves in a misleading light (e.g., if relying at all on audits, ensure that these are not announced to management ahead of time).
- Engage qualified and credible individual experts and local expert organizations in assessments, particularly in areas with higher risks of denial of these fundamental workers' rights.<sup>28</sup>
- Conduct a gap assessment on existing policies, employment contracts, and collective bargaining agreements, especially in terms of their coverage and whether they include higher standards than the minimum legal requirements.<sup>d</sup> The gap assessment also covers worker-company negotiation documents, internal workplace manuals, internal communications, purchasing protocols and procedures, programs, training material, guidelines, systems, and other relevant materials.
- Cooperate at a sector-wide and, where relevant, cross-sectoral level with governments, workers, trade unions, international organizations, civil society organizations, and other stakeholders operating on the ground to identify activities and areas of high risk for negative impacts on the rights to freedom of association and collective bargaining.<sup>29</sup>

SDG-aligned companies also consider the root causes of the lack of recognition and respect of these fundamental labor rights. In regions, business activities, and commodities with a high risk of impacts on freedom of association and collective bargaining, the company commissions, on its own or together with other stakeholders, to conduct on-sight human rights impact assessments that evaluate root causes, such as:<sup>30</sup>

- The legal and regulatory environment, paying particular attention to (a) the alignment of local labor rights laws with the ILO standards, including the effective protection of the rights to freedom of association and collective bargaining; (b) the extent to which such laws exist and are enforced, and (c) the strength of labor inspection capacity in the jurisdiction to protect these rights. Misalignment includes, among other things, legal requirements that workers become members of governmentrun federations, laws which place extensive prohibitions on bargaining, laws that permit government interference or restrict freedom of association for certain workers.
- The lack of adjudication bodies to support freedom of association and collective bargaining rights.
- The persistent use of casual, informal, or temporary labor, which hinders workers' ability to organize.
- The promotion of employer-dominated structures that have worker involvement mechanisms but which are treated as substitutes for trade unions.
- Persistent social norms and practices in the local labor market that restrict these fundamental labor rights, including employer intimidation practices against workers.
- Collective bargaining agreements are "agreements in writing regarding working conditions and terms of employment concluded between an employer, a group of employers or one or more employers' organisations, on the one hand, and one or more representative workers' organisations, or, in the absence of such organisations, the representatives of the workers duly elected and authorised by them in accordance with national laws and regulations, on the other."  $(\ldots)$  (1) Collective agreements should bind the signatories thereto and those on whose behalf the agreement is concluded. Employers and workers bound by a collective agreement should not be able to include in contracts of employment stipulations contrary to those contained in the collective agreement. (2) Stipulations in such contracts of employment which are contrary to a collective agreement should be regarded as null and void and automatically replaced by the corresponding stipulations of the collective agreement. (3) Stipulations in contracts of employment which are more favourable to the workers than those prescribed by a collective agreement should not be regarded as contrary to the collective agreement. (4) If effective observance of the provisions of collective agreements is secured by the parties thereto, the provisions of the preceding subparagraphs should not be regarded as calling for legislative measures. (...) The stipulations of a collective agreement should apply to all workers of the classes concerned employed in the undertakings covered by the agreement unless the agreement specifically provides to the contrary." (Source: ILO, "Collective Agreements Recommendation (No. 91)," 1951, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100\_ INSTRUMENT\_ID:312429:NO.)

# 3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their assessments of actual or potential impacts on the rights to freedom of association and collective bargaining outlined in **Step 2**, into relevant internal functions and processes by **setting targets** and then **taking action** to align with the standard within set target dates.

#### 3.1. SET TARGETS

SDG-aligned companies set specific time-bound intermediate and long-term targets to prevent and eliminate impacts on freedom of association and collective bargaining that are ambitious enough to contribute significantly to the SDGs' achievement, particularly SDG 8 (Targets 8.3, 8.5, 8.8), SDG 10 (Targets 10.1,10.2,10.3,10.4), and SDG 16 (Target 16.10, 16.b). The intermediate targets are relevant for the companies to monitor their and their business relationships' continuous improvement towards meeting the standard. Where possible, indicators measure outcomes rather than outputs or activities. These targets are tailored to the company's business activities and relationships based on its assessment of actual and potential impacts on the rights to freedom of association and collective bargaining, which the company may be linked to, contribute to or cause. Examples of outcome-focused targets include:

- By 2022, the company tracks the percentage of unionized workers hired by its first-tier business relationships.
- By 2025, the company tracks the percentage of unionized workers hired by its second and third-tier business relationships.

#### 3.2. TAKE ACTION

SDG-aligned companies continuously take appropriate action to cease, prevent, and mitigate these impacts in their business operations. Where the company identifies risk or impact to these fundamental labor rights in local contexts where the company has business relationships, it uses and increases its leverage to prevent, mitigate, and remediate these risks and impacts, including, where relevant, their root causes. This is undertaken in line with respect for human rights and the development priorities of the local context.<sup>31</sup>

Depending on the specific risks and impacts identified, SDG-aligned companies take measures to address actual or potential impacts on freedom of association and collective bargaining, which may include:

- Establishing business practices that align with the standard:
  - Using formal employment schemes, and ensuring that employment contracts are written in languages all workers can understand. The contracts specify workers' rights concerning the retention of documents, working hours and overtime, wages, and other labor rights and obligations.<sup>32</sup>

- Using leverage with business relationships, including recruitment agencies, to ensure they implement formal employment schemes along the value chain.
- Maintaining long-term relationships with all types of suppliers, to increase company influence over practices related to respecting freedom of association and collective bargaining rights.<sup>33</sup>
- Sourcing from producer associations and democratic cooperatives, and supporting producers in creating and joining these types of organizations.<sup>34</sup>
- **Promoting and not impeding workers' self-organizing efforts** across company operations, value chain, and ecosystem, including the informal economy. In this vein, allowing workers to elect their representatives on a free and confidential basis without any interference from the company management staff.<sup>35</sup>
- **Establishing open communications** by providing representatives of unions and workers' organizations with access to the representatives of the company's management who are authorized and competent to take decisions on the matters under negotiation.<sup>36</sup>
- Maintaining collegial relationships with workers' organizations by bargaining in good faith<sup>37</sup>, and regularly consulting and maintaining open, respectful, constructive, and tolerant dialogues about any measures that may affect workers with them.<sup>38</sup>
- **Establishing formal communications procedures** between company management, staff, and workers' representatives, and formally responding to any communication sent by worker's organizations within a defined time.<sup>39</sup> This includes documenting minutes of meetings with workers' organizations and making these available to them.<sup>40</sup>
- Promoting the full realization of these rights where full
  recognition of trade unions is not possible in the short-term, or
  where freedom of association and collective bargaining rights
  are restricted, by using worker voice mechanisms, committees,
  or parallel means for independent and free association and
  bargaining while working towards the full realization of these
  fundamental labor rights in the long-term. The latter could be
  done by engaging suppliers and subsidiaries on the limitations
  of these approaches and through using leverage with the State
  to lift formal restrictions on these rights.<sup>41</sup>
- **Providing workers' and producers' organizations with the information required** to obtain a fair and transparent view of the company's performance to facilitate meaningful bargaining and negotiations.<sup>42</sup>

- Ceasing any activity and using leverage with business relationships in the value chain to cease any activity, that undermines all union rights related to the establishment, functioning, and administration of workers' and producers' organizations. These activities include dismissal, intimidation, harassment, retaliation, and violence against trade union members and representatives.<sup>43</sup> SDG-aligned companies pay special attention to identifying activities that might be difficult to observe, such as when ongoing temporary contracts are used, and ceasing them.
- Addressing specific instances of workers, producers, or groups that have been denied their rights to freedom of association and collective bargaining in company operations or value chains, by immediately ceasing the practices that restricted these rights and using their leverage to ensure business relationships do the same.
- Facilitating collective bargaining efforts by providing workers' representatives with appropriate facilities to develop effective collective bargaining agreements and carry out their functions efficiently.<sup>44</sup> This includes affording workers' representatives the necessary time off work without loss of pay, social and fringe benefits for carrying out their representative responsibilities.<sup>45</sup> It also includes refraining from interfering with the activities of workers' representatives while they carry out their union-related functions,<sup>46</sup> including their entrance to company facilities, distribution of news sheets, pamphlets, publications, and other documents of the union among company workers.<sup>47</sup>
- Establishing Global Framework Agreements (GFAs) with global trade union federations. These GFAs are implemented beyond the company headquarter level by translating agreements' commitments and obligations into meaningful action or partnerships at the subsidiary level and sourcing markets.<sup>48</sup>
- **Developing formalized escalation pathways**, including channels to facilitate the appropriate engagement with unions on local issues affecting workers' rights across the value chain. These pathways can take the form of Global Framework Agreements between companies and international unions to formalize communication channels.<sup>49</sup>
- Monitoring that business relationships implement management systems, capacity building, raise awareness strategies, grievances, remedy and, additional robust due diligence measures oriented towards identifying, preventing, mitigating, and eliminating any practices that restrict workers' rights to freedom of association and collective bargaining in their operations, value chains, and broader ecosystems.<sup>50</sup>

- Develop corrective action plans with business relationships that are found to violate company policies and contractual obligations related to respecting the rights to freedom of association and collective bargaining. The corrective action plans include means to verify remediation and implementation of corrective actions, and potential consequences if corrective actions are not taken.<sup>51</sup>
- Building capacity internally and externally (in the workforce and with business relationships, including employment agencies) on how to identify, eliminate, and prevent impacts on the rights to freedom of association and collective bargaining. SDG-aligned companies provide ongoing support for these skill development efforts.
- Using leverage to support and not impede States' actions to address the systemic causes of anti-union practices, and protecting the rights to freedom of association and collective bargaining through collective action with peer and crossindustry companies, and in coordination with communities and civil society organizations. State action SDG-aligned companies advocate for may include:
  - Eliminating existing laws and policies that restrict workers' rights to freedom of association and collective bargaining, which do not meet State duties under ILO and international human rights law standards.
  - Ensuring adequate legal frameworks and institutional capacity and mechanisms to protect these fundamental rights and enforce laws to prevent and eliminate discrimination, violence, intimidation, and retaliation against unionized workers and their representatives.
  - Improving the collective bargaining rights of contract and temporary labor.
  - Supporting and facilitating the creation of and strengthening national tripartite mechanisms for the prevention and settlement of disputes relating to the international labor standards.<sup>52</sup>

### 4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

#### 4.1. ESTABLISH GRIEVANCE MECHANISMS

To guarantee that workers whose freedom of association and collective bargaining rights have been denied have access to remedy, SDG-aligned companies have and use their leverage to ensure their business relationships have effective grievance mechanisms<sup>e</sup> in place.<sup>53</sup> These mechanisms are accessible to company and value chain workers, producers, and any person from the community to report instances of impacts on these fundamental labor rights (e.g., Workers' voice monitoring committee, operational-level grievance mechanisms, hotlines with effective grievance handling procedures). The companies provide training or develop actions to communicate the existence and operation of such grievance mechanisms to all potentially affected stakeholders and communities.<sup>54</sup>

#### 4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies refrain from using legal waivers that preclude access to judicial recourse for those whose rights to freedom of association and collective bargaining have been impacted. The company cooperates with and supports legitimate judicial and non-judicial State-based mechanisms to report and adjudicate legal violations of these rights.<sup>55</sup> The companies facilitate and do not interfere with civil, criminal, and human rights examinations. Where State-based mechanisms order sanctions or remedy, the companies comply and use leverage to ensure their business relationships comply.

#### 4.3. PROVIDE OR ENABLE REMEDY

When a company identifies that it has caused or contributed to an impact on freedom of association and collective bargaining rights in its operations or value chain, it acknowledges its part in the harm done and provides remedy through legitimate processes. Where the company did not cause or contribute to the harm directly, it enables remedy through legitimate processes. Some remedy actions that should be available for victims of anti-union discrimination include reinstatement of workers' representatives when their employment contracts were terminated unjustifiably, and payment of the wages they should have earned during the time they were unjustifiably dismissed from work, plus interest for late payment.<sup>56</sup> Reinstatement should always be available to workers that have faced retaliatory dismissal because of trade union activity, and that is not at the option of the employer. If the local judicial authority determines that reinstatement of a worker is not possible, measures should be taken so that the worker is fully compensated. The compensation given as remedy should take into account both the damage incurred and the need to prevent the repetition of such situation (dismissal) in the future.<sup>57</sup>

#### 5. TRACK PERFORMANCE

SDG-aligned companies track on an ongoing basis and through qualitative and/or quantitative outcome-based performance indicators, the implementation of actions to align with the standard within target dates. The following are some examples of performance indicators to track progress over time in company operations and value chains:

- Percentage of workers that have joined trade unions or other workers' organizations, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.
- Percentage or proportion of a company's workforce and its business relationships' workforce whose terms and conditions of work are covered by collective bargaining agreements, disaggregated by gender, ethnicity, race and other identity criteria, employee category (level and function), location, and the food and agriculture subsector in which the worker works.
- Number and details of claims filed through grievance mechanisms due to practices restricting the rights to freedom of association or collective bargaining.
- The number of instances of discrimination, harassment, intimidation, and/or retaliation against unionized workers and their representatives.

SDG-aligned companies partner with trade unions, suppliers, government institutions, civil society organizations, and other stakeholders to design and implement effective tracking and monitoring mechanisms. Methods to track progress include:<sup>58</sup>

- Third-party human rights impact assessments and labor rightsoriented audits that effectively include attention to the rights to freedom of association and collective bargaining.
- Surveys, interviews, other feedback mechanisms to collect perspectives from potentially affected stakeholders and labor rights defenders and advocates, including workers, trade unions, contractors, short-term suppliers, and civil society organizations.
- Complaints and grievances raised through grievance mechanisms.

As defined by the UNGPs' Effectiveness Criteria for Non-Judicial Grievance Mechanisms ("In order to ensure their effectiveness, non-judicial grievance mechanisms, both Statebased and non-State-based, should be: (a) Legitimate... (b) Accessible... (c) Predictable... (d) Equitable... (e) Transparent... (f) Rights-compatible... (gA source of continuous learning... Operational-level mechanisms should also be: (h) Based on engagement and dialogue..." (see UNGP 31 for further information). (Source: United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework.")



#### 6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their commitment and targets on the protection of the rights to freedom of association and collective bargaining, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts on the protection of the rights to freedom of association and collective bargaining in their operations and value chain, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company's approach and activities. Formal disclosure includes information on the following:<sup>59</sup>

- Internal business and value chain locations with a high risk for anti-union practices and policies, specifying the geographic locations of these operations.
- The specific methods used to assess operations and business relationships to identify and measure risk for anti-union practices and policies.<sup>60</sup>
- Measures taken during the reporting period to prevent and eliminate any restriction to the rights of freedom of association and collective bargaining in their business operations, value chains, and ecosystems.
- Information about existing collective bargaining agreements covering their workforce and their business relationships' workforce.

- Any impacts on the rights to freedom of association and/or collective bargaining identified in their operations and value chains during the reporting period specifying the number of people affected, their identities (Country of origin, gender, age, ethnicity, etc.), the specific type of conduct or behavior that occurred, the business relationship involved (i.e., first-tier supplier, below-first tier agricultural supplier, point of sale), the food or agriculture subsector, and geographic location where the restriction to these rights took place.
- How each impact on the rights to freedom of association and/or collective bargaining was identified and addressed, including remediation plans, actions, and results.<sup>61</sup>
- Analysis of trends demonstrating progress and, where appropriate, lessons learned from stagnation or decline towards meeting the standard and achieving intermediate and long-term targets on preventing and eliminating any impacts on these fundamental labor rights in their business operations, value chains, and ecosystems.

## **ENDNOTES**

- 1. The Danish Institute for Human Rights, "Freedom of Association and Collective Bargaining," Sustainable Development through Human Rights Due Diligence, n.d., https://biz.sdg.humanrights.dk/salient-issue/freedom-of-association-andcollective-bargaining.
- World Benchmarking Alliance, "Social Transformation Framework to Measure and Incentivize Companies to Leave No One Behind," January 2021, https://assets.worldbenchmarkingalliance.org/app/uploads/2021/02/WBA-Social-Transformation-Framework-FINAL.pdf.
- 3. World Benchmarking Alliance, "Social Transformation Framework to Measure and Incentivize Companies to Leave No One Behind."
- 4. ILO, "Freedom of Association: Compilation of Decisions of the Committee on Freedom of Association."
- ILO, "Social Protection Spotlight: The Role of Social Dialogue in Formulating Social Protection Responses to the COVID-19 Crisis.," October 6, 2020, https://www.social-protection.org/gimi/RessourcePDF.action?id=56869.
- ILO, "Policy Brief: The Need for Social Dialogue in Addressing the COVID-19 Crisis," May 2020, https://www.ilo.org/wcmsp5/groups/public/---ed\_dialogue/--dialogue/documents/briefingnote/wcms\_743640.pdf.
- 7. Ethical Trading Initiative, "Freedom of Association in Company Supply Chains: A Practical Guide."
- Mondiaal FNV and Shift, "Respecting Trade Union Rights in Global Value Chains: Practical Approaches for Business," 2019, https://shiftproject.org/wpcontent/uploads/2020/05/US-Respecting-TUR-digital-RV.pdf; International Labour Organization-ILO, "Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy," March 2017, https://www.ilo.org/wcmsp5/groups/public/---ed\_emp/---emp\_ent/--multi/documents/publication/wcms\_094386.pdf.
- International Labour Organization-ILO, "Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy"; Social Accountability International, "Guidance Document for Social Accountability," May 2016, https://sa-intl.org/wp-content/uploads/2020/02/SA8000-2014-Guidance-Document.pdf; ILO, "Freedom of Association and Protection of the Right to Organise Convention (No. 87)."
- ILO, "Right to Organise and Collective Bargaining Convention (No. 98)"; International Labour Organization-ILO, "Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy"; Social Accountability International, "Guidance Document for Social Accountability"; World Benchmarking Alliance-WBA, "Corporate Human Rights Benchmark Methodology 2020 For the Agricultural Products, Apparel and Extractives Industries," January 2020, https://www.corporatebenchmark.org/sites/default/files/CHRB%202020%20Met hodology%20AGAPEX%2028Jan2020.pdf; ILO, "Q&As on Business and Freedom of Association," Document, 2012, http://www.ilo.org/empent/areas/businesshelpdesk/faqs/WCMS\_DOC\_ENT\_HLP\_FOA\_FAQ\_EN/lang--en/index.htm.
- OECD, "OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector" (OECD Publishing, Paris, 2018), https://www.oecdilibrary.org/deliver?redirecturl=http%3A%2F%2Fwww.keepeek.com%2FDigital-Asset-Management%2Foecd%2Fgovernance%2Foecd-due-diligence-guidance-for -responsible-supply-chains-in-the-garment-and-footwear-sector\_9789264290587en&isPreview=true&itemId=%2Fcontent%2Fpublication%2F9789264290587-en.
- 12. ILO, "International Labour Standards on Freedom of Association," accessed May 18, 2021, https://www.ilo.org/global/standards/subjects-covered-byinternational-labour-standards/freedom-of-association/lang--en/index.htm; OECD, "OECD Guidelines for Multinational Enterprises" (OECD Publishing, 2011), http://www.oecd.org/daf/inv/mne/48004323.pdf; World Benchmarking Alliance-WBA, "Corporate Human Rights Benchmark Methodology 2020 For the Agricultural Products, Apparel and Extractives Industries."
- United Nations, "Universal Declaration of Human Rights" (United Nations, December 10, 1948), https://www.un.org/en/about-us/universal-declaration-ofhuman-rights.
- International Labour Organization-ILO, "ILO Declaration on Fundamental Principles and Rights at Work," June 1988, https://www.ilo.org/declaration/thedeclaration/textdeclaration/lang-en/index.htm.

- **15.** International Labour Organization-ILO, "Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy."
- 16. ILO, "Freedom of Association and Protection of the Right to Organise Convention (No. 87)."
- 17. ILO, "Right to Organise and Collective Bargaining Convention (No. 98)."
- 18. ILO, "Collective Bargaining Convention (No. 154)."
- ILO, "Workers' Representatives Convention (No. 135)," 1971, https://www.ilo.org/dyn/normlex/en/f?p=1000:12100:::NO:12100:P12100\_INSTRU MENT\_ID:312280.
- 20. ILO, "Rural Workers' Organisations Convention (No. 141)."
- 21. ILO, "International Labour Standards on Freedom of Association"; OECD, "OECD Guidelines for Multinational Enterprises"; World Benchmarking Alliance-WBA, "Corporate Human Rights Benchmark Methodology 2020 For the Agricultural Products, Apparel and Extractives Industries."
- 22. ILO, "Recommendations-Information System on International Labour Standards," n.d., https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12010:0::NO:::
- 23. International Labour Organization and International Organisation of Employers, "ILO-IOE Child Labour Guidance Tool for Business: How to Do Business with Respect for Children's Right to Be Free from Child Labour."; Know The Chain, "Benchmark Methodology – Food & Beverage Sector," 2019, https://knowthechain.org/wpcontent/uploads/KTC\_Benchmark\_Methodology\_FB\_2020\_21.pdf; Social Accountability International, "Guidance Document for Social Accountability."
- 24. International Labour Organization and International Organisation of Employers, "ILO-IOE Child Labour Guidance Tool for Business: How to Do Business with Respect for Children's Right to Be Free from Child Labour."; Know The Chain, "Benchmark Methodology – Food & Beverage Sector."
- United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework," 2011, https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\_ EN.pdf.
- 26. United Nations; World Benchmarking Alliance, "Social Transformation Framework to Measure and Incentivize Companies to Leave No One Behind"; OECD, "OECD-FAO Guidance for Responsible Agricultural Supply Chains" (OECD Publishing, Paris, 2016), https://www.oecd-ilibrary.org/agriculture-andfood/oecd-fao-guidance-for-responsible-agricultural-supplychains\_9789264251052-en.
- 27. Mondiaal FNV and Shift, "Respecting Trade Union Rights in Global Value Chains: Practical Approaches for Business."
- 28. OECD.
- 29. OECD.
- **30.** OECD; Mondiaal FNV and Shift, "Respecting Trade Union Rights in Global Value Chains: Practical Approaches for Business."
- Inter Partes and The Danish Institute for Human Rights, "Human Rights and Business Country Guide Republic of Macedonia," November 2016, https://globalnaps.org/wp-content/uploads/2018/04/business-and-humanrights-guide-to-macedonia-english.pdf; Kenya Human Rights Commission, "Human Rights and Business Country Guide: Kenya," 2017, https://globalnaps.org/wp-content/uploads/2017/11/kenya.pdf.
- **32.** The Danish Institute for Human Rights, "Forced Labour," Sustainable Development through Human Rights Due Diligence, accessed April 8, 2021, https://biz.sdg.humanrights.dk/salient-issue/forced-labour.
- **33.** Mondiaal FNV and Shift, "Respecting Trade Union Rights in Global Value Chains: Practical Approaches for Business."
- ILO, Ending Child Labour by 2025: A Review of Policies and Programmes (Switzerland: International Labour Organization, 2019), https://www.ilo.org/wcmsp5/groups/public/---ed\_norm/--ipec/documents/publication/wcms\_653987.pdf.



- 35. Social Accountability International, "Guidance Document for Social Accountability"; Worldwide Responsible Accredited Production-WRAP, "Pre-Audit Self-Assessment," 2020, https://wrapcompliance.org/wpcontent/uploads/2020/12/WRAP-Pre-Audit-Self-Assessment-English-Fillable-Protected-January-2021-Edition.docx; ILO, "Freedom of Association and Protection of the Right to Organise Convention (No. 87)."
- 36. ILO, "Workers' Representatives Recommendation (No. 143)," 1971, https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:::NO:12100:P1210 0\_ILO\_CODE:R143:NO; International Labour Organization-ILO, "Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy"; Mondiaal FNV and Shift, "Respecting Trade Union Rights in Global Value Chains: Practical Approaches for Business."
- **37.** Mondiaal FNV and Shift, "Respecting Trade Union Rights in Global Value Chains: Practical Approaches for Business."
- 38. SEDEX, "Sedex Members Ethical Trade Audit (SMETA) Measurement Criteria," 2019, https://www.sedex.com/wp-content/uploads/2019/05/SMETA-6.1-Measurement-Criteria.pdf; Mondiaal FNV and Shift, "Respecting Trade Union Rights in Global Value Chains: Practical Approaches for Business."
- Worldwide Responsible Accredited Production-WRAP, "Pre-Audit Self-Assessment"; ILO, "Collective Bargaining Convention (No. 154)"; ILO, "Communications within the Undertaking Recommendation (No. 129)," 1967, https://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100\_INSTRUMEN T\_ID,P12100\_LANG\_CODE:312467,es:NO.
- 40. Worldwide Responsible Accredited Production-WRAP, "Pre-Audit Self-Assessment."
- 41. Mondiaal FNV and Shift, "Respecting Trade Union Rights in Global Value Chains: Practical Approaches for Business"; Ethical Trading Initiative, "Freedom of Association in Company Supply Chains: A Practical Guide," 2013, https://www.ethicaltrade.org/sites/default/files/shared\_resources/foa\_in\_comp any\_supply\_chains.pdf; SEDEX, "Sedex Members Ethical Trade Audit (SMETA) Measurement Criteria."
- International Labour Organization-ILO, "Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy"; Mondiaal FNV and Shift, "Respecting Trade Union Rights in Global Value Chains: Practical Approaches for Business"; ILO, "Collective Bargaining Recommendation (No. 163)," 1981, https://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100\_INSTRUMEN T\_ID,P12100\_LANG\_CODE:312501,es:NO.
- ILO, "Workers' Representatives Recommendation (No. 143)"; ILO, "Workers' Representatives Convention (No. 135)."
- 44. ILO, "Workers' Representatives Recommendation (No. 143)"; International Labour Organization-ILO, "Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy."
- 45. Mondiaal FNV and Shift, "Respecting Trade Union Rights in Global Value Chains: Practical Approaches for Business," 16; Worldwide Responsible Accredited Production-WRAP, "Pre-Audit Self-Assessment."
- 46. Mondiaal FNV and Shift, "Respecting Trade Union Rights in Global Value Chains: Practical Approaches for Business"; ILO, "Workers' Representatives Recommendation (No. 143)"; International Labour Organization-ILO, "Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy."
- 47. ILO, "Workers' Representatives Recommendation (No. 143)."
- Mondiaal FNV and Shift, "Respecting Trade Union Rights in Global Value Chains: Practical Approaches for Business."
- 49. Mondiaal FNV and Shift.
- 50. OECD, "OECD-FAO Guidance for Responsible Agricultural Supply Chains."
- 51. Know The Chain, "Benchmark Methodology Food & Beverage Sector."

- 52. The Danish Institute for Human Rights, "Freedom of Association and Collective Bargaining"; ILO, "Freedom of Association and Protection of the Right to Organise Convention (No. 87)"; ILO, "Right to Organise and Collective Bargaining Convention (No. 98)"; Mondiaal FNV and Shift, "Respecting Trade Union Rights in Global Value Chains: Practical Approaches for Business"; ILO, "Committee on Freedom of Association," 2018, https://www.ilo.org/global/standards/applying-and-promoting-international-labour-standards/committee-on-freedom-of-association/lang--en/index.htm.
- 53. International Labour Organization and International Organisation of Employers, "ILO-IOE Child Labour Guidance Tool for Business: How to Do Business with Respect for Children's Right to Be Free from Child Labour."
- IDH-The Sustainable Trade Initiative, "The Child Labour Platform Report: 2010-2011. Business Practices and Lessons Learned on Addressing Child Labour," 2011, http://www.indianet.nl/pdf/Child\_Labour\_Platform\_Report\_2010-11.pdf.
- 55. OECD, "OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector."
- 56. ILO, "Workers' Representatives Recommendation (No. 143)."
- ILO, "Freedom of Association: Compilation of Decisions of the Committee on Freedom of Association," 2018, https://www.ilo.org/wcmsp5/groups/public/--ed\_norm/---normes/documents/publication/wcms\_632659.pdf, p. 218-219.
- 58. Shift, "Leadership and Governance Indicators of a Rights Respecting Culture: 22 Practices and Behaviors That Help Foster Business Respect for Human Rights," February 2021; Corporate Human Rights Benchmark-CHRB, "CHRB Core UNGP Indicator Assessment For Companies in All Sectors," 2019, https://www.corporatebenchmark.org/sites/default/files/2019-11/CHRB%20Core%20UNGP%20Indicators%20-%2025Apr2019.pdf.
- 59. Global Reporting Initiative-GRI, "GRI Sustainability Reporting Standards"; United Nations Development Programme-UNDP, "SDG Impact Standards for Enterprises," 2020, https://sdgimpact.undp.org/enterprise.html#:~:text=The%20SDG%20Impact%20 Standards%20are,sustainable%2C%20Inclusive%20and%20resilient%20world.&t ext=In%20addition%20to%20the%20Standards,Standards%20for%20Private%22 OEquity%20Funds.; Shift, "Leadership and Governance Indicators of a Rights Respecting Culture: 22 Practices and Behaviors That Help Foster Business Respect for Human Rights."; OECD, "OECD-FAO Guidance for Responsible Agricultural Supply Chains"; World Benchmarking Alliance-WBA, "Corporate Human Rights Benchmark Methodology 2020 For the Agricultural Products, Apparel and Extractives Industries."
- 60. Global Reporting Initiative-GRI, "GRI Sustainability Reporting Standards."
- 61. World Benchmarking Alliance-WBA, "Methodology for the Food and Agriculture Benchmark," February 2021, https://assets.worldbenchmarkingalliance.org/app/uploads/2021/02/Food-and-Agriculture-Benchmark-methodology-report.pdf; Know The Chain, "Benchmark Methodology – Food & Beverage Sector."





A worker using a manual forklift to lift pallets in a warehouse. © Aleksand: