

Allocation criteria for labour rights and working conditions

- This framework addresses the **range of labour rights and working conditions considered relevant to ‘labour issues’**: this is done with the experience that many of these issues will need to be addressed using holistic management systems and due diligence processes, based on best practice as laid out by the UN Guiding Principles for Business and Human Rights.
- **Language in this labour criteria**: The list of Policy commitments comes from Accountability Framework Initiative’s (AFi) Core Principles 2.1 and 2.3, and the activities in internal system of a mill for ‘progressing/delivering’ are also based heavily on the AFi Core Principles.
- **The allocation criteria for labour issues are ‘step-wise’**: this means that to be considered in one progress category, one must fulfil the allocation criteria in all the progress categories before it.

Scope	Progress is happening at mill or group level		Progress is demonstrated by mill working with its supply base			
Action type	Awareness	Commitments and starting actions	Progressing (FFB from own operations)	Progressing (FFB from third party supply)	Delivering (FFB from own operations)	Delivering (FFB from third party supply)
Certification	ISPO ¹	ISCC ²	MSPO ³ or RSPO ⁴ Mass Balance	MSPO ⁵ or RSPO ⁶ Mass Balance	RSPO Identity Preserved or POIG ⁷	RSPO Identity Preserved or POIG ⁸
	OR	OR	OR	OR	OR	OR
	Activities in the internal systems of mill/ mill group					
Actions which apply to the mill	Buyer-requested self-assessment completed	The mill has a policy commitment (or has signed up to a	In addition to commitments and starting actions activities:	In addition to commitments and starting actions activities:	In addition to progressing activities:	In addition to progressing activities:

¹ Indonesian Sustainable Palm Oil certification scheme

² International Sustainability and Carbon Certification

³ Malaysian Sustainable Palm Oil certification scheme

⁴ Roundtable for Sustainable Palm Oil certification scheme

⁵ Malaysian Sustainable Palm Oil certification scheme

⁶ Roundtable for Sustainable Palm Oil certification scheme

⁷ Palm Oil Innovation Group (POIG) scheme

⁸ Palm Oil Innovation Group (POIG) scheme

Certification scheme classification still under review.

	<p>OR</p> <p>Participation by staff members in training courses and/or a workshop on NDPE, respecting labour rights and/or respecting human rights.</p> <p>OR</p> <p>Site-assessment by 2nd party verifier e.g. SMETA audit, FLA audit, BSCI audit, Verite baseline assessment.</p>	<p>buyer's commitment) that applies to mill which covers:</p> <ul style="list-style-type: none"> *No forced or compulsory labour *No child labour *Freedom of association and collective bargaining *No discrimination *No abusive practices or undue disciplinary procedures *Legal and decent working hours *Safe and healthy workplaces *Living wages and fair benefits <p>The mill/group commitments include ensuring that these rights are respected for all workers, including employees, contractors, temporary, seasonal, part-time, and other workers throughout all levels of the supply chain.</p> <p>AND</p>	<p>Own operations and supply base have been assessed for risks and challenges to workers' rights, including those associated with migrant labour, vulnerable workers, child labour, and dangerous work tasks.</p> <p>AND</p> <p>Mechanisms (grievance mechanism) in place to engage regularly and directly with all levels of workers [in mill and own concessions], as well as labour organisations, unions and other worker advocates. This includes creating permanent mechanisms for management and</p>	<p>Own operations and supply base have been assessed for risks and challenges to workers' rights, including those associated with migrant labour, vulnerable workers, child labour, and dangerous work tasks.</p> <p>AND</p> <p>Mechanisms (grievance mechanism) in place to engage regularly and directly with all levels of workers [in mill and own concessions], as well as labour organisations, unions and other worker advocates. This includes creating permanent mechanisms for management and</p>	<p>The mill has effective worker engagement process in place and is making improvements as a result.</p> <p>AND</p> <p>The mill has due diligence system for its FBB suppliers and has delivered on action plan that applies to all supplier types.</p> <p>AND</p> <p>The mill uses external verifiers (independent worker voice mechanisms to monitor and improve; independent auditors; grievance mechanisms)</p>	<p>The mill has effective worker engagement in place and is making improvements as a result.</p> <p>AND</p> <p>The mill has due diligence system for its FBB suppliers and has delivered on action plan that applies to all supplier types.</p> <p>AND</p> <p>The mill uses external verifiers (independent worker voice mechanisms to monitor and improve; independent auditors; grievance mechanisms)</p>
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			<p>The mill has communicated its commitments to respect labour rights to the workers in the language that they understand.</p>	<p>labour to collaboratively address labour issues on an ongoing basis.</p> <p>AND</p> <p>Record-keeping system being kept up to date on relevant issues</p> <p>AND</p> <p>The mill has an action plan showing how it is addressing risks and achieving compliance with its labour rights commitments in its operations and whole supply chain.</p>	<p>labour to collaboratively address labour issues on an ongoing basis.</p> <p>AND</p> <p>Record-keeping system being kept up to date on relevant issues</p> <p>AND</p> <p>The mill has an action plan showing how it is addressing risks and achieving compliance with its labour rights commitments in its operations and whole supply chain.</p>		
		Activities in the FFB supply base					
Own supply	Own mill and concessions			All covered above	All covered above	All covered above	All covered above
Third party supply	Independent smallholders				Independent smallholders are assessed for risks and challenges to		<p>Actions under Progressing</p> <p>AND</p>

					<p>workers rights: including all relevant topics covered by the mill labour rights policy applicable to both third party suppliers.</p> <p>Salient risks identified, and action plans drawn up.</p>		<p>The mill has effective system of verifying labour rights in independent smallholder supply base.</p> <p>The mill has programmes to support mitigation and remediation of any issues identified.</p>
	Third party estates				<p>Site visits to verify findings; action plans jointly developed with 3rd party estates to implement mitigation actions or address issues.</p>		<p>Actions under Progressing</p> <p>AND</p> <p>The mill has effective system of verifying labour rights at 3rd party estates.</p> <p>The mill ensures that 3rd party suppliers have effective worker grievance mechanisms.</p>
	Dealers/Traders/Collectors				<p>FFB supply base of dealers and intermediaries are assessed for risks and challenges to labour rights: including all relevant topics</p>		<p>Actions under Progressing</p> <p>AND</p> <p>The mill has effective system of verifying labour rights are respected in production of FFB</p>

					covered by the mill commitments.		supplied by dealers/traders/collectors.
				AND (also required if certified)	AND (also required if certified)	AND (also required if certified)	AND (also required if certified)
Grievances				Labour rights related grievances against the mill's own operation (if any) are recorded and investigated	Labour rights related grievances against the mill's third-party suppliers (if any) are recorded and investigated	All labour rights related grievances against mill's own operation, including own estates and schemed smallholders, are following a comprehensive resolution process that is agreed by all involved parties	All labour rights related grievances against mill's third-party suppliers, have been identified and are following a comprehensive resolution process that is agreed by all involved parties

Table 1. IRF allocation criteria on respecting labour rights and adequate working conditions

Guidance for answering template questions

(see also notes in Excel Labour Right IRF template)

Section	Question	Guidance (incorporated in the template)	Evidence	Resources
Mill Information	Mill parent company	Mill parent/group name		
	Mill name	Mill name		
	UML ID	The Universal Mill List ID		https://data.globalforestwatch.org/datasets/5c026d553ff049a585b90c3b1d53d4f5_34
	Latitude	Latitude of the mill		
	Longitude	Longitude of the mill		
	Country	Country where the mill is located		
	Province	Jurisdiction/Province/State where the mill is located		
	Volume sourced from mill (ton) (default is 1 ton, but can be edited)	Please include here the volume that you source from this mill (in tons) in the reporting period. If you don't add anything, the default entry is 1 and it is assumed that you source the same volume from each mill		
Mill certification	RSPO	The mill is RSPO Mass Balance (MB) or Identity Preserved (IP) certified	Certification document	https://rspo.org/certification/search-for-certified-growers
	POIG	Has the mill been POIG verified and in what period of time? Data can be found in POIG database in mill's records of assessments and verifications.	POIG certificate	http://poig.org/
	MSPO (Manual entry)	The mill shared the latest MSPO certificate and the certification period has not expired	Certification document	https://www.mpocc.org.my/
	ISCC (Manual entry)	The mill shared the latest ISCC certificate and the certification period has not expired	Certification document	https://www.iscc-system.org/certificates/all-certificates/

	ISPO (Manual entry)	The mill shared the latest ISPO certificate and the certification period has not expired	Certification document	
	Is the mill or mill group part of a sectoral agreement or signatory of a protocol that covers labour rights?	The mill can be part of a sectoral agreement which specifically covers labour rights, please identify here if the mill is part of one	Document identifying membership in similar group	
Supply base information	Does the mill process FFB from its own or parent company's concessions or other directly managed production (e.g. schemed smallholders)?	Indicate if the mill sources FFB from areas that they, their schemed smallholders or their parent company own and manage themselves.		
	If yes, how much is being processed from directly managed areas (%)?	If you have this information, please provide the average percentage of FFB sourced from directly managed areas. If you do not have this information, the cell can be left blank and a default ration based on region averages will be applied.		
	Does the mill source FFB from third party estates?	Indicate if the mill sources FFB from third party estates.		
	Does the mill source FFB from independent smallholders?	Indicate if the mill sources FFB from independent smallholders		
	Does the mill source FFB from dealers/traders/collectors?	Indicate if the mill sources FFB from dealers/traders/collectors		
	Est. % from 3rd party supply (default is provincial/country average)			
	Est. vol from 3rd party			
Activities in the internal systems of mill/ mill group	Has the mill been part of an NDPE workshop or similar which included labour rights and/or respecting human rights as a topic over the last 3 years?	Please indicate if any mill staff member has attended such workshop over the course of last 3 years.		
	Has the mill been subject to a site visit with labour rights component by 2nd party verifier?	Mill site visit has been conducted with a labour rights component. These visits are often called 'verification assessments' or similar and involve visiting the mill over several days to understand conditions and systems, identify gaps, and make expectations clear to mills. They are executed by second party verifiers.	Mill visit full report or summary report	
	Has the mill completed a self-assessment with a labour rights component, as requested by any of the	Please indicate if the mill has completed self-assessment as requested from any second party.	Report from self – assessment tool	

refineries/companies that you supply to?				
Does the mill or parent company have commitments on labour rights which includes the elements noted in the guidance?	<p>The mill and/or parent company has a written policy committing it and its suppliers to respect the labour rights of all workers in its supply base.</p> <p>In line with good practice set out in the Accountability Framework Initiative, the policy must cover:</p> <ul style="list-style-type: none"> *No forced or compulsory labour *No child labour *Freedom of association and collective bargaining *No discrimination *No abusive practices or undue disciplinary procedures *Legal and decent working hours *Safe and healthy workplaces and living conditions (if provided) *Living wages and fair benefits *Fair recruitment practices <p>The policy and/or commitment you have in place is applied to all workers in your own supply base, irrespective of employment or contract type.</p>	<p>The policy document, with specific determination for scope and coverage</p>	<ul style="list-style-type: none"> • Proforest guidance on Understanding commitments to No Deforestation, No Peat and No Exploitation (NDPE): https://proforest.net/proforest/en/publications/infonote_04_introndpe.pdf • Accountability Framework Initiative Workers' Rights Operational Guidance: https://accountability-framework.org/operational-guidance/workers-rights/ 	
Has the mill communicated its commitments to respect labour rights to the workers in the language that they understand?	<p>This means that the commitments and policies are available to workers, irrespective of employment or contract type, in the national language(s) and/or explained to them in a language they understand. This implies that commitments can be reworded so that they can be explained in accessible and easy to understand way for the workers.</p>	<p>Evidence of policy hard copies available in appropriate language/s for all worker groups</p>		
Has the mill conducted a risk assessment looking at challenges to labour rights in its operation? (See guidance)	<p>Risk assessment would focus on risks that workers are exposed to - workers' rights, including migrant labour, vulnerable workers, child labour and dangerous work tasks.</p>			
Does the mill have a developed system in place which keeps record of all relevant issues?	<p>The record should be updated every 2 months and covering all commitments included in the policy (see policy commitments above) and applicable to own operations.</p>	<p>Copy of the records to be available</p>		

	<p>Does the mill have an action plan showing how it is addressing risks and achieving compliance with its labour rights commitments in its operations and supply chain?</p>	<p>An action plan is needed to show how commitments made on respecting labour rights will be implemented. The action should be informed and address the issues identified in risk assessments with the components listed in the risk assessment guidance.</p> <p>This action plan must at a minimum:</p> <ol style="list-style-type: none"> 1. Be comprehensive (covering all sourcing, including own operations and third-party supply) 2. Have time-bound targets and Key Performance Indicators for measuring progress 3. Show a clear roadmap of actions required to ensure compliance with the labour rights policy and mitigate and address all current and future non-compliance, including the resolution of existing labour related disputes (including currently identified ones) 4. Be regularly reviewed and updated as necessary <p>These actions may be included in a wider action plan the mill has on responsible production. Evidence should be available to show how actions are being implemented.</p>	<p>The action plan as document (hard copy or virtual) or summary of it</p>	
	<p>Does the mill have a system in place which ensures regular and direct engagement of mill/group management with all levels of workers, as well as labour organizations, unions and other worker advocates?</p>	<p>Some of the steps to be included in order to fulfil those criteria are related to:</p> <ul style="list-style-type: none"> - Establishment of internal grievance process which allows workers to raise complaints in safe and approachable manner - Grievance procedure in place which works on resolving grievances raised by third parties - Establishing gender committee - Union established and support for meetings - 	<p>Acceptable evidence to be provided include:</p> <ul style="list-style-type: none"> • Record of grievances • Committee meetings' minutes • Union meetings' minutes and membership lists 	

	<p>Does the mill tackle ongoing issues by collaboration between management and labour on an ongoing basis?</p>	<p>Engage regularly and directly with all levels of workers, as well as labour organisations, unions, and other worker advocates. This includes creating permanent mechanisms for management and labour to collaboratively address labour issues on an ongoing basis. There should be direct collaboration between management and labour executed by:</p> <ul style="list-style-type: none">- Grievance process implemented which allow workers to raise complaints in a safe and accessible manner- Regular meeting and records of these meetings with internal labour committees such as union and gender committee- Keeping record of evidence from implementation activities resulting from collaboration and meetings	<ul style="list-style-type: none">• Grievance tracker recording• Meeting minutes• Archived evidence from implementation of actions agreed during meetings	
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	<p>Does the mill have a worker engagement process in place?</p>	<p>Worker engagement is the process of communicating a mill's responsibilities and actions on these responsibilities with regards to its workers, and listening to workers' perspectives, grievances and suggestions in return.</p>		<ul style="list-style-type: none">• UNGP Guiding principles on Business and Human Rights, page 33: https://www.ohchr.org/documents/publications/guiding_principlesbusinesshr_en.pdf
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	Does the mill have a system in place which tracks the delivery of action plan with labour rights component for all FFB suppliers?	Due diligence is a process to identify and address risks and impacts on people affected by a company's operations and supply chain. For labour rights this could include, for example, complete and up-to-date records from suppliers that demonstrate compliance with the mill's labour policy; and identification of roles and responsibilities. For more information on human rights due diligence see: "Doing Business with Respect for Human Rights: A Guidance Tool for Companies", 2016		
	Does the mill engage with external partners to implement worker voice mechanism and to monitor the efficiency of the mechanism?	Examples of workers' voice mechanisms include Ulula and LaborLink. Grievance mechanism is the basis of monitoring and improving but also existing systems can be used in verifying performance and taking steps.	<ul style="list-style-type: none"> • Reports from the tools • Anonymised summary of reported cases of grievances 	<ul style="list-style-type: none"> • Ulula tool: https://ulula.com/ • Laborlink tool: https://goodworldsolutions.org/
Activities in third party supply	Has the mill conducted a risk assessment looking at challenges to labour rights in its 3rd party supply? (See guidance)	The assessing bodies will be independent of mills and following a protocol for assessing conditions in the smallholder's plantations. This assessment should cover third party suppliers, independent smallholders and dealers/traders/collectors. Third party suppliers can fill out a questionnaire on labour conditions which they have to fill out within two weeks from the questionnaire is disseminated.	<ul style="list-style-type: none"> • Assessment report for all groups of third party suppliers • Self-assessment report 	
	Does the mill have an action plan developed together with third party suppliers to address labour related challenges?	Action plan to be developed in correspondence to the needs of third party suppliers, as well as actively seeking their feedback.	<ul style="list-style-type: none"> • Action plan (hard copy or virtual) which has been shared with all third party suppliers 	
	Does the mill conduct site visits to third party estates in order to verify findings from risk assessments and self-assessments?	Following from filling out the self-assessments and conducting assessments with independent assessors mill staff visits plantations in order to verify findings. Checks should be conducted on full alignment of commitments and implementation.		

	Does the mill have a system which verifies labour rights in third party supply base?	Aspects to be verified include wages, working hours, contracts, health and safety conditions, no child labour, no forced labour, existence and active use of unions for the purpose of engaging workers.	<ul style="list-style-type: none"> • Training recordings/notes/photos • Contracts with smallholder including labour rights elements 	
	Does the mill have a programme to support active mitigation and remediation of any labour related challenges for independent smallholders?	Programme is in place which targets the tracking, remediation and mitigation of any labour related issues. The programme outlines activities, KPIs and processes.	<ul style="list-style-type: none"> • Summary of programme actions 	
	Does the mill have an effective system to verify labour rights are respected in production of FFB supplied by dealers/traders/collectors?	System is in place which tracks respect of labour rights incorporated in the management systems of dealers/traders/collectors.	<ul style="list-style-type: none"> • Reports from activities related to increasing awareness and acting on respecting labour rights 	
	Does the mill have a process which checks and ensures that third party estates have effective worker grievance mechanism?	You should have in place a grievance procedure which records, analysis and process grievances in timely manner in order to include it in your actions list.	<ul style="list-style-type: none"> • Grievance system recording which is anonymised and captured in timely manner 	
Grievances	Does the mill have any labour related grievances against its own operations?	The mill should recognise and log any labour related grievances raised against its operation or supply chain	<ul style="list-style-type: none"> • Anonymised report of grievance log/summary of raised grievances by any third parties 	
	Is the mill linked to any labour rights related grievances through its supply chain (grievances against its third party suppliers)?	Please identify here if the mill is exposed to any labour rights related grievances in the supply base (third party supply specifically).	<ul style="list-style-type: none"> • Evidence can include for example: <ul style="list-style-type: none"> - grievance tracker/log or summary report of number and type of grievances logged and status of response 	
	If present, is the mill recording and investigating all labour rights related grievances against its own operations?	Please identify if you have a system in place which ensures that grievances in own operations are recorded and cases are under investigation.	<ul style="list-style-type: none"> • Evidence can include for example: <ul style="list-style-type: none"> - grievance tracker/log or summary report of number and type of grievances logged and status of response 	
	If present, is the mill recording and investigating all labour right related grievances in its supply chain (grievances against its third party suppliers)?	Please identify if the mill is identifying, recording and investigating any labour related grievances raised against one or more of its suppliers (third party).	<p>Evidence can include for example:</p> <ul style="list-style-type: none"> • grievance tracker/log or summary report of number and type of grievances logged and status of response 	

			<ul style="list-style-type: none"> • resolution process documents – community meeting notes, draft remediation plans • resolution and remediation agreement documents 	
Are all labour rights related grievances against the mill's own operations following a comprehensive resolution process agreed by all involved parties and verified by an independent third party?	As part of the implementation of its grievance mechanism the mill should have a comprehensive action plan for resolving all labour rights related grievances against its own operations		<p>Evidence can include for example:</p> <ul style="list-style-type: none"> • grievance tracker/log or summary report of number and type of grievances logged and status of response • resolution process documents – community meeting notes, draft remediation plans • resolution and remediation agreement documents 	
Are all labour rights related grievances within the mill's supply chain (i.e. against their 3rd party supply) following a comprehensive resolution process agreed by all involved parties and verified by an independent third party?	As part of the implementation of its grievance mechanism the mill should have a comprehensive action plan for resolving all labour rights related grievances against its own operations as well as action plans for ensuring the resolution of grievances raised against actors in its supply chain		<p>Evidence can include for example:</p> <ul style="list-style-type: none"> • grievance tracker/log or summary report of number and type of grievances logged and status of response • resolution process documents – community meeting notes, draft remediation plans • resolution and remediation agreement documents 	