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SOCIAL COMPLIANCE SYSTEMS FOR THE PALM OIL INDUSTRY:

A TOOLKIT FOR IMPLEMENTATION BY
MEDIUM-LARGE PALM OIL FARMS IN
LATIN AMERICA



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INTRODUCTION

ABOUT PALMA FUTURO

The Palma Futuro project works to improve the implementation of social compliance systems that promote acceptable conditions of work and the reduction of child labor and forced labor in the palm oil supply chains. Led by grantee Partners of the Americas, sub-grantee Social Accountability International (SAI) is an implementing partner for the project in Colombia and Ecuador from 2019-2023. The project is also supported by sub-grantee JE Austin Associates. The expected outcomes are:

- Strengthened capacity of private sector partners in the Colombian and Ecuadorian palm oil sector to implement a robust social compliance system;
- Increased understanding, at regional and global levels, of promising practices in social compliance systems in the palm oil supply chain.

Learn more: <https://palmafuturo.com/>

The handbook and the accompanying toolkit are two of the final outputs from the Palma Futuro project. The handbook compiles good practices and lessons learned during the project—conducted with a select group of companies in Colombia and Ecuador—and publishes them as a public good, enabling palm oil employers throughout South and Central America to apply them in their own operations.

ABOUT PARTNERS OF THE AMERICAS

Partners of the Americas is an Non-Governmental Organization, (NGO) based in Washington D.C., United States, founded in 1964 with the aim of creating ties of regional cooperation and social development between the United States and Latin America and the Caribbean. Partners has more than 58 years of experience implementing cutting edge, multi-million-dollar programs and grassroot initiatives through a portfolio of donors and partnerships to promote social and economic change in the western hemisphere. In Colombia, specifically, POA has worked for over 50 years in the following areas: education and youth exchange; combatting child labor promoting youth leadership; and agriculture and food security.

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ABOUT SOCIAL ACCOUNTABILITY INTERNATIONAL

Founded in 1997, Social Accountability International (SAI) is a global non-governmental organization advancing human rights at work. SAI's vision is of decent work everywhere—sustained by an understanding that socially responsible workplaces benefit business while securing fundamental human rights. SAI empowers workers and managers at all levels of businesses and supply chains, using its multi-industry SA8000® Standard, as well as Social Fingerprint®, TenSquared, and other training and capacity building programs. SAI is a leader in policy and implementation, working together with a diverse group of stakeholders, including brands, suppliers, governments, trade unions, non-profits, and academia. Website: sa-intl.org

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ABOUT THIS TOOLKIT

This toolkit and the accompanying **handbook** are two of the final outputs from the Palma Futuro project. The handbook compiles good practices and lessons learned during the project—conducted with a select group of companies in Colombia and Ecuador—and publishes them as a public good. The toolkit consolidates hands-on templates, guides, checklists, examples, and general guidance to help readers apply those lessons within their own companies. If the handbook is the “why”, this toolkit is the “how”.

Who should use it?

This toolkit is for medium-large palm oil farms in Central and South America that employ 50 or more workers and/or their employees responsible for social and labor compliance.

This toolkit is customized for medium-large palm oil farms. Smallholder palm farms with fewer than 50 employees should refer to the customized **smallholder palm oil farm toolkit**. Employees at palm oil extractor plants should refer to the customized **palm oil extractor plant toolkit**.

How should it be used?

This toolkit should be used in close conjunction with the handbook. Readers are encouraged to use the outputs side-by-side, starting by reading the lessons in the handbook before using the toolkit. The handbook is broken down into four chapters:

CHAPTER 1 Labor Compliance in Latin America’s Palm Oil Industry: Background on labor issues and social compliance systems in the palm oil industry in Central and South America.

CHAPTER 2 Introduction to Social Compliance Systems: Introduction to the Palma Futuro Social Compliance System (SCS), its key definitions and components.

CHAPTER 3 Labor Performance Elements: Detailed information on labor standards relevant in the palm oil industry in Central and South America, including guidance to help companies implement the standards in each labor category.

CHAPTER 4 Management System Components: Step-by-step instructions on how to develop and implement an SCS, including links to accompanying tools.

This toolkit draws on lessons described throughout the entirety of the handbook, but especially concepts introduced in Chapter 4 (Management System Components). The eight toolkit chapters correspond to the eight SCS management system categories. The following table details where to find the handbook section for each toolkit chapter.

TOOLKIT CHAPTER	page	HANDBOOK SECTION	page
Chapter 1: Allocating People and Resources	9	Section 4.1: Allocating People and Resources	121
Chapter 2: Assessing Risks and Impacts	22	Section 4.2: Assessing Risks and Impacts	128
Chapter 3: Developing Code, Policy and Commitments	32	Section 4.3: Developing Code, Policy and Commitments	134
Chapter 3A: Procedure Templates (Labor Performance Elements)	45	Section 3: Labor Performance Elements	19
Chapter 4: Engaging Stakeholders and Partners	54	Section 4.4: Engaging Stakeholders and Partners	141
Chapter 5: Communicating, Training, and Grievance Mechanisms	76	Section 4.5: Communicating, Training, and Grievance Mechanisms	147
Chapter 6: Monitoring and Independent Review	96	Section 4.6: Monitoring and Independent Review	156
Chapter 7: Correcting and Remediating	105	Section 4.7: Correcting and Remediating	165
Chapter 8: Reporting on Performance	120	Section 4.8: Reporting on Performance	174

ABOUT THE TOOLS

Each tool offers step-by-step guidance for implementing the lessons from the Palma Futuro handbook. This guidance is presented in a range of different formats including: guided exercises, templates, protocols and more.

Despite the variation in format, the content of the tools is complementary and coordinated. They build on one another: much of the information gathered using tools in early chapters feeds directly into tools in later chapters. For example, Chapter 2 includes three different tools for identifying risks. Chapter 6 then has tools to identify impacts of those risks. Finally, tools in Chapter 7 will help users correct or remediate any of those impacts.

All the tools are designed to be customized by the users to fit their farm's needs. If, for example, a farm has already conducted a comprehensive audit for a certification process, they may not need as much information provided in the Internal Auditing Guidance (6.1) as a farm that has not. Users should take what is useful to fill the gaps in their social compliance systems.

The Palma Futuro team hopes this toolkit boosts understanding of, appreciation for, and commitment to adequate working conditions throughout the Latin American palm oil industry.





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1

INTRODUCTION TO ALLOCATING PEOPLE AND RESOURCES

Allocating people and resources to be responsible for your Social Compliance System (SCS) is key to its successful implementation.

This chapter includes the following tools:

1.1 SOCIAL PERFORMANCE TEAM MANAGEMENT AND PROTOCOLS

This tool offers a complete guide to a company's Social Performance Team (SPT). It includes five sub-parts:

1.1.1 INSTRUCTIONS FOR BUILDING THE SPT

A step-by-step overview of the SPT creation and SPT-member nomination process.

1.1.2 BRIEFING ON PURPOSE AND FORMATION OF THE SPT

A sample communication your company can circulate to workers educating them on the SPT.

1.1.3 PROCESS FOR SUCCESSFULLY INVOLVING WORKERS

Guidance to ensure the smooth incorporation of workers onto your SPT.

1.1.4 CHECKLIST FOR CREATING AND MANAGING SPT

A checklist that should be followed when creating the SPT and for the SPT to follow while operating.

1.1.5 SAMPLE SPT MEETING AGENDA

A sample meeting agenda for the SPT to follow.

1.2 SENIOR LEADERSHIP ENGAGEMENT

Strategies for the SPT to engage the company's senior leadership in all processes related to the social compliance system.

The tools in this chapter should be used to implement the lessons learned from the Palma Futuro Handbook's corresponding Chapter 4.1.



1.1 SOCIAL PERFORMANCE TEAM MANAGEMENT AND PROTOCOLS

Tool



WHAT: A guide to creation and operation of a company's social performance team

HOW: Use to apply the lessons from Chapter 4 (Section 4.1) of the Palma Futuro Handbook

WHO: Social compliance, sustainability, and general management teams of medium and large palm oil farms

SCS CATEGORY: Allocating People and Resources

INTRODUCTION

The Social Performance Team (SPT) is a representative team of workers and managers within a company, responsible for overseeing the company's social compliance system. The SPT is key to all aspects of the management system.

There is no one correct composition for a SPT – it depends on the size, organizational structure and other specifics of your company. The SPT will evolve as your social compliance system evolves. You can rotate the members of the Team and stagger their terms of service.

IT IS...	IT IS NOT...
A group of people who come together to coordinate social projects within the company	A replacement for union representation. It does not negotiate or perform collective bargaining.
A group that facilitates communication.	A replacement for existing workers committees. Its focus/intent is to ensure social compliance system implementation.
A group that helps improve efficiency.	Required to perform all social activities. It simply must ensure that those activities are performed and performed well.
A group that coordinates the development of goals.	
A group that helps send a clear message.	
A group that improves the work environment	

INSTRUCTIONS

This SPT guidance tool includes 5 sub-tools: 1.1.1 Instructions for Building the SPT, 1.1.2 Briefing on Purpose and Formation of the SPT, 1.1.3 Process for Successfully Involving Workers, 1.1.4 Checklist for Creating and Managing SPT, and 1.1.5 Sample SPT Meeting Agenda.

Together, these 5 tools can help you create and manage a successful, effective SPT.

1.1.1 INSTRUCTION FOR BUILDING THE SPT

STEP 1. Send out the Briefing on Purpose & Formation of the Internal Social Performance Team to all workers, included as the next sub-tool below (1.1.2).

STEP 2. Management will openly nominate management representatives. The nominated people will meet and choose the final representatives for the Team from among themselves. The Team should include at least one senior manager and preferably senior managers that are responsible for labor performance (i.e. OHS Manager, Sustainability Manager, Corporate Social Responsibility Manager).

STEP 3. Arrange for, if possible, a neutral body to facilitate the worker representative selection process. This could be someone from a local NGO, community group, academic institution, etc. – someone who would be trusted by both management and non-management and would not have any reasons of their own to influence the outcome of the election. Refer to the Instructions for Worker Selection for the Social Performance Team found below.

STEP 4. Once the team has been formed, the team members should select the team leader(s) – preferably one worker team leader and one management team leader.

STEP 5. Define exactly (i.e. name the person) to whom the Team will report. This will likely be someone from the management team and could even be someone on the team.

STEP 6. Work together to coordinate completion of a risk assessment and development of a work-plan. The work-plan should include the frequency of meetings, internal audits and management review. It should also set a timeline for completing tasks and identifying the responsible people.



1.1.2 BRIEFING ON PURPOSE AND FORMATION OF THE SPT

The following is a sample briefing that can be circulated to the workers promoting the SPT.



TO ALL WORKERS

As part of our social compliance implementation, we are working to improve labor conditions in our company. A key part of this effort is to form a Team to manage social issues. The Team will have representatives from all employees, both management and non-management. We will need committed people to participate.

This briefing will help you understand the Team's purpose, role and responsibilities and the process for member selection. It outlines the considerations involved for serving on the Team yourself or for selecting some of your colleagues. You will receive continual communications on the Team's activities on a regular basis.

PURPOSE OF THE TEAM

The Team will lead the effort to implement a social compliance system and improve labor and working conditions.

ROLES AND RESPONSIBILITIES

- The Team will ensure risk assessments are conducted and make recommendations.
- The Team will coordinate monitoring of workplace activities for compliance with social standards and codes.
- The Team will facilitate and support the development and implementation of improvement plans with the relevant operational departments. To do so, the Team will have to review relevant company documents and written procedures.
- The Team will support communications between departments and between management and workers.
- The Team will facilitate evaluation of progress and implementation of improvements with relevant departments based on suggestions from all workers.
- The Team will never be involved in any contract negotiations or collective representation of workers, as this is not the mandate or function of the Team.
- These roles and responsibilities are additional to the normal job responsibilities of the member. This is not a separate full-time job.

PROCESS FOR SELECTION OF TEAM MEMBERS

MANAGEMENT REPRESENTATIVES

Management will have an open vote to nominate people. The nominated people will meet and choose among themselves the final representative(s) for the Team.

WORKER REPRESENTATIVES

Workers will vote on whether or not they want to have representatives on the Team. If they choose to have representatives, they will vote to select from amongst themselves. Management should not influence this process. A neutral third party (such as someone from a local NGO, community group, academic institution, etc.) will facilitate it, or a representative union will, if one is present. Detailed written guidelines for worker selection are available and will be explained by a neutral third party or the union representative.

CRITERIA AND CONSIDERATIONS FOR TEAM MEMBERS

Things to consider as you think about whether you want to elect representatives for the Team, and whether you yourself want to serve:

BENEFITS OF TEAM PARTICIPATION

- Helps management understand workers' genuine concerns and needs.
- Improves communications between workers and managers.
- For Team members, builds leadership, organizational and communication skills.
- For the company, builds a social system for addressing labor and working conditions problems, and potentially reducing risk and enhancing overall business performance.

POTENTIAL DRAWBACKS OF PARTICIPATING

- For Team members, it requires extra investment of time and responsibility in addition to daily work.
- Early stages will require additional effort to change the way things are done and to document the new process.
- The Team cannot be expected to quickly solve all problems nor to replace other necessary Channels.





The Team will receive training to improve their Attitude, Skills and Knowledge. However, think about these areas as you elect representatives for the Team. Below are some examples of what you might want to consider.

ATTITUDE

- The “Will” to improve
- Respect for all workers and managers
- Non-discriminatory
- Investigative and learning-oriented
- Pragmatic
- Collaborative

SKILLS

- Verbal communication
- Written communication
- Facilitation
- Problem solving

KNOWLEDGE

- Basic elements of international labor standards
- Local labor laws
- Basic elements of social performance and challenges

1.1.3 PROCESS FOR SUCCESSFULLY INVOLVING WORKERS

1. Confirm Worker’s Choice to participate in the Team:

A. Provide all workers with a briefing on the role of the Team, the pros and cons of participating on the Team, and the roles and responsibilities of the worker representatives on the Team.

B. The briefing can consist of a short written document distributed to all workers in all relevant languages. The briefing should lead to a vote to determine workers’ interest in having representatives on the Team.

C. The neutral body that briefed the workforce should coordinate the vote. This first vote among workers is to determine whether they want to elect workers to the internal performance team. This can be a fairly informal poll at work stations or done by secret ballot.

2. If the workers choose to have representatives on the Team, the neutral body will coordinate another vote to elect the worker representatives. This can be a poll at workstations or done by secret ballot.

3. Ensure Management is not involved in nor influences in any way the election process. The election of worker representatives to the Team can be fairly simple, but it should be set up by the representative workers union or a neutral body trusted by workers.

4. Ensure that existing worker representation mechanisms are not circumvented.

A. If your company has had worker training before that involved a peer selection process and the selection was done as outlined above, those trained workers can serve as the neutral party to set up the worker elections for the Team.

B. Where there is a union representative (with Collective Bargaining Agreement rights), they may serve as a/the worker representative on the Team and no election is required for their participation. However, they are required to keep the workforce informed as part of their normal representative function. The union may choose to have an open election for the worker positions on the Team. However, this is solely their decision.

C. Where there are union members present, but they have not secured Collective Bargaining Agreement rights, they should be invited to participate in the preparation and delivery of the briefing and the organization of the vote. They should be represented proportionally (minimum of one member) on the Team, and they themselves should designate who among them will participate in the Team.

5. Ensure that all parties understand the role of the worker representatives on the Team:

A. It is important that worker representatives on the Team are never involved in any contract negotiations or collective representation of workers, as this is not the function of the Team.

B. The worker representatives on the Team are only there to facilitate communications, monitor and provide feedback to management on the program's progress and challenges. If they begin to discuss or negotiate (even informally) contract terms (e.g. wages, hours, and benefits), then management will be seen as setting up a substitute for and potential block to trade union organizing.





1.1.4 CHECKLIST FOR CREATING AND MANAGING SPT

The following checklist is to help you manage the formation and implementation of the SPT. This list is not exclusive or exhaustive and should be adapted by the Team.

FORMING AND SELECTION OF WORKERS

- ☐ Senior management to allocate the necessary resources (monetary and non-monetary), identify and approve members of SPT, guarantee members have adequate training in SCS and Working Conditions best practices.
- ☐ Team should have a balanced representation of worker and management representatives.
- ☐ Team should clearly understand their role and responsibility in helping to implement and monitor the SCS, as well as to have enough time for this purpose. Note: participation in the SPT should not require team members to work outside of regular working hours.
- ☐ All workers to know who the SPT members are, as well as their functions on the team.
- ☐ Functions and responsibilities of the SPT members to be integrated into their job profiles.

SPT MEMBER ACTIVITIES AND Responsibilities

- ☐ Facilitate labor risk assessments and consultations to identify, analyze and prioritize non-conformity areas
- ☐ Conduct stakeholder identification, engagement and monitoring.
- ☐ Support the achievement of good labor performance (Child Labor, Forced Labor, Health and Safety, Freedom of Association and the Right to Collective Bargaining, Discrimination, Disciplinary Practices, Working Hours, Remuneration, and Regular Work) through the implementation of management systems.
- ☐ Be familiar with and have access to all documents and procedures related to the organization's SCS.
- ☐ Review periodically policies, procedures, records, and indicators of OHS and SCS, and provide recommendations for improvements.



- ☐ Facilitate periodic internal and external audits, as well as continuous improvement, according to the corrective and preventive actions identified.
- ☐ Facilitate root cause analysis and support relevant departments to prepare corrective and preventive actions of findings identified through audits, risk assessments, stakeholder engagement, grievance mechanisms etc.
- ☐ Support the management and resolution of complaints. The SPT should be responsible for analyzing and tracking resolutions for labor complaints (internal and external).
- ☐ Maintain records of SPT activities (i.e. work plan, meeting minutes) and share with senior management regularly.
- ☐ Ensure confidentiality, privacy, data protection of all issues discussed in SPT meetings and guarantee that there will be no type of retaliation to any worker in response to their submission of a complaint or identification of an issue.
- ☐ Coordinate social performance reports of the organization.

1.1.5 SAMPLE SPT MEETING AGENDA

Your company's management should meet regularly with the SPT to discuss the social compliance system's progress, developments, and areas of improvement. The following is a sample agenda for an SPT meeting.

TIME START-END	AGENDA ITEM	PERSONNEL
2:00 – 2:30	Review Last Meeting Outcomes	Admin
2:30 – 3:00	Labor Risk Assessment Results	HR/Worker Representative
3:30 – 4:00	Improvement Plan Goals	HR/Worker Representative
4:00 – 4:30	SCS Self-Assessment Outcome Review	HR/Worker Representative
4:30 – 4:45	Worker Feedback/Concerns	Worker Representative
4:45 – 5:00	Closing Remarks	Management Representative



1.2 SENIOR LEADERSHIP ENGAGEMENT

INTRODUCTION

Senior leadership engagement and buy-in is critical to successfully implementing a Social Compliance System. Leadership and management must understand the requirements, the impacts, and the costs in order to allocate personnel and prioritize and resources.

INSTRUCTIONS

Use the helpful tips below when engaging with the senior leadership to help secure their buy-in.

1. CONVERT LABOR METRICS INTO FINANCIAL NUMBERS

What is the financial impact of workplace accidents? What type of data do you have on the cost of overtime or cost of not complying with law? Often, leadership's first response to data is to ask for benchmarks, which usually provide false comfort. If you say, "Our turnover is 10 percent and the benchmark is 15 percent," a CEO may think that there is no need to make improvements to worker retention. However, if you say, "Our turnover is 10 percent and it's costing us thousands in overtime, injuries and legal penalties each year," a leader will likely demand improvement.

2. ESTABLISH LABOR GOALS (KEY PERFORMANCE INDICATORS) AT EACH LEADER LEVEL

All levels of leadership should be involved in the success of your labor policies and related management systems and have a role and goals related to it. This includes the top-level leadership. Some examples of relevant goals could be:

- OHS: Reduce the number of annual work-related accidents by X%
- Regular Employment: Reduce annual worker turnover from X% to X% in 12 months.
- Working hours: Reduce by X% the number of workers that work more than 60 hours in a week
- Discrimination: Increase number of women in leadership or management or operational positions by X %.

3. INVOLVE WORKER REPRESENTATIVES

Management and board meetings rarely include worker perspectives and context. Involving worker representatives in all or part of these discussions allows them to deliver meaningful

Tool



WHAT: A guide to engaging senior leadership in all processes related to the social compliance system

HOW: Use to apply the lessons from Chapter 4 (Section 4.1) of the Palma Futuro handbook

WHO: Social compliance, sustainability, and general management teams of medium and large palm oil farms

SCS CATEGORY: Allocating People and Resources

feedback on what is working and what is not with regard to labor policies. It can also help engage leadership by giving them an opportunity to learn about worker experience directly. For example, hearing directly from workers that they do not have sufficient access to potable water and shade while harvesting can help explain why the company's absenteeism rate is high and productivity is low. After all, it is senior management's responsibility to be involved in analyzing and mitigating grievances, both internal and external.

4. INVOLVE LOCAL LABOR EXPERTS AND STAKEHOLDERS

Labor issues are difficult to fully understand and translate to business language. Involving experts and knowledgeable stakeholders in management and board meetings presents opportunities to dive deeper into specific issues/risks the company faces. It also allows leadership to engage on these issues by asking questions and learning about the nuanced aspects of labor issues. For example, including experts in a conversation about the difficulties children face in small family producers could provide additional context and present ideas for addressing risks. Engagement also helps to get the buy-in of workers and stakeholders for the companies' business and social performance initiatives.

5. HOLD LEADERSHIP ACCOUNTABLE

Leadership knows how to drive sales and service with accountability as their main tool. Much like business targets, Social Compliance Systems need to be part of daily work activities and thus part of job descriptions, department goals, and performance reviews. Holding leadership accountable to social compliance outcomes standardizes these topics in the business vocabulary and provides opportunities for detailed discussion and integration into strategic planning and daily business operations.



SAMPLE MEETING AGENDA

Use the following sample management meeting agenda as a guide for all social compliance-related topics that should be covered in SCS meetings between leadership and the Social Performance Team and worker representatives.

TIME START-END	AGENDA ITEM	PERSONNEL
2:00 – 2:30	Review Last Meeting Outcomes	Admin
2:30 – 3:00	Labor Risk Assessment Results	HR/Worker Representative
3:00 – 3:30	Review grievances submitted both internally and externally, and discuss results of root cause analysis conducted for grievances.	HR/Worker Representatives/Senior Management
3:30 – 4:00	Review results of internal auditing, including results of root cause analysis conducted and corrective actions prepared	HR/Worker Representatives/Senior Management
4:00 – 4:30	Improvement Plan Goals (based on risk assessment, internal auditing, grievances, SCS indicators)	HR/Worker Representative
4:30-5:00	Plan for implementation throughout supply chain	Senior management
5:00 – 5:30	Stakeholder Presentation: “The impact of Sex-Based Discrimination”	Local NGO
5:30 – 5:45	Worker Feedback/Concerns	Worker Representative
5:45 – 6:00	Closing Remarks	CEO





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2

INTRODUCTION TO ASSESSING RISK AND IMPACTS

Once you have assigned people within your company to manage your social compliance system, those people on the Social Performance Team (SPT) should facilitate the assessment of your company's labor risks. Conducting regular labor risk assessments ensures that you are aware of any potential or actual labor issues, which in turn supports effective actions and allocation of resources in your Social Compliance System (SCS)

To do so, this chapter includes 3 tools, which should be completed in succession:

2.1 PROCESS MAPPING TOOL

The operational process mapping tool allows companies to identify potential risks at every step in their production process.

2.2 PHYSICAL MAPPING TOOL

The Physical Mapping tool guides the company through an assessment of risks within the physical workplace. Like the Process Mapping Tool, the Physical Mapping tool helps isolate specific risks to labor and working conditions.

2.3 RISK ASSESSMENT

The Risk Assessment provides a framework for assessing risks across all nine labor elements of your SCS. The information gathered in the Process Mapping Tool and the Physical Mapping Tool can be used to answer occupational health and safety (OHS) questions in the Risk Assessment – which is why the Risk Assessment should be conducted after completing those tools.

The tools in this chapter should be used to implement the lessons learned from the Palma Futuro Handbook's corresponding Chapter 4.2.



2.1 OPERATIONAL PROCESS MAPPING TOOL

INTRODUCTION

The Operational Process Mapping Tool is a guide to help farms break down each of their production processes into steps, and then identify the risks at every step for every work activity.

Process maps are particularly useful in identifying the labor risks associated with your operations. They can also help pinpoint inefficiencies within your workflow so that you can streamline processes and maximize productivity, which can benefit your business and your workers. Finally, it can also help farms comply with legislation in many countries that requires OHS risk assessment (though the scope of the process mapping extends beyond OHS, to all labor risks).

1. MAP THE OPERATIONS PROCESS STEP BY STEP

Breakdown your farm's operations into a step-by-step process of the work activities. For example, an initial step could be planting the palm trees on your farms. Then comes the maintenance of the plantation, all of the agricultural tasks and harvesting, then comes delivery, and so on.

Then map those work activities to show the directional relationship between all the steps in your operational process. When mapping a process, you simply draw a box for each step and connect them with arrows to show a flow. You can use an online tool or word processor to create a map. A simple process map can be found on page 24:

Tool



WHAT: A guide to assessing a farm's potential risks within every work activity.

HOW: Use to apply the lessons from Chapter 4 (Section 4.2) of the Palma Futuro Handbook.

WHO: Operational, Human Resources and OHS managers. SPT will coordinate.

SCS CATEGORY: Assessing Risks and Impacts.

Note

You can also use the information gathered by this tool to answer the questions posed in the Procedure Template 3A.7 Health and Safety Checklist



PALM OIL HARVESTING

Process Map



Mature palm oil plantation



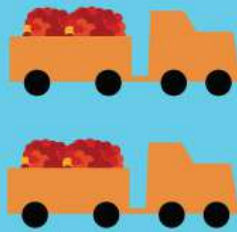
1 Palm oil fruit bunches in tree



2 Harvesting palm fruit



3 Loading palm fruit



4 Truck containing palm fruit



5 Delivering palm fruit to the processing facility



2. RISK AND STAKEHOLDER IDENTIFICATION

Once you have broken down all the steps, you will then list the (1) unique risks and (2) stakeholders inherent to each. You should be asking the following questions for each step:

- What are the specific risks associated with this work activity?
- Who are the stakeholders affected at this step of the process?
- What are the possible labor risks to said stakeholder(s)?
- What are the process changes necessary to address/mitigate those risks?

It is essential to include people from all levels of your farm in this activity. Supervisors and workers, especially, can offer valuable insight into the way things are actually done in your facility since they are doing the day-to-day work. If you can't bring everyone together to complete the process map, you should ask supervisors to consult with the workers they oversee in order to obtain their input, and then incorporate that information into the process map.

3. SOLUTIONS BRAINSTORMING

After you have identified the risks through this tool and your comprehensive risk assessment (see Tool 2.3), you can start to think of the possible solutions. These can range from revising your crop practices to better control the risks, to improving the use of personal protective equipment by your workers and converting to organic practices or reducing the use of hazardous agrochemicals. This will form the basis of the Improvement Plan (tool 7.4) you will prepare in Chapter 7, Correcting and Remediating.



2.2 PHYSICAL MAPPING TOOL

INTRODUCTION

A physical map helps isolate specific risks to labor and working conditions within the physical workplace. It is a helpful tool for both identifying risks and guiding the remediation of those risks, particularly those related to health and safety.

To be effective, the physical map assessment must:

1. Be conducted on a regular basis. Hazards can evolve as new tools or operational processes are introduced.
2. Include input from workers as well as managers. Workers can be particularly useful sources of input.
3. Cover all aspects of the operations, including worker transport and product storage and transport.

1. MAP THE LAYOUT

Prepare a map of the layout of your facility. You can also use this map when you develop your emergency preparedness plan. The map should include:

- A. All the areas where production activities and various operations take place. Make sure to illustrate how they are connected to one another
- B. Indication of exits
- C. Indication of any large pieces of machinery and equipment
- D. Indication of any fuel and chemical storage facilities
- E. Indication of areas where there are likely to be large groups of people coming and going

Tool



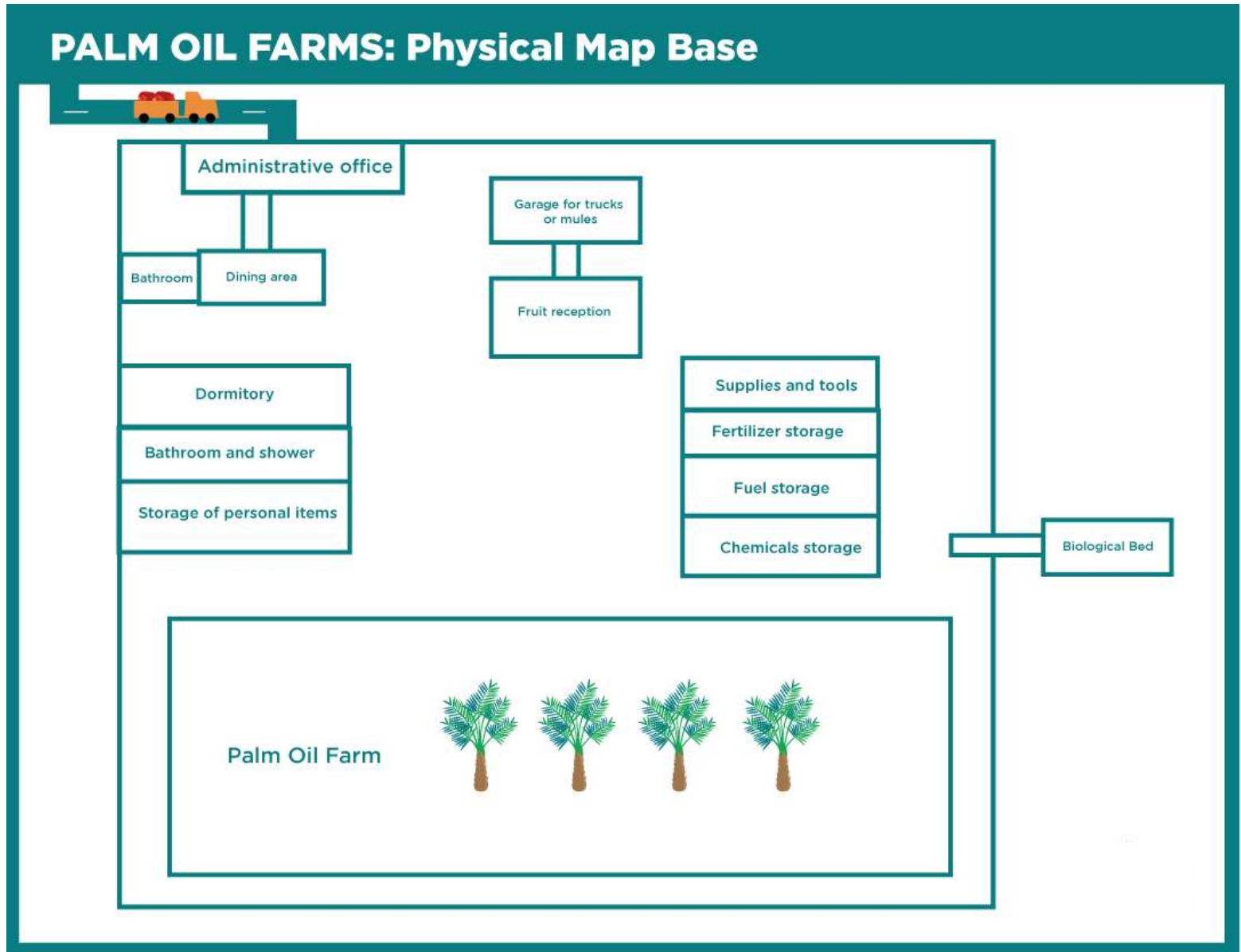
WHAT: A guide to assessing and mapping a farm's potential risks in the physical workspace.

HOW: Use to apply the lessons from Chapter 4 (Section 4.2) of the Palma Futuro Handbook

WHO: OHS Manager, with operational managers and workers. Should be conducted by a professional with knowledge of how to conduct an OHS risk assessment

SCS CATEGORY: Assessing Risks and Impacts.

You can use the example below if it applies to the layout of your farm:

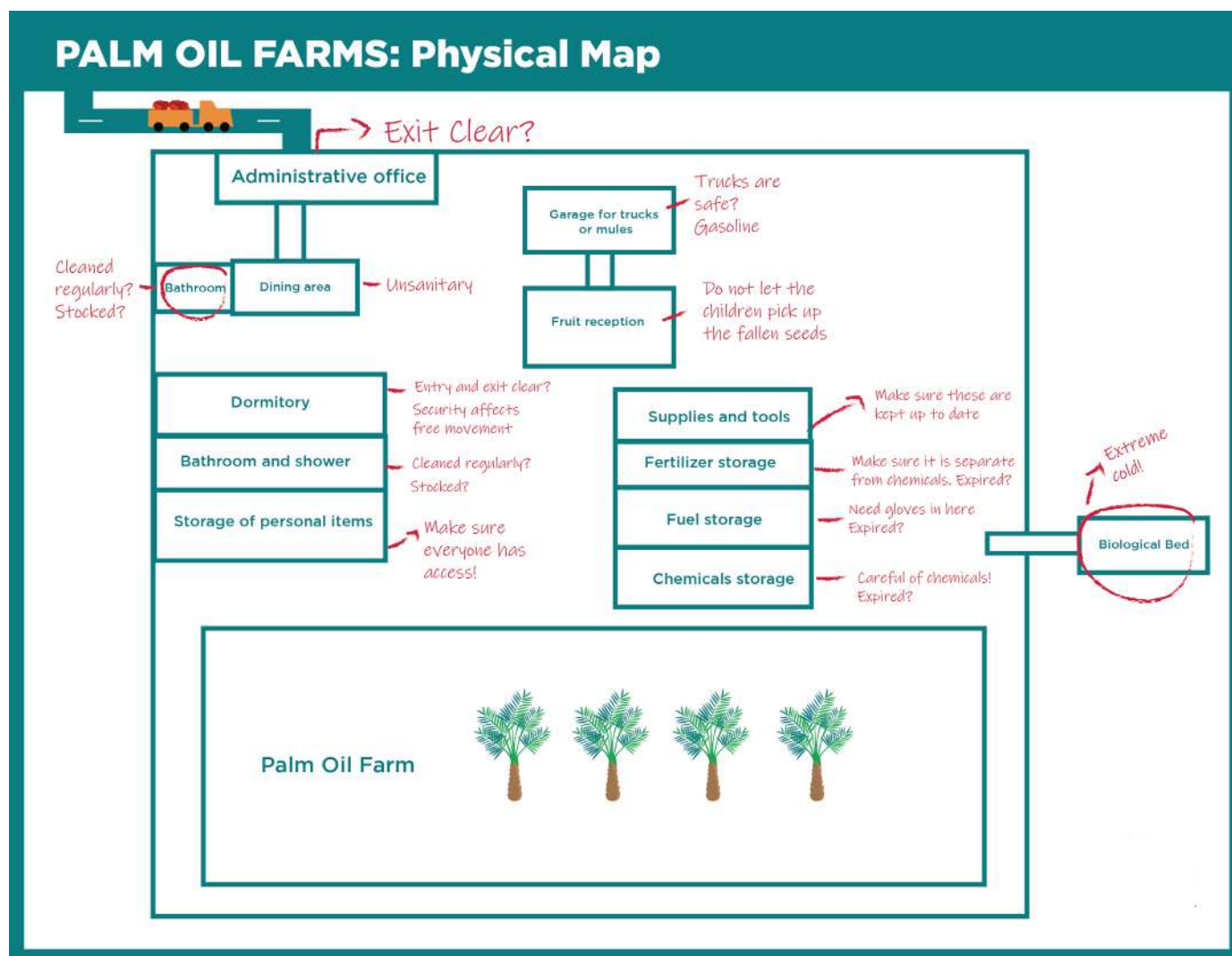


2. WALK-THROUGH

Once you have the physical map, do a walk-through of the facility to identify existing or potential problems. You should conduct the walk-through during working hours with a team that includes supervisors and workers, since they often know what the problems are and have ideas about necessary improvements. Whenever you observe a problem or potential problem, write it down and mark it on the map. See below for an example of a marked-up map after a walk-through.

3. TIME ANALYSIS

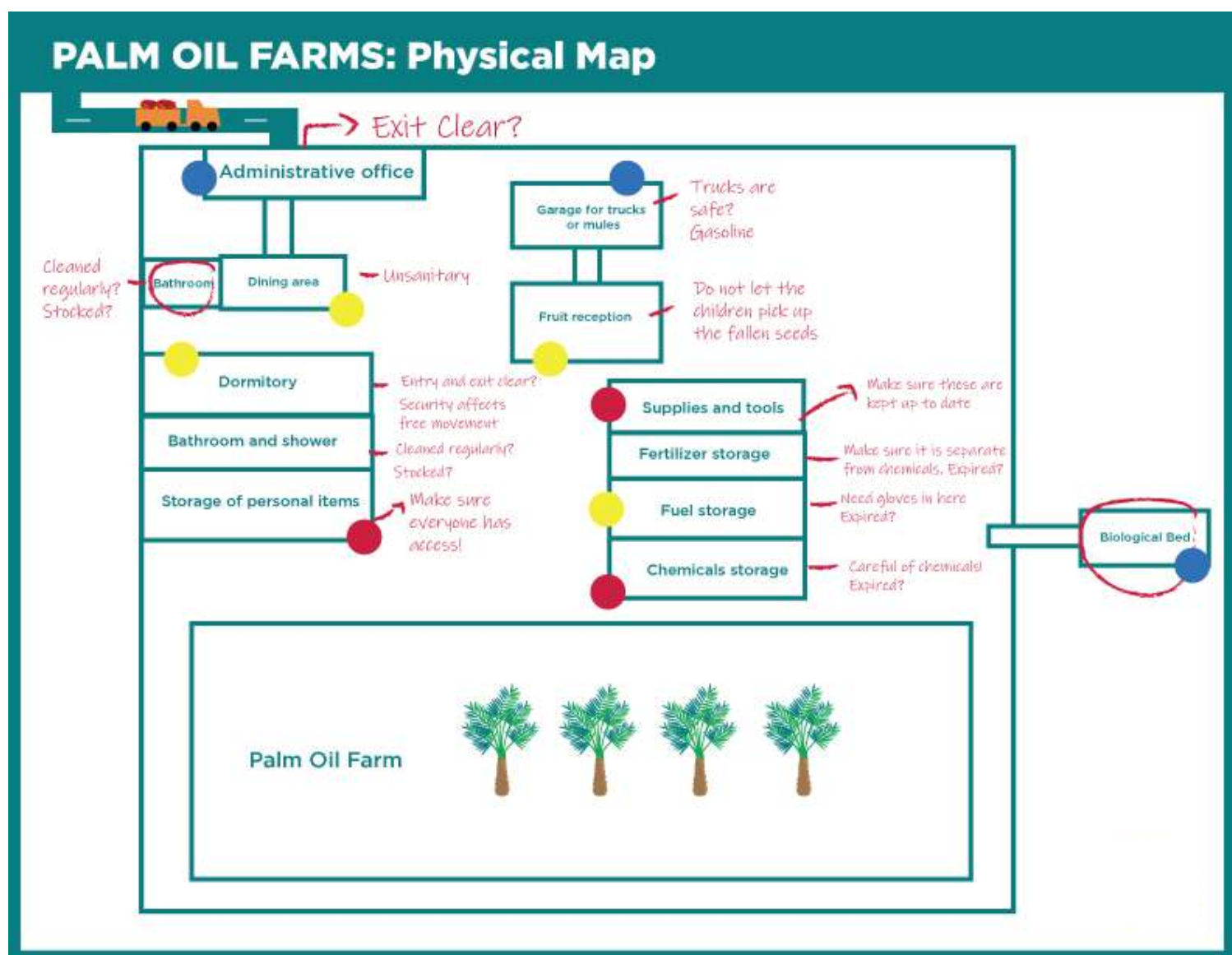
Review the map and consider whether anything changes during different times of the day, week, season, etc. For example, certain exits might get blocked during deliveries of palm fruit or supplies.



4. SEVERITY OF RISKS ASSESSMENT

Once you map the risks designate the risk level of each. The severity of a risk is a function of (1) likelihood it will occur and (2) severity of the potential injury. See the Sample Risk Assessment (Tool 2.3) for more guidance on calculating the severity of a given risk.

You can designate risks by color-coding them, where red is high risk, yellow is medium risk, and blue is low risk. See below for an example of a severity of risks assessment conducted on the walk-through map.



5. SOLUTIONS BRAINSTORMING:

After you have identified the risks through this tool and your comprehensive risk assessment (see Tool 2.3), you can start to think of the possible solutions, such as replacing or maintaining equipment, improving the layout of the workplace, identifying places to store extra equipment/material or properly labeling dangerous equipment or surfaces. This will form the basis of the Improvement Plan (tool 7.4) you will prepare in Chapter 7, Correcting and Remediating.

2.3 RISK ASSESSMENT

INTRODUCTION

This tool can help you identify the key risk areas for your farm so you can focus your efforts on the most important issues. It focuses on two types of risks: those that have an impact on working conditions, and those that have an impact on the community, health and safety. The first one connects to the nine Labor Performance elements. It won't tell you whether or not the risk has negatively impacted your farm, but instead draw attention to specific risk areas that are most likely to become problems.

You can then use that information to focus your attention on those risks and decide what further actions are necessary to prevent or respond to any potential negative impacts. You should consult with people inside and outside of your company who are knowledgeable about these issues as you complete the worksheet. You can answer many of the questions using information you gathered in the 2 previous tools of this chapter: (1) Process Map and (2) Physical Map.

[Click here to download](#)





Photography: Palma Futuro Project, funded 100% by the United States Department of Labor

3

INTRODUCTION TO DEVELOPING CODE, POLICY AND COMMITMENTS

A Code, or set of policies, is the foundation of successfully implementing a Social Compliance System (SCS). Once you have assigned people within your farm to manage your social compliance system, and those people have assessed your farm's risks, you can begin to develop policies to manage all aspects of your labor conditions – with a focus on your risk areas. If your farm has pre-existing labor policies, review them to ensure they meet the standards set forth by the following tools and adapt accordingly.

This chapter includes 3 tools:

3.1 CHECKLIST FOR DEVELOPING POLICIES AND PROCEDURES

A checklist of social compliance-related policies and procedures to govern labor conditions across the nine labor elements.

3.2 SAMPLE BUYER-SUPPLIER MUTUAL SCS CODE OF CONDUCT

A sample of the social compliance component of a code of conduct established between buyers and suppliers with a commercial relationship. This can be incorporated as a part of your farm's existing Code of Conduct between you and the extractor plant with whom you have a commercial relationship.

3.3 NEW SUPPLIER CHECKLIST

A checklist for assessing new suppliers' social compliance systems and capacity.

3.A PROCEDURE TEMPLATES

Eleven procedure templates that can be used as-is to implement various policies.

The tools in this chapter should be used to implement the lessons learned from the Palma Futuro Handbook's corresponding Chapter



3.1 CHECKLIST FOR DEVELOPING POLICIES AND PROCEDURES

INTRODUCTION

Policies are the foundation of a successfully implemented Social Compliance System (SCS).

Labor policies outline a company's treatment, management and expectations of its labor force – that is, of its workers and employees – and in turn, also serve as a codification of the rights of those workers and employees. They should cover all nine of the SCS Labor Elements. Procedures are the step-by-step instructions that help embed good labor and social policies in daily operations and ensure consistent application, even when there is staff turnover. Most policies require a corresponding procedure explaining how to implement it, monitor compliance, and correct violations.

INSTRUCTIONS

This checklist outlines some of the relevant issues to consider when building your policies and procedures. It is not exclusive, nor is it exhaustive.

Consult this checklist as you review your farm's policies and procedures. If your policies and procedures include the items mentioned, check the box. Once completed, you will have identified the gaps in your farm's labor policies.

Tool



WHAT: A roadmap for farms to develop their social compliance system policies.

HOW: Use in conjunction with Chapter 4 (Section 4.3) of the Palma Futuro handbook

WHO: To be used by senior leadership at medium and large palm oil farms

SCS CATEGORY: Developing Code, Policy and Commitments



POLICY AND PROCEDURE GUIDELINES CHECKLIST



1. YOUR CHILD LABOR POLICIES AND PROCEDURES SHOULD:

- ☐ Ensure a farm-wide commitment to not support child labor
- ☐ Establish a minimum age for employment in compliance with national legislation
- ☐ Define conditions for engagement and hiring of young workers in compliance with national legislation. Consider going beyond national legislation if national legislation is not as stringent as international norms
- ☐ Establish a policy of engaging with worker communities and ensure programmatic support to reduce the risk of children seeking work
- ☐ Guarantee and enshrine the rights of apprentices and/or underage workers as per national legislation
- ☐ Develop a process for the remediation of child labor if it is encountered

2. YOUR FORCED LABOR POLICIES AND PROCEDURES SHOULD

- ☐ Ensure a farm-wide commitment to not support forced labor
- ☐ Protect freedom of movement and freedom to resign
- ☐ Ensure non-retention and/or immediate return of identification papers or money throughout recruitment, hiring, and payment, to discourage worker detention
- ☐ Commit to Employer Pays Principle for recruitment costs
- ☐ Define policies and expectations of employment agencies with effective mechanisms for enforcement built into the contract
- ☐ Ensure the farm and workers are free from any type of forced labor (threats, salary retention, abuse of vulnerability, unsafe conditions)
- ☐ Define when instances of forced labor should be reported to local authorities
- ☐ Ensure the farm is free from involvement in any type of human trafficking

3. YOUR OCCUPATIONAL HEALTH AND SAFETY POLICIES AND PROCEDURES SHOULD

Note

Refer to Procedure Template 3A.6 Health and Safety Checklist

- ☐ Ensure a farm-wide commitment to safe and healthy working conditions
- ☐ Create a safe work environment in all farm areas (including dormitories, if applicable)
- ☐ Ensure an Occupational Health and Safety risk assessment and preventive and correction planning with a hierarchy of controls is conducted regularly
- ☐ Include an emergency prevention and response system
- ☐ Ensure personal protective equipment and appropriate training is provided to workers
- ☐ Ensure proper documentation and reporting of accidents, near misses, and illnesses
- ☐ Ensure verification of appropriate use and storage of potentially hazardous chemicals and any other hazardous materials
- ☐ Outline how the farm will engage with OHS experts when farm competency is lacking
- ☐ Establish responsibility of appropriate personnel in maintaining a healthy and safe workplace, including the role of the Occupational Health & Safety Committee
- ☐ Ensure the development of an Occupational Health and Safety Training Plan
- ☐ Include guidelines for medical exams required by law

4. YOUR FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING POLICIES AND PROCEDURES SHOULD:

- ☐ Ensure a farm-wide commitment to freedom of association and collective bargaining
- ☐ Uphold and safeguard workers' rights to form and to join workers' organizations
- ☐ Ensure no discrimination against those who organize
- ☐ Ensure no interference by the farm in worker elections and union activities
- ☐ Enable collective action where legal environments limit it
- ☐ Guarantee good faith communication that goes both ways between employer and employee



5. YOUR NON-DISCRIMINATION AND EQUAL OPPORTUNITY POLICIES AND PROCEDURES SHOULD:



- ☐ Ensure a farm-wide commitment to non-discrimination
- ☐ Establish non-discrimination in recruitment, hiring, promotion, compensation, and termination practices
- ☐ Ensure training, tools and opportunities for advancements are offered equally.
- ☐ Safeguard freedom from all types of harassment by management or other workers
- ☐ Prohibit abuse and physical, verbal, and mental harassment

6. YOUR DISCIPLINARY PRACTICES POLICIES AND PROCEDURES SHOULD:

- ☐ Define rights and terms for all categories of workers
- ☐ Ensure documentation of working conditions, training and terms of employment for all workers.
- ☐ Clearly state permissible and impermissible disciplinary actions that is in accordance with national legislation

Note

Refer to Procedure Template 3A.3: Complaint and Suggestion Template and 5.4 Format for database of registry of complaints and suggestions

6A GRIEVANCE MECHANISMS

- ☐ Ensure a transparent and confidential process for receiving and resolving worker complaints
- ☐ Ensure no retaliation or discrimination
- ☐ Guarantee the existence of an anonymous complaint mechanism
- ☐ Assign responsibility for managing grievance process to competent and empowered personnel
- ☐ Define the roles of directors or high-level management in the response to grievances
- ☐ Establish processes for reporting about grievance resolutions to employees

7. YOUR WORKING HOURS POLICIES AND PROCEDURES SHOULD:

- ☐ Ensure a farm-wide commitment to complying with the legal working hours requirements
- ☐ Define reasonable regular employment and working hours

Note

Refer to Procedure Template 3A.1: Hours Worked Template

- ☐ Define the use, assignment of, and pay for overtime work that complies with national legislation
- ☐ Establish control mechanisms to monitor the daily working hours – from entry to exit – of all workers

8. YOUR WORKING WAGES AND BENEFITS POLICIES AND PROCEDURES SHOULD:

- ☐ Ensure a farm-wide commitment to complying with the legal minimum wage
- ☐ Ensure process for establishing reasonable production quotas
- ☐ Guarantee the traceability of salary payments
- ☐ Ensure a system to manage legal payment deductions
- ☐ Ensure each worker receives a written copy of their salary payments

Note

Refer to Procedure
Template 3A.7: Salary
Payment Template

9. YOUR REGULAR EMPLOYMENT POLICIES AND PROCEDURES SHOULD:

- ☐ Ensure all employees have a written employment contract which is signed and then copied so that the employee can keep a copy
- ☐ Ensure protection for migrant, sub-contracted, and temporary workers, and that all these groups have a written employment contract signed by both parties (employee and employer)
- ☐ Ensure reasonable working conditions and terms of employment (e.g. compensation, benefits)
- ☐ Ensure clean and appropriate living accommodations, if applicable
- ☐ Respect existing collective bargaining agreement (i.e., Collective Pact), if applicable

9A. CONTRACTED WORKERS

- ☐ Extend farm labor policies and compliance to labor contractors, recruiting agencies, and other third parties
- ☐ Build access to grievance mechanism(s) for workers contracted by third parties
- ☐ Establish a policy to regularly monitor and review contractor performance against labor expectation

3.2 SAMPLE BUYER-SUPPLIER MUTUAL CODE OF CONDUCT (SOCIAL COMPLIANCE)

Tool



WHAT: A sample of the social compliance component of a code of conduct established between buyers and suppliers with a commercial relationship

HOW: Use to apply the lessons from Chapter 4 (Section 4.3) of the Palma Futuro Handbook

WHO: Senior management at medium and large palm oil farms

SCS CATEGORY: Developing Code, Policy and Commitments.

INTRODUCTION

The following is an example of the social compliance system component of a broader Mutual Code of Conduct (CoC) between buyers and suppliers with a commercial relationship. It should be included as a part of the overarching CoC between the two entities, and therefore cannot be considered an exhaustive CoC on its own.

Traditional supplier CoCs are very one-sided—written by buyers and imposed on suppliers. However, buyers also have responsibilities and a role to play in supporting social compliance in their supply chains. To reflect this, the social compliance component of a Mutual Buyer-Supplier CoC should clearly explain:

1. Buyer expectations for social performance;
2. Buyer commitment to enabling compliance in their supply chain; and
3. Supplier responsibilities and expectations.

INSTRUCTIONS

Each company will need to create their own unique code, tailored to the size, nature, and complexity of their supply chain. Adapt the following sample CoC to either include as the social compliance component to your existing CoC or as the basis of a new CoC if you do not yet have one.

This is not an exhaustive list; buyers, suppliers and other stakeholders should use it as a starting point for dialogue with the goal of moving towards greater collaboration and shared responsibility. Some of the sample components may not be immediately achievable by all organizations, but could be added as the program evolves.

SECTION 1: SUPPLIER LABOR PERFORMANCE REQUIREMENTS

The human rights performance requirements section is the traditional CoC element. Organizations may choose to use their own existing CoC or accept third-party certification schemes (such as the SA8000 Standard) to satisfy this element. These codes generally have the following categories of performance:

1. Child Labor
2. Forced Labor
3. Health and Safety
4. Freedom of Association
5. Discrimination
6. Disciplinary Practices
7. Working Hours
8. Wages and Benefits
9. Regular Employment
10. Management Systems Expectations

SECTION 2: BUYER RESPONSIBILITY

The below is a sample Buyer Responsibility section that may be adapted to fit each organization's needs.

1. Buyer will communicate its supplier policies and procedures regularly to Supplier.
2. Buyer will develop and implement a management system for managing human rights in its supply chain. It will assign responsibility to a specific team within the organization.
3. Buyer will routinely assess any negative social impacts it may cause or contribute to through its sourcing, compliance and other supply chain practices.
4. Buyer will build internal awareness, provide training, and encourage its business units to use input from the Supplier so that the following Buyer practices do not negatively impact Supplier's ability to meet the social requirements:
 - Lead time
 - Order volume relative to production capacity
 - Product development process and change authorization
 - Pricing
 - Order size fluctuation
 - Material sourcing
 - Product design for improved manufacturing.
 - Consistency of orders season to season



- 5.** Buyer will collaborate with Supplier in developing effective social management systems, improvement plans, and remediation guidelines.
- 6.** Buyer will support Supplier's development and implementation of management systems by providing training, technical assistance, or connecting Supplier to external resources.
- 7.** Buyer will consider Supplier's social performance as part of its evaluation of the supplier.
- 8.** Buyer will create incentives for Supplier to improve their social performance.
- 9.** Buyer will develop and implement a complaint management and resolution system that supplements that of Supplier to address worker and external stakeholder concerns that cannot be effectively addressed by Supplier's system.
- 10.** Buyer will encourage Supplier to engage workers and external stakeholders in continually improving its social impact in the workplace and surrounding community.
- 11.** Buyer will not circumvent Supplier to place direct orders with sub-contractors disclosed by Supplier for the purpose of meeting social requirements.
- 12.** Buyer will provide Supplier with written notice of pending suspension for negative social impact, with detailed reasons, and provide a concrete deadline for solving the problem prior to suspension.
- 13.** Buyer will ensure that the reports and records used to assess Supplier's social performance will be treated as confidential and will not be disclosed to any third party without Supplier's written consent.

SECTION 3: SUPPLIER RESPONSIBILITY

The below is a sample Supplier Responsibility section that may be adapted to fit each organization's needs.

- 1.** Supplier will confirm that it has read and agrees with the social performance requirements stated in the Buyer-Supplier Mutual Code of Conduct.
- 2.** Supplier will communicate the Buyer-Supplier Mutual Code of Conduct to all managerial and non-managerial staff and will provide training to ensure that it is understood.
- 3.** Supplier will have ongoing dialog with Buyer about production capacity and order volume so that Buyer's orders do not negatively impact working conditions and labor standards performance.
- 4.** Supplier agrees to undergo periodic audits, announced and unannounced, by the Buyer's auditors or a third party assessment team as approved by the Buyer, to assess social performance.
- 5.** Supplier will provide Buyer, on reasonable notice, with access to Supplier's adequate and accurate records related to labor standards and working conditions.
- 6.** Supplier will develop and implement systems for managing social performance at its work place and engaging its workforce. It will assign responsibility to a specific team or person within the organization.



7. Supplier will implement a complaints management procedure for reviewing and resolving complaints directed at the Supplier.
8. Supplier will implement and monitor corrective action plans and improvement programs, on its own as well as with Buyer representatives.
9. Supplier will work with the Buyer to develop and implement an annual training and capacity building plan.
10. Supplier will engage with workers and external stakeholders in continually improving social impact in the workplace and surrounding community.
11. Supplier will develop and implement systems for managing social performance at its suppliers and sub-contractors. Supplier agrees to report on each supplier and sub-contractor to Buyer at time of hire and to report to Buyer on results of any monitoring and corrective action plans.

3.3 NEW SUPPLIER CHECKLIST

INTRODUCTION

The purpose of this checklist is two-fold: first, to pre-screen potential new labor contractors and/or suppliers for their social compliance. Second, if you do not contract out to any outside companies, you can use this checklist to simply ensure your own compliance and to, in turn, better market yourself to potential new buyers – since extractor plants may be using this same list to evaluate potential new suppliers.

This checklist can also help align your farm's sourcing needs with the compliance requirements set forth by the Mutual Code of Conduct (detailed in the previous tool 3.2).

INSTRUCTIONS

Your farm does not have to use every question in this checklist. Rather, you can customize it by selecting the most pressing questions based on the findings from your stakeholder engagement and risk assessment. The final checklist can then be integrated within any pre-existing checklist your farm already uses to assess potential new contractors or suppliers.

Tool



WHAT: A checklist for assessing new suppliers' social compliance systems and capacity.

HOW: Use to apply the lessons from Chapter 4 (Section 4.3) of the Palma Futuro Handbook.

WHO: Social compliance, sustainability, and procurement teams of medium and large palm oil farms

SCS CATEGORY: Developing Code, Policy and Commitments



SOCIAL COMPLIANCE QUESTIONNAIRE		SUPPLIER RESPONSE
1	Please provide applicable business-licenses and other legally required licenses for your operation	
2	Please provide your (liability) insurance number and number of workers reported to social security	
3	How familiar are you with the Supplier Code of Conduct from a scale of 1 to 5, 1 being not at all familiar and 5 being extremely familiar?	
4	Is there someone in your company responsible for managing labor compliance? If yes, please provide their name, contact information and job title. If not, please describe how labor compliance is managed.	
5	In the last 12 months, has an audit been performed? If yes, when?	
6	If yes, who performed this audit?	
7	If yes, please provide a link or attach a copy of this audit report.	
8	Does your company report formally or informally on labor performance? If your company publishes a labor performance report, please provide a copy or link.	
9	Does your company have a written child labor policy in place? If so, please include a link or attach a copy of the policy.	
10	Do you verify the age of workers at the time of hiring?	
11	What measures are in place to prevent the hiring of underage labor? Please include links to or copies of relevant policies for review.	
12	On average, what percentage of your total workforce is under 18?	
13	What measures are in place to protect young workers? Please include links to or copies of relevant policies for review.	
14	Does your company have a written forced labor policy in place? If so, please include a link or attach a copy of the policy.	
15	Are workers required to deposit money or their original documents (e.g. certificates, landing documents, passports, etc.) as a condition of their employment?	



SOCIAL COMPLIANCE QUESTIONNAIRE		SUPPLIER RESPONSE
16	Do you routinely use recruiting or labor agencies or brokers and contract workers? If so, please provide the name of the agency.	
17	If so, what percentage of your workforce is employed on a short-term contract basis?	
18	What percentage of your total workforce is employed directly?	
19	How many of your workers have an employment contract? How many have a service provision contract?	
20	Do you, or your recruiting agencies, charge a fee to workers upon hiring them?	
21	Does your company have a written non-discrimination policy in place? If so, please include a link or attach a copy of the policy.	
22	Does your company have a written non-harassment policy in place? If so, please include a link or attach a copy of the policy.	
23	Does your company have a written freedom of association policy in place? If so, please include a link or attach a copy of the policy.	
24	Does your company have any unions, worker representatives, or any type of collective bargaining agreement/labor agreement in place?	
25	Does your company have a written health and safety policy in place? If so, please include a link or attach a copy of the policy.	
26	Do you have a health and safety manager? If so, please provide their name, contact information, and job title.	
27	Do you have a health and safety committee or the legally required equivalent?	
28	Please describe your labor non-compliance remediation process in 3-5 sentences. Please also include a link to or attach a copy of relevant policies.	
29	Please attach a sample corrective action plan.	
30	In the past 2 years, has the facility received a notification of, been prosecuted, or cited for any labor or health and safety violations resulting in penalties or corrective actions mandated by a court or government authority?	
31	Do you have a regular labor and/or health and safety risk assessment process? Please explain the process and include relevant documentation as applicable.	
32	Do you regularly perform internal audits on labor and health and safety issues? If so, please provide a sample internal audit report and/or checklist?	



SOCIAL COMPLIANCE QUESTIONNAIRE		SUPPLIER RESPONSE
33	Please list any accidents/fatalities in the last 3 years. What measures have been taken to prevent future accidents?	
34	Does your facility place a limit on the number of hours that workers can work for the following: Per Day / Week / Month? If yes, please describe. Please include a link or attach a copy of the relevant policy.	
35	Does your company pay the legal minimum wage to all workers?	
36	Do you train your staff, including workers, on your labor policies (i.e. child labor, forced labor, OHS, discrimination)?	
37	If yes, how frequently are these trainings held?	
38	What topics have been covered in the most recent trainings? Please include sample training materials.	
39	Please describe the system you have for handling worker complaints and/or grievances internally.	
40	Does your facility routinely use seasonal or temporary workers?	
41	Does your company have a supplier code of conduct that includes social compliance? If yes, please provide a copy or link.	
42	How does your company monitor supply chain adherence to the code of conduct (e.g., it's included in Terms and Conditions of contracts, supplier training, supplier audits)? If applicable, include sample contract(s) and/or relevant policy.	
43	Do you have a CoC non-compliance remediation process? If yes, please describe the process in 3-5 sentences. If applicable, include links or copies of relevant policy/policies.	
44	Is your company certified to any labor or environmental standard? If yes, please describe.	
45	Does your company have internal rules about disciplinary measures?	





CHAPTER 3A: PROCEDURE TEMPLATES

Procedures are the rules and processes that help implement your policies. There are a significant number of procedures needed to implement all your comprehensive social compliance system policies. To that end, Palma Futuro has created a handful of procedure templates that can be used as-is to implement various policies. This is not an exhaustive list of the procedures your company will need to implement for your SCS policies, but it is a good start.

There are 12 Procedure Templates:

3A.1 REGISTRY OF HOURS WORKED

To be used alongside Palma Futuro Handbook Chapter 3.7 (Working Hours)

3A.2 REGISTRY OF FOOD PROVIDED

To be used alongside Palma Futuro Handbook Chapter 3.8 (Wages and Benefits)

3A.3 TEMPLATE FOR COMPLAINT AND SUGGESTIONS

To be used alongside Palma Futuro Handbook Chapter 4.5 (Communication, Training, and Grievance Mechanisms)

3A.4 TEMPLATE FOR LOANS TO WORKERS

To be used alongside Palma Futuro Handbook Chapter 3.8 (Wages and Benefits)

3A.5 TEMPLATE FOR DELIVERY OF PPE

To be used alongside Palma Futuro Handbook Chapter 3.3 (Health and Safety)

3A.6 HEALTH AND SAFETY CHECKLIST

To be used alongside Palma Futuro Handbook Chapter 3.3 (Health and Safety)



3A.7 SALARY PAYMENT TEMPLATE

To be used alongside Palma Futuro Handbook Chapter 3.9 (Regular Employment)

3A.8 JOB POSTING

To be used alongside Palma Futuro Handbook Chapter 3.9 (Regular Employment)

3A.9 ANNUAL TRAINING PLAN TEMPLATE

To be used alongside Palma Futuro Handbook Chapter 4.5 (Communication, Training, and Grievance Mechanisms)

3A.10 GENERAL ONBOARDING REGISTRY

To be used alongside Palma Futuro Handbook Chapter 4.5 (Communication, Training, and Grievance Mechanisms)

3A.11 MAINTENANCE TRACKER

To be used alongside Palma Futuro Handbook Chapter 3.3 (Health and Safety)

3A.12 RESPONSIBLE RECRUITMENT SCREENER TOOL

To be used alongside Palma Futuro Handbook Chapter 3.3 (Health and Safety)





PROCEDURE TEMPLATE 3A.01 WORKING HOUR LOG

The Working Hours Log is a template that can help you monitor and manage the working hours of your employees, so that you can ensure compliance with working hour regulations and respect the worker's rights to minimum weekly rest as enshrined in national law and international standards. It is a source of verification that also serves to promote transparency of working hours for workers.

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PROCEDURE TEMPLATE 3A.02 REGISTRY OF FOOD PROVIDED

The Registry of Food Provided is a template that can help you monitor and manage the daily food consumption of each worker for those companies, farms, and/or plantations that are required to provide food to their employees. It is a source of verification that can ensure compliance with daily food regulations and thus respect the rights of workers to food as enshrined in national and international legislation, while serving to promote transparency of food consumed for workers.

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PROCEDURE TEMPLATE 3A.03 TEMPLATE FOR COMPLAINTS AND SUGGESTIONS

The Template for Complaints and Suggestions can be used as the form that workers, stakeholders, managers, and anyone else can fill out and submit with any complaint or suggestion - otherwise referred to as grievances.

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PROCEDURE TEMPLATE 3A.04 TEMPLATE FOR LOANS TO WORKERS

The Template for Loans to Workers can be used to record any loans that your farm provides to workers in the form of a wage deduction. This practice is legal, but if it isn't monitored and tracked using a form like this one, you run the risk of one side not respecting the terms of the agreement.

Note: This form can be adapted to track salary advances

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PROCEDURE TEMPLATE 3A.05 TEMPLATE FOR DELIVERY TO WORKERS

The Template for Delivery of Personal Protective Equipment (PPE) to Workers can be used to record the delivery of personal protective equipment to workers. This can serve as a way of ensuring compliance of health and safety standards and as a way of verifying those standards.

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PROCEDURE TEMPLATE 3A.06 HEALTH AND SAFETY MONITORING CHECKLIST

The Health and Safety monitoring checklist can be used as a complement to reinforce overall monitoring of health and safety measures included as a part of the Social Compliance System Assessment (Tool 6.2). While the two have much overlap, it is important to have as much monitoring capacity as possible for health and safety measures because of how many standards there are to comply with. This template can also help you prepare the information for the health and safety component of your Improvement Plan since it includes the column for corrective action monitoring.

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PROCEDURE TEMPLATE 3A.07 SALARY PAYMENT TEMPLATE

The Salary Payment Template can be used to track and verify salary payments to workers. This can help you comply with Wages and Benefits requirements set forth by national legislation, international standards, and certification requirements. In doing so, it also ensures your workers receive timely, consistent salary payments.

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PROCEDURE TEMPLATE 3A.08 SAMPLE JOB POSTING

This Sample Job Posting can be used for advertising open positions. You can adapt it based on what the most pressing needs for that position are.

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PROCEDURE TEMPLATE 3A.09 ANNUAL TRAINING TRACKER

This template is designed to help you keep track of and plan for all the trainings you should provide in a year - including but not limited to your SCS trainings, which you developed in tool 5.1. This template lists all the trainings you should be providing each year, the frequency with which each training should be provided, the topics to be covered in the trainings, the people that should be trained, the number of people per training, and the suggested length of each training.

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PROCEDURE TEMPLATE 3A.10 GENERAL ONBOARDING REGISTRY

The General Onboarding Registry can help you track the proper onboarding of all new employees. Onboarding needs to cover a wide range of topics, and needs to be delivered to all new employees, so having a tracker can help manage all aspects of that process.

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PROCEDURE TEMPLATE 3A.11 MAINTENANCE FORM

The Maintenance Form can help you track and monitor the sufficient, consistent maintenance of your equipment. This can help you avoid equipment malfunction, which affects the safety of its users and the operating costs of the organization. It also keeps the infrastructure and equipment in optimal condition, which can help extend its shelf life and save you money on the back-end for buying new equipment.

There are 3 types of maintenance:

- Preventive: Work performed on infrastructure and equipment to optimize their operation.
- Corrective: When a fault arises, this fault is corrected to restore its usual state.
- Predictive: Reviews are conducted before the failure occurs, through signals caused by the equipment itself.

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PROCEDURE TEMPLATE 3A.12 RESPONSIBLE RECRUITING SCREENER

The Responsible Recruiting Screener Tool is a simple questionnaire that can be used to help you understand potential employee's path to employment, including any costs and fees associated with recruitment that are borne by the employee (including cost of travel to/from workplace, medical exams etc.). Use this tool to help ensure that incoming employees have not been charged illegal recruitment fees.

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4

INTRODUCTION TO ENGAGING STAKEHOLDERS AND PARTNERS

Involving the right stakeholders can improve your internal operations. Early and regular communication with stakeholders provides important input for your risk assessment, monitoring, and other SCS activities. The relationship between your stakeholders and your farm should be mutually beneficial: providing positive expertise on how to reduce risks and sharing feedback on how you can reduce negative impacts to them or their constituencies.

A comprehensive stakeholder engagement plan follows four consecutive steps: stakeholder identification, stakeholder mapping, initial stakeholder engagement, and ongoing stakeholder engagement.

To that end, this chapter includes 4 tools, which should be used in succession:

4.1 DEVELOPING A STAKEHOLDER ENGAGEMENT PLAN

Guidance for developing a comprehensive stakeholder engagement plan, which describes each of the steps listed above in further detail. This document should be reviewed prior to the other tools in this chapter.

4.2 STAKEHOLDER IDENTIFICATION AND MAPPING TOOL

Tools to first identify and then map stakeholders with specific risks you identified in order to then prioritize engagement activities.

4.3 STAKEHOLDER ENGAGEMENT TYPES AND TIPS FOR ENGAGEMENT

Best practices for engaging stakeholders.

4.4 IMPACT TOOL FOR AFFECTED COMMUNITIES

Communities are one of many different types of stakeholders potentially affected by your operations. This tool provides best practices for engaging those communities.

The tools in this chapter should be used to implement the lessons learned from the Palma Futuro Handbook's corresponding Chapter 4.4.



4.1 DEVELOPING A STAKEHOLDER ENGAGEMENT PLAN

INTRODUCTION

Stakeholders are the individuals or groups interested in or affected by the social performance and activities of the organization. Involving stakeholders is not only a requirement of a comprehensive social compliance system; it can help enhance and improve that very system. In particular, stakeholders can help a company remediate the issues identified by the risk assessment.

Stakeholders can be categorized by their relationship to your farm based on the following metrics:

- **Dependency-** Those who are directly or indirectly dependent on the farm's services or activities or those the farm depends on to operate.
- **Responsibility-** Those to whom the farm has or may have legal, operational or ethical/moral responsibilities.
- **Tension-** Those who need immediate attention from the farm with regard to financial, economic, social or environmental issues.
- **Influence-** Those who can influence the farm's decision-making.
- **Diverse perspectives-** Those whose different views may give a new perspective that you might not already have.

INSTRUCTIONS

Use the following process to guide your overall stakeholder engagement plan. Your plan should use all of these steps. Once you have developed a plan, use the rest of the tools in this chapter to help you implement that plan.

1. STAKEHOLDER IDENTIFICATION

The first step is to identify the relevant, interested stakeholders.

There are two types of stakeholders – internal and external.

- Workers are an important internal stakeholder group who are engaged through internal involvement and communication.
- External stakeholder groups can include international, local and national community groups, external consultants and experts, international organizations focused on workers' issues, trade unions or other workers' organizations, other local and national NGOs, government ministries and industry associations.

Tool



WHAT: Guidance for developing a comprehensive stakeholder engagement plan

HOW: Use to apply the lessons from Chapter 4 (Section 4.4) of the Palma Futuro handbook

WHO: Senior leadership and social responsibility/sustainability departments at medium and large palm oil farms

SCS CATEGORY: Engaging Stakeholders and Partners



Your farm does not have to engage all of these groups, but should engage groups which, based on the preliminary risk assessment included in this toolkit's Chapter 2, are most important to its implementation of a social compliance system. For example, if the farm identifies gender discrimination as a potential risk in the workplace, you can engage with a local women's group to learn more about the issue, assess the risk level and priority, and ways to address it.

Use the Stakeholder Identification Tool (4.2) to help you put this step into action.

2. STAKEHOLDER MAPPING

Next, the farm should map their identified stakeholders against certain criteria.

Most farms will not have time and money to engage with every stakeholder identified. Therefore, the farm should map the identified stakeholders against certain criteria to decide how best to spend their time, who best to engage with, and on what issues. That being said: even if stakeholders have a low level of interest in engaging with you, that does not mean you should not engage them. Their knowledge of issues is paramount, especially if they score high in terms of their level of influence. In these instances, you must brainstorm strategies for incentivizing their engagement.

These criteria should be based on the preliminary risk assessment performed by the farm. A properly conducted risk assessment will inform the farm about the most pressing issues it faces. You may also include general criteria such as the following:

- Knowledge of the issues associated with the purpose and scope of the engagement;
- Expectations of the engagement;
- Existing relationship with the farm (close or distant; formal or informal; positive or negative);
- Dependence on the farm;
- Level of influence;
- Willingness to engage;
- Type (civil society, government, consumer, etc.);
- Cultural context;
- Geographical scale of operation;
- Capacity to engage (e.g. language barriers, IT literacy, resources);



- Legitimacy and representation; and
- Relationships with other stakeholders.

This exercise will help you better understand who to engage with and how. Decisions should be based on the risks, the severity of the potential impacts, and the ability of these groups to minimize or mitigate the risk. Both risk assessment and stakeholder engagement are iterative processes. Engagement with some stakeholders may identify risks that were not in your preliminary risk assessment or other stakeholders that will be relevant for you to engage.

3. INITIAL ENGAGEMENT

Next, based on your risk assessment, stakeholder identification, and stakeholder mapping, you should reach out to the important stakeholders you have prioritized.

This process could be anything from a phone call to a visit and everything in between. What method of engagement is best depends on the type of organization and the issue being addressed. You can review the Stakeholder Engagement Tips included later in this chapter for advice on how to engage with different stakeholders.

It is important to consider how best to develop a lasting relationship with your stakeholders. It is beneficial for there to be a path for conversation going forward. Often your stakeholders may help you to identify issues before they become a big problem, or proactively identify opportunities to help your workers and business. Your initial engagement should keep in mind that you hope to continue the conversation long into the future.

4. CONTINUED ENGAGEMENT

Finally, based on your experience and feedback, you should focus on long-term engagement strategies.

Farms should have procedures in place to engage key interested parties; this engagement should be proactive and not only reactive to complaints or problems that have occurred.

You should communicate regularly with key interested parties to keep them updated about your social compliance implementation. This communication may include written communications, such as letters or emails, or verbal communication through phone calls or in-person individual or group meetings. Records should be kept of phone calls and meetings.

You may consider setting up a stakeholder committee that meets periodically to discuss important issues in the industry or location.



4.2 STAKEHOLDER IDENTIFICATION AND MAPPING TOOL

Tool



WHAT: Tools to identify and map stakeholders in order to implement a comprehensive stakeholder engagement plan

HOW: Use to apply the lessons from Chapter 4 (Section 4.4) of the Palma Futuro handbook

WHO: Senior leadership and social responsibility/sustainability departments at palm oil extractor companies

SCS CATEGORY: Engaging Stakeholders and Partners

INTRODUCTION

As the Stakeholder Engagement Plan tool described, the first two steps of stakeholder engagement are (1) identification and (2) mapping, or prioritization, of those stakeholders. This prioritization is based on the risks identified in your risk assessment (Tool 2.3). Hence, stakeholder identification and mapping should be done after the risk assessment.

Tool 4.2.1. SAMPLE STAKEHOLDER MAPPING

A leading palm oil farm, **Farm A** is located in Colombia. The farm is actively implementing a social compliance system, and is preparing to apply for RSPO certification. The farm has started the process by performing a risk assessment of their facility.

The farm has identified the following two areas are the most important for them to address within their facility:

1- Discrimination against women.

- a. Women at the farms are almost never given the opportunity to move up into supervisor or manager level positions.
- b. Pay between women and men in similar positions is unequal.

2- Worker voice and empowerment.

- a. Worker representatives in the Social Performance Team are quiet and unsure of how to contribute to the group.
- b. Many workers and managers speak different languages making cooperation difficult.

At this point, **Farm A** entered into an exercise to identify key stakeholders that could assist them in the implementation of their social compliance system and their social performance broadly. They based it off of the factors listed in Tool 4.1: dependency, responsibility, tension, influences, and diverse perspectives.

With these factors in mind, Farm A went on to identify the following stakeholders:

1. Employees.
 - a. 260 women, 150 men.
2. Out of the 5 trade unions that are active in this area, the following 3 trade unions have the highest number of workers as members.
 - a. Northwest Workers Welfare Trade Union (NWWTU)

- b. All Workers Trade Union Committee (AWTUC)
 - c. Fair Wages Workers Trade Union (FWTU)
- 3. A local NGO named WIFE (Women Institution & Family Empowerment)
 - a. Registered recently in the year 2016, has been working in the area of women entrepreneurship and development.
 - b. Has experience working in factories in the area of discrimination.
- 4. Northwest Exporters' Association (NWEA)
- 5. The Northwest Medical Association (NWMA)
 - a. It has a small office near the farm and conducts H&S training to the workers in the area.
- 6. Centre for Education and Research (CER)- literacy and legal rights education training sessions
- 7. Northwest Environment Trust (NWET)- Environmental protection and conservation
- 8. Women Health Trust & Empowerment Society (WTES)- Women's education on health and family planning.
- 9. Northwest Philanthropic Society- Fundraising and distribution of money during natural calamities
- 10. Ministry of Labor
- 11. Buyers

Next, **Farm A** developed the chart below to assist with mapping of their stakeholders. They did this by deciding on criteria they found important to the farm and mapping out their stakeholders against this criteria in the chart.



Stakeholder	Impact What is the level of impact on identified issues?	Willingness to Engage	Level of Influence (over organization)	Capacity to Engage	Type Civil Society, Government, Union, etc.
Employees	High	High	High	High	Internal
Trade Unions	High	Medium	Medium	Medium	Union
WIFE	High	High	Low	Medium	CSO
NWEA	Low	High	Medium	Medium	Association
NWMA	Low	High	Low	Medium	CSO
CER	High	High	Low	High	CSO
NWET	Low	Medium	Low	Medium	CSO
WTES	High	High	Low	Low	CSO
Ministry of Labor	High	Low	High	Low	Government
Buyers	High	Low	High	High	Buyer

Click here to [download](#) a blank stakeholder mapping template”

There are any number of criteria that you may use in mapping stakeholders. In this scenario, Farm A used Impact, Willingness to Engage, Level of Influence, Capacity to Engage and Type to help determine who to engage with going forward. What criteria you use will be dependent on your specific scenario. Some other possible criteria are:

- Expectations of the engagement;
- Existing relationship with the organization (close or distant; formal or informal; positive or negative);
- Dependence on the organization;
- Cultural context;
- Geographical scale of operation;
- Legitimacy and representation; and
- Relationships with other stakeholders

Farm A then identified the following two stakeholders to start engaging around the issues identified by the risk assessment in conjunction with their internal stakeholders (employees).



Stakeholder	Impact What is the level of impact on identified issues?	Willingness to Engage	Level of Influence (over organization)	Capacity to Engage	Type Civil Society, Government, Union, etc.
Employees	High	High	High	High	Internal
Trade Unions	Medium	Medium	Medium	Medium	Union
WIFE	High	High	Low	Medium	CSO
SEA	Low	High	Medium	Medium	Association
SMA	Low	High	Low	Medium	CSO
CER	High	High	Low	High	CSO
SET	Low	Medium	Low	Medium	CSO
WTES	High	High	Low	Low	CSO
Trisha	Low	High	Low	Medium	Foundation
Ministry of Labor	High	Low	High	Low	Government
Brands/Buyers	High	Medium	High	High	Buyer

Farm A chose to start engaging with the CSOs WIFE and CER in order to address the issues raised in their risk assessment. This does NOT mean they do not engage with the other stakeholders identified, but can mean they start by spending resources here more proactively.

For example, farms should always engage with their local labor ministry and buyers to educate these stakeholders about the farm's commitment to good labor performance. These stakeholders also often have programs available to assist farms in their labor performance that may not be well known. They should also always engage constructively with trade unions and workers' organizations.

Farm A wanted to start with organizations that would have the highest impact on their identified issues and were willing to engage. This meant that WIFE, CER, and WTES meet their stated criteria. CER was an easy choice due to their experience educating and training communities around language and rights. WIFE and WTES address similar issues of women's rights. However, WIFE has direct experience working to empower women in the workplace, and WTES is more focused on women's health issues.

GOALS: Going into their first meetings with **CER** and **WIFE**.



Farm A wants to better understand the issues of discrimination and worker empowerment, learn about programs or offerings available from these CSOs or within their network, and discuss opportunities for developing trainings for **Farm A's** employees and procedures for the organization.

Tool 4.2.2.2 STAKEHOLDER IDENTIFICATION

Use the tools below to identify and map your own stakeholders.

- ☐ To whom does the farm have legal obligations?

- ☐ Who might be positively or negatively affected by the farm's decisions or activities?

- ☐ Who is likely to express concerns about the decisions and activities of the farm?

- ☐ Who has been involved in the past when similar issues needed to be fixed?

- ☐ Who can help the farm address specific issues?



☐ Who can affect the farm's ability to meet its responsibilities?

☐ Who would be disadvantaged if excluded from the stakeholder engagement?

☐ Who in the supply chain is affected?

Click here to [download](#) a blank stakeholder mapping template



Tool 4.2.2.3 STAKEHOLDER MAPPING

Next, for each stakeholder you identified, you will follow a similar exercise as Farm A did above. As described in that example, there are a variety of indicators you can use to categorize and prioritize stakeholders. This tool helps you identify the following indicators for each stakeholder: (1) the risk that they can help remediate, (2) your current relationship with them, (3) their willingness to engage, (4) their ability to impact the risk, and (5) the responsible party/department.

Stakeholder	Identified Risk	Current Relationship	Willingness to Engage	Ability to Impact Risk (s)	Responsible Party/ Department



The following is an example of that process.

Stakeholder	Identified Risk	Current Relationship	Willingness to Engage	Ability to Impact Risk (s)	Responsible Party/ Department
Worker Union	Excessive Overtime	Supportive with conditions	High	High	SPT/ Human Resources
Local children's NGO	Child labor in family farms	Neutral	Medium	Medium	SPT/ Sourcing
Local Community NGO	Substandard worker housing	Neutral	High	High	SPT/ Sustainability
Local Labor Agency	Legal requirements Wages, Health	Negative	Low	Low	Human Resources/ Legal
Migrant Worker NGO	Recruitment Fees	Neutral	High	Low	SPT/ Sourcing/ Human Resources
Worker community	Social Impact, Wages, Health	Supportive with conditions	High	High	SPT/ Sustainability
Workers	All social risks (to the stakeholder)	Supportive with conditions	High	High	All
Buyers	Wages and Hours	Supportive with conditions	Low	High	SPT/ Sourcing



4.3 STAKEHOLDER TYPES AND TIPS FOR ENGAGEMENT

Tool



WHAT: Best practices for engaging stakeholders

HOW: Use to apply the lessons from Chapter 4 (Section 4.4) of the Palma Futuro handbook

WHO: Senior management and social responsibility/sustainability departments at medium and large palm oil farms

SCS CATEGORY: Engaging Stakeholders and Partners

INTRODUCTION

The last two steps in the overall development of a stakeholder engagement plan are to (1) engage stakeholders and to (2) continue to do so over time. This means that stakeholder engagement reviews should be a part of annual planning.

INSTRUCTIONS

Below you will find advice and tips on how you may engage with a few different categories of stakeholders. Your company should focus on the engagement tips for the types of stakeholders that you prioritized using the Stakeholder Identification and Mapping Tool.

1. Local Non-Governmental Organizations (NGOs) / Civil Society Organizations (CSOs)

These groups may have knowledge about labor issues directly affecting your organization. Therefore it is important to have a procedure in place to continue communication long term and incorporate their feedback into your systems.

In addition, you may consider partnering on specific projects such as:

- Training around issues identified by the risk assessment.
- Training or information sessions around the rights and obligations of workers.
- Providing support for workers in grievance mechanisms and remediation cases
- Development of informational materials.

2. International NGOs

These groups often have resources or projects ongoing in your location and know about international activities that could be beneficial to your organization. You should reach out to international NGOs you have identified to better understand their work and how it could affect you. Where there are local initiatives, you can see where you can get involved.

International NGOs are often able to give you a big picture understanding of the issues your organization faces. They will know what the international legal landscape or expectations are so you can better prepare for any requirements that may come in the future.

3. Unions

Having a strong relationship with local unions is important to ensure workers are represented and have a decent life. They can help make sure issues are heard, there is a collective voice, and potential conflicts are remedied quickly. You should especially reach out to unions that have a presence in your organization. This should be done outside of the collective bargaining process with your intentions made clear before any meetings.

In addition, you may consider partnering on specific projects such as:

- Involvement with the Social Performance Team
- Training with workers around collective action and local union laws

Providing support for workers in grievance mechanisms and remediation cases.

4. Government Agencies

Connecting with relevant government agencies is important to your organization so that you can understand how best to work with them going forward. Meeting face to face with significant ministries is often the best way to determine how they work and what they are focused on. You can also learn about relevant government programs or initiatives that may benefit your organization and/or your workers.



5. Customers

Engaging with your customers on the commitment you've made to social performance is important for any organization. The more your customers understand your commitment, the less effort they may require of you in their own social program, or the more likely they may be to increase purchases. When engaging with customers and brands, make sure you are able to communicate about the benefits of your social compliance system effectively.

6. Communities (see the subsequent tool, **Impact Tool for Affected Communities**, for more guidance on engaging communities)

Involving the local community is of the utmost importance because it is there that your workers and their families live. These are also often in the impact zones that your company's operations may impact negatively – which you can identify with the help of the subsequent tool, **Impact Tool for Affected Communities**. It is important to maintain an open and consistent dialogue with the nearby communities – without generating false expectations about actions your company can take – in order to maintain a 'good neighborly relationship.'



4.4 IMPACT TOOL FOR ENGAGING AFFECTED COMMUNITIES

INTRODUCTION

Communities are one of the key external stakeholders that your farm should engage on a wide range of social compliance and labor performance issues. The impact tool provides step-by-step guidance for identifying and engaging with “affected communities”: any individuals or communities that are located in proximity to the farm’s facilities and are directly exposed to actual or potential adverse impacts on their environment, health or livelihood due to farm activities.

INSTRUCTIONS

The tool is separated into three sub-tools: (1) mapping the affected communities, (2) format and venues for ongoing engagement with affected communities, and (3) guidance for communication with affected communities.

Tool 4.4.1 MAPPING AFFECTED COMMUNITIES

Similar to the process of stakeholder mapping, a quick and practical technique for identifying affected communities is the “impact zoning map”: a process by which you map the sphere of influence of different types of environmental and social impacts. In doing so, the farm can begin to identify distinct groups by impact area, and can then refer back to the stakeholder identification list to identify an external stakeholder to potentially consult for remediation.

While priority should be given to individuals and groups who are directly and adversely affected, drawing a line between who is affected and who is not can be challenging. Communities lying just outside of the designated impact area can perceive impacts or feel they have been arbitrarily excluded from the engagement process.

Tool



WHAT: Best practices for engaging communities affected by your farm’s operations.

HOW: Use to apply the lessons from Chapter 4 (Section 4.4) of the Palma Futuro handbook

WHO: Senior management and social responsibility/sustainability departments at medium and large palm oil farms

SCS CATEGORY: Engaging Stakeholders and Partners

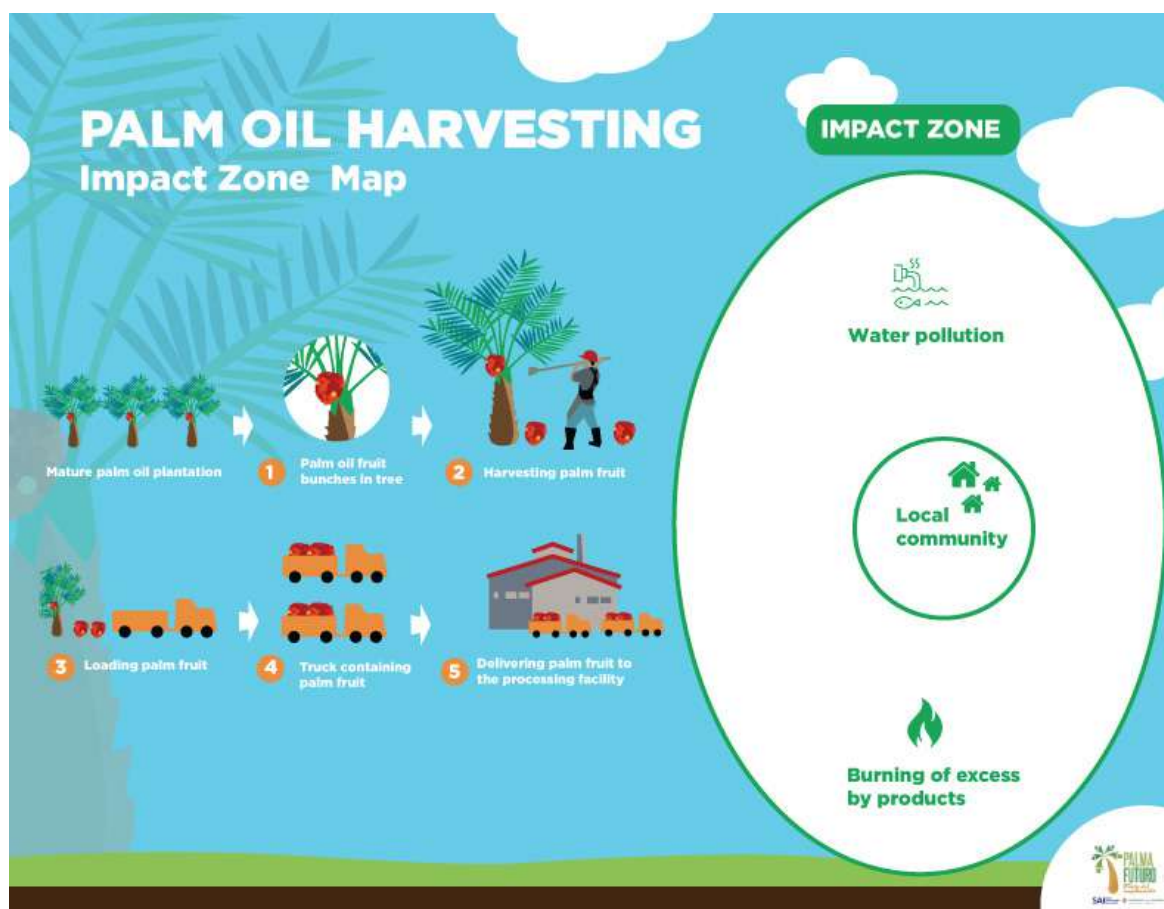


STEPS

1. Use the Process Map (Tool 2.1) you created in Chapter 2, Assessing Risks and Impacts, to breakdown your operations into steps
2. On the Process Map, identify the broad impact zones for each of the steps in your operational process steps (e.g. the area of land, air and water pollution receptors, etc.). See below for an example of a specific impact zone.
3. After identifying and mapping broad stakeholder groups (Tools 4.1-4.3), overlay those groups with the impact zones. Select the priority stakeholders to engage.
4. Through consultation with relevant stakeholder representatives, verify which groups are potentially affected by which impacts.

See below for an example of an impact zone map:

Tool 4.4.2 FORMAT AND VENUES OF ONGOING



ENGAGEMENT WITH AFFECTED COMMUNITIES

Look at the list below to brainstorm ideas on ways you could communicate back to affected stakeholders on actions taken and monitoring results in their areas of interest.

- Open houses
- Banners outside the plantation or company's gate or at other prominent places
- Brochures distributed in churches, schools, civic centers
- Website
- Sustainability Reporting
- Town hall meetings at the local municipality or civic center
- Meetings with representatives of the affected stakeholders
- Letters to representatives of the affected stakeholders and complainants
- Emails
- Phone calls

Tool 4.4.3 GUIDANCE FOR COMMUNICATION WITH AFFECTED COMMUNITIES

1. Plan ahead

- Effective public consultation requires advanced planning. This will include conducting research to identify:
 - Any risks to the farm arising from the local environmental and social context;
 - The key parties who may be affected by or able to influence the farm's outcome in a negative or positive manner; and
 - Local regulatory requirements calling for public involvement. This research may be supplemented by anecdotes or previous lessons learned from experience in public consultation.
- It will also include developing a policy for involving the public, and preparing a detailed program of consultation and disclosure activities.



2. Invest time and money

- Effective public consultation and information disclosure takes time and resources and should be viewed as a necessary investment in the future of your work.
- It is important to realize that proposed time horizons for farm activity implementation should be decided early on.
- Your annual budget should allow for community engagement expenditures, like food for community events, or the hiring of community engagement consultants.

3. Involve operations managers directly

- Commitment of senior managers is not enough. The support and active participation from management and a commitment to incorporating stakeholder concerns are required to ensure that consultation goals are met. This participation should happen early and regularly, so that the entire company understands the importance of integrating stakeholder concerns.

4. Hire and train the right personnel

- Appoint a person, such as a Community Liaison Officer, or team with appropriate qualifications and authority, supervised by a senior manager. The Community Liaison Officer must have direct contact with management. A reporting structure should be developed so the Community Liaison Officer has authority and some rank in terms of being able to negotiate, not just listen, on behalf of the farm.
- In addition, community relations personnel should not be viewed as public relations experts delegated to sell your work to the local population, but as community liaison officers whose responsibilities include hearing and considering local concerns and suggestions.
- It is important to remember that a good community liaison officer is someone who:
 - Possesses good people skills
 - Has a good understanding of the local language and community dynamics
 - Respects the views of others
 - Has a genuine commitment to the position and its goals.
- Where appropriate, hire social specialists to undertake complex and sensitive activities.



5. Maintain Overall Responsibility

- Your farm should maintain overall responsibility for the outcomes of all public consultation performed by external consultants or sub-contractors. These external parties may create bad feelings among affected people if they carry out poor or no consultation; offer benefits (e.g., employment) which your farm cannot deliver; or do not comply with mitigation measures your farm has already agreed to with the affected people.
- Affected people will not always distinguish the source of their dissatisfaction and may direct hostility toward your representatives or workers. Therefore, the farm should manage external consultants and sub-contractors carefully, through explicit Terms of Reference and contractual arrangements, and monitor their activities once underway.

6. Build dialogue and trust

- In order to build dialogue and trust, develop two-way channels of communication, preferably in the local language, with affected groups and other relevant stakeholders. This will allow you to pass on new information about your engagement plan quickly and receive information that may help the farm respond to changing concerns.
- Dialogue can be effective only if consultation is convenient and accessible to relevant stakeholders, particularly affected people. For example:
 - Locations for consultation and dialogue should be close to places of residence or work.
 - Meetings and visits should be scheduled at times that do not conflict with other obligations of affected people, such as work or family commitments.
 - Particular attention should be given to seeking out less powerful and disadvantaged groups (e.g., women's groups and social service groups assisting the poor) and actively including them in the dialogue in culturally appropriate ways.
 - In addition, special consideration should be given to the culture, language, land use, and territorial rights of affected indigenous peoples, if present.
 - In public consultation, as in any personal relationship, continuity and familiarity build trust and understanding. It is important to maintain consistency in the personnel who undertake public consultation and interact with



key stakeholders.

- Developing familiarity allows the company to understand priority concerns and the needs of affected groups, as well as local power dynamics and social structures.
- In addition, affected groups may appear more likely to accept a company's behavior once they trust the company's commitment to them. Again, working with intermediaries who have ongoing relationships of trust with poor and vulnerable groups may help gain the participation of affected stakeholders.

7. Work with NGOs and community-based organizations

- Identify and liaise with NGOs and community-based organizations (CBOs), particularly those who represent affected people.
- NGOs often have expertise vital to good public consultation. They can be sources of local knowledge, sounding boards for when you design your Social Compliance System (SCS) and mitigate risks, vehicles for consulting with sensitive groups, and collaborators in planning and implementing community development programs.
- It is also important to carry out initial research regarding the local power dynamics and existence of special interest groups to ensure that any intermediary organizations, such as NGOs, are truly representative of and accountable to the community interests they claim to support and represent.





Photography: Palma Futuro Project, funded 100% by the United States Department of Labor

5

INTRODUCTION TO COMMUNICATING, TRAINING AND GRIEVANCE MECHANISMS

Every employee has a role to play in implementing the SCS. Your workers, employees, and managers should all understand your farm's commitment to their labor conditions. This requires clear communication and ongoing, progressive trainings. You also need input from all of these groups to be effective at identifying risks and impacts, improving procedures, designing improvement plans, monitoring impacts and outcomes, and all other SCS functions. This is where a clear grievance mechanism is useful.

This chapter includes 5 tools to prepare you to communicate, train, and solicit feedback from your employees (as well as from external stakeholders):

5.1 PLANNING, MANAGING AND ITERATING TRAININGS

A comprehensive training plan, including a sample training plan, a sample training module list, a sample sign-in sheet, and a sample post-training evaluation sheet.

5.2 ONBOARDING CHECKLIST

A list of topics to be covered during the onboarding of new employees.

5.3 FORMAT FOR REGISTRY OF COMPLAINTS AND SUGGESTIONS

A template to track and register all complaints and suggestions (grievances).

5.4 WORKER SURVEY GUIDANCE

Guidance on how to effectively communicate with and gather feedback from workers and employees.

5.5 DIRECTIONS TO EMPLOYEES ON HOW TO SUBMIT GRIEVANCES

Guidance to be posted next to your comments and suggestions box to instruct employees on how to use it.

The tools in this chapter should be used to implement the lessons learned from the Palma Futuro Handbook's corresponding Chapter 4.5



5.1 PLANNING, MANAGING AND ITERATING TRAININGS

INTRODUCTION

Implementing an effective social compliance system (SCS) requires initial and ongoing training for different groups in the organization. A training plan will help you track the topics that need to be delivered to these different groups and make a schedule for delivering them.

Refer to Procedure Template 3A.9: Annual Training Template for a template to be used in conjunction with this tool.

Who should be trained?

- Senior management need to be introduced to the management system elements and how they support social compliance.
- The Social Performance Team or other departments responsible for implementing the SCS need in-depth training on the compliance standards and strategies for applying them.
- All workers need training in the workplace rules and expectations.
- Temporary workers, no matter how short their contract, need to receive the same extensive training as any other permanent hire.

When should training occur?

Training will need to be reinforced with regular review sessions or progressive training curriculum, and when there are new staff, equipment or processes. Training should be scheduled strategically to support risk assessment, corrective action plan and improvement plan progress.

You can take advantage of the surplus time during low harvests to deliver training.

Tool



WHAT: A comprehensive training plan, including a sample training plan, a sample training module list, a sample sign-in sheet, and a sample post-training evaluation sheet

HOW: Use to apply the lessons from Chapter 4 (Section 4.5) of the Palma Futuro handbook

WHO: Senior management, human resources, and the social compliance/sustainability department at medium and large palm oil farms

SCS CATEGORY:

Communicating, Training & Grievance Mechanisms



INSTRUCTIONS

The training guidance is broken down into 4 sub-tools: 5.1.1 Sample Training Plan, 5.1.2 Sample Training Module List, 5.1.3 Sample Sign-In Sheet, and 5.1.4 Post-Course Evaluation Template. Together, these will help you plan, manage, and iterate successful SCS training.

5.1.1 SAMPLE TRAINING PLAN

Identify the type of training that your managers and workers need to effectively implement your procedures. You should also distinguish between those who only need basic labor training and those who need more advanced labor training to carry out their responsibilities. Then, use Procedure Template 3A.9: Annual Training Template to build out your annual training plan.

Department	Module Topic	Training Date	Training Status (Not started, In-progress, - Complete)
Senior Management	Intro to Social Compliance Systems	Jan 1 2021	Complete
HR Department	Intro to Child Labor	Jan 2 2021	Not started
Sustainability Department	Intro to Forced Labor	Jan 3 2021	Not started
Workers on Harvest Shifts	Intro to Child Labor	Jan 4 2021	In-Progress
Permanent Workers	Intro to Child Labor	Jan 5 2021	Not started



5.1.2 SAMPLE TRAINING MODULE LIST

Once you have identified what training needs to cover and who needs to be trained, you will need to build out the content of the training courses themselves. A sample list of relevant topics for specific groups is presented in the table below. You should select training modules for each of the target groups based on the relevant risks and potential improvement opportunities.

You can then fill in your Annual Training Plan Procedure (Procedure Template 3A.9) with this list of topics and decide on dates to deliver the training.

Department	Topics	Details (these are examples, not an exhaustive list)
Senior Management	Intro to Social Compliance Systems	<ul style="list-style-type: none">• Elements and expectations• Contractual requirements and labor performance
	Value of Good Labor Performance	<ul style="list-style-type: none">• Improvements in productivity, worker buy-in, reduced turnover• Buyer/customer loyalty and expectations• Legal landscape and expectations• Importance of good wages and hours• Importance of neutral stance in engaging with unions and worker representatives
	Importance of Management Commitment	<ul style="list-style-type: none">• Allocation of appropriate resources to support effective development and implementation of policies and procedures (e.g. external experts, legal services, staff time, training, documentation and tracking software, etc.)• Timelines and commitment necessary to see results• Importance of management system approach



Department	Topics	Details (these are examples, not an exhaustive list)
Social Compliance/ Sustainability Department	Intro to Social Compliance Systems	<ul style="list-style-type: none"> • Elements and expectations • Role of the Sustainability/Social Performance team in meeting Social Compliance Systems requirements
	Worker/ Management Team Responsibilities	<ul style="list-style-type: none"> • Labor and working conditions requirements • Identification and evaluation of labor risks and impacts • Root cause analysis • Stakeholder engagement • Monitoring of performance indicators • Internal auditing • Social reporting • Grievance mechanisms • Community issues and monitoring
HR Department	Intro to Social Compliance Systems	<ul style="list-style-type: none"> • Elements and expectations • How Social Compliance Systems impact HR expectations
	Policies and Procedures	<ul style="list-style-type: none"> • Worker communication and contracting (in worker language) • Worker onboarding process • Disciplinary procedures • Worker rights and responsibilities • Effective support of migrant workers • Effective setting of wage and benefit levels • Engagement with unions and worker representatives • Importance of non-discrimination in hiring and promotions • How to engage workers on retrenchment scenarios • Use of performance reviews to assess labor related metrics • Importance of age verification and documentation



Department	Topics	Details (these are examples, not an exhaustive list)
Workers and Managers	Intro to Social Compliance Systems	<ul style="list-style-type: none"> • Elements and expectations • Verification of labor performance
	Policies and Procedures	<ul style="list-style-type: none"> • Overtime and working hour policies • Grievance processes and expectations • Disciplinary expectations and limitations • Cultural and gender sensitivity, workplace diversity, and respectful work environments • Expectations related to freedom of association • Expectations related to retrenchment scenarios • Proper use of PPE, hazardous materials/machinery, and related policies • Emergency response protocols and expectations
	Legal Requirements	<ul style="list-style-type: none"> • Worker legal rights, benefits, and responsibilities • Migrant worker rights and expectations • Rights to collective action and unionization • Young worker rights and expectations • Access to remedy for forced labor or other rights violations • Working Hours • Remuneration • Health and Safety Issues
Procurement	Intro to Social Compliance Systems	<ul style="list-style-type: none"> • Elements and expectations • General impact on procurement practices
	Impactful Procurement	<ul style="list-style-type: none"> • Supply chain assessment based on labor requirements • Supply chain audits • Monitoring recruitment and employment agencies • Management systems and internal audits for subcontractors • Support programs and capacity building • Labor issues during contract negotiation and cost setting • Purchasing decisions • Sharing of learnings and knowledge on issues such as child and forced labor



5.1.3 SAMPLE SIGN-IN SHEET

You can use the sample sign-in sheet to keep track of training participants. Use a different sign in sheet for each of the training courses.

	First Name	Last Name	Company Name	Role/Function	Start Date at Company	Start date in this role/function	Gender	Email or other contact info	Signature
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									

5.1.4 POST COURSE EVALUATION TEMPLATE

A key to effective training is constant iteration based on feedback from previous training. A post-course evaluation is a concise way to gather this feedback. These are examples of possible review statements that can be included in a post-course evaluation. These are just indicative examples, not an exhaustive list.

In addition to these evaluations, you will have to evaluate your workers on the knowledge specific contents of the trainings. This will be customized based on what each training covers.



Instructor Specific:

- The instructor was well prepared.
- The instructor used the course time effectively.
- The instructor was organized, well prepared, and used class time efficiently.
- The instructor communicated clearly and was easy to understand.
- The instructor encouraged participation in class.
- The instructor presented material in a clear manner that facilitated understanding.
- The instructor effectively organized and facilitated well-run learning activities.
- The instructor's teaching methods were effective.
- The instructor stimulated my interest in the subject matter.
- The instructor was helpful in answering my questions.

Course Specific:

- The instructional materials (i.e., PowerPoint, readings, handouts etc.) increased my knowledge and skills in the subject matter.
- The course workload and requirements were appropriate.
- The course was organized in a manner that helped me understand underlying concepts.
- This course has increased my interest in this field of study.
- I believe that what I am being asked to learn in this course is important.
- This course was challenging.
- This course made me think.
- After taking this course, I have a better understanding of (insert topic name).
- This course has prepared me for (insert purpose of the training e.g. "conducting social compliance assessments").
- I would recommend this course to other colleagues in my department.



5.2 ONBOARDING CHECKLIST

INTRODUCTION

Onboarding of new workers should cover all the social compliance systems-related topics included in the regular ongoing trainings, which are described in the previous tool (Planning, Managing and Iterating Trainings). They should also cover general expectations and responsibilities. Onboarding training should occur prior to that new employee beginning any work.

INSTRUCTIONS

Use the following checklist to ensure that all the topics are covered in your onboarding training. Use the accompanying Procedure Template 3A.10, the Onboarding Tracker, to then ensure that all new employees receive all onboarding training. Use the broader Annual Training Template, 3A.09, to track and schedule all the onboarding trainings.

1. General Company Onboarding

- ☐ General introduction to company
- ☐ Introduction to all company departments
- ☐ Internal company policies
- ☐ Organizational structure
- ☐ Process for submitting complaints and suggestions
- ☐ Internal rules for workers
- ☐ Strategic planning
- ☐ Code of Ethics

2. Onboarding for Labor Policies and Worker Rights

- ☐ Social and Environmental Responsibility Plans
- ☐ Comprehensive Sustainability Policy (including a general explanation of all the nine labor elements)
- ☐ Labor Elements and Worker Rights Policies (Introduction and the company policy for each element)
 - Child Labor
 - Forced Labor
 - Health and Safety

Tool



WHAT: A list of topics to be covered during the onboarding of new employees.

HOW: Use to apply the lessons from Chapter 4.5 of Palma Futuro handbook

WHO: Senior management, human resources, and the social compliance/sustainability department of medium and large palm oil farms

SCS CATEGORY:

Communicating, Training & Grievance Mechanisms

- Freedom of Association
- Discrimination
- Disciplinary Practices
- Working Hours
- Wages and Benefits
- Regular Employment

3. Onboarding for Management of Health and Safety

- ☐ Health and Safety Policy
- ☐ Risks in the workplace
- ☐ Procedure for reporting a workplace accident
- ☐ Procedure for the use and state of personal protective equipment
- ☐ Instructive report on unsafe acts and conditions
- ☐ Working from heights training
- ☐ Working in the heat training
- ☐ Risk analysis procedure
- ☐ Emergency preparedness plan
- ☐ Alcohol and drug policy
- ☐ Workplace harassment policy and remediating procedure
- ☐ Instructive psychoactive substances tests
- ☐ Instruction for how to work with dangerous chemicals
- ☐ Management of Change procedure



Checklist for Onboarding Temporary Workers

Your temporary workers, no matter how short their stay, should receive all of the aforementioned onboarding that any normal worker receives. Though you may only intend to hire them for a single season, it is likely that they will either return or stay on for longer than anticipated and therefore become more of a permanent hire though their contract status remains temporary. However, farms will often hold trainings during the low season when there is surplus time but when their workforce does not include the temporary hires that come on during high season.

Farms therefore need to go the extra mile to ensure that temporary workers receive all necessary training and don't fall through the cracks. Use the following checklist to ensure temporary workers are properly on-boarded.

- ☐ Hold an annual onboarding training for all workers, no matter if there is a new hire or not. Use the 3A.09 Annual Training Template to help you plan this.
- ☐ Consider recording the trainings so that your farm does not have to expend the time and energy holding the entire onboarding training for a single new temporary hire or two. That way, the new person can watch the video.
- ☐ If a temporary hire leaves and then comes back for the next high season, you do not have to repeat the entire social compliance training. However, you should at least provide a refresher Health and Safety training, as well as any job-specific training that involves hazardous chemical use.



5.3 FORMAT FOR REGISTRY OF COMPLAINTS AND SUGGESTIONS

INTRODUCTION

You should always have a clear, transparent, and accessible process for workers to submit complaints and suggestions for management review. They should also have the option to submit these complaints and suggestions anonymously. Included in this toolkit is a template for them to submit these complaints and suggestions (Procedure Template 3A.03).

INSTRUCTIONS

This tool allows you to register and consolidate all the grievances you receive. Keeping a database of grievances is critical for monitoring progress towards resolution. This tool will also enable the farm to analyze the grievance information and use it to improve operations and proactively prevent future concerns. Hence, this registry will be a critical input to your risk assessment and improvement plan.

Use this log as an example of the type of information that is useful to record about each grievance.

Tool



WHAT: A template to track and register all complaints and suggestions (grievances).

HOW: Use to apply the lessons from Chapter 4 (Section 4.5) of Palma Futuro handbook

WHO: Senior leadership at medium and large palm oil farms.

SCS CATEGORY:

Communicating, Training & Grievance Mechanisms

1. GRIEVANCE IDENTIFICATION NUMBER	
2. DETAILS OF COMPLAINT	
2.1 When it occurred	
2.2 Where it occurred	
2.3 How it occurred	
2.4 Complainant(s)'s story and expectation	
2.5 Date grievance was recorded	
2.5.6 Place/method grievance was received	
3. PROFILE OF COMPLAINANT(S)	
3.1 Gender (optional)	
4. CONTACT INFORMATION OF COMPLAINANT(S) OR REPRESENTATIVE	
4.1 Anonymous (Y/N) Through a representative (Y/N)	
4.2 Phone	
4.3 Email	
4.4 Address	



5. COMPLAINT ACCEPTED (Y/N)		
5.1 COMPLAINT NOT ACCEPTED		Check relevant box
5.1.1 Action taken	Clearly not related to the operations of the organization – rejected (outright rejection of a complaint should never be the first choice and only if clearly not related to organizational processes – such as a complaint about a domestic dispute with a colleague)	
	Labor-related grievances – transfer to Human Resources	
	Commercial disputes – transfer to commercial dispute resolution mechanisms or civil court	
	Related to governmental policy and institutions – transfer to authorities	
	Other	
5.1.2 Complainant notified (Y/N)		
5.1.3 Method of notification		
5.1.4 Date of closure		
5.2 COMPLAINT ACCEPTED		Check relevant box
5.2.1 Category of complaint	Child Labor	
	Forced Labor	
	Occupational Health and Safety	
	Freedom of Association	
	Discrimination	
	Disciplinary Practices	
	Working Hours	
	Wages and Benefits	
	Regular Employment	
	Supervisor(s)/Management	
5.2.2 Photos and documentary evidence of legitimacy		
5.2.3 Resolution	First Internal Responsible people/division:	
	Second: Multi-stakeholder oversight body	
	Third: Independent mediation	



5.2.4 Resolution/corrective action taken, including measures to protect complainant from retaliation	
5.2.5 Complainant notified (Y/N)	
5.2.6 Method of notification	
5.2.7 Complainant(s) satisfied or appealed	
5.2.8 Photos and documentary evidence of closure	
5.2.9 Resources spent	
5.2.10 Date of closure	
5.2.11 Number of days from complaint to closure	
6. POST CLOSURE MONITORING REQUIRED (Y/N)	
6.1 Method and frequency of monitoring required	
6.2. Follow-up monitoring to ensure that complainant has not been retaliated against	
7. PREVENTIVE MEASURES TO AVOID RE-OCCURRENCE	
7.1 Suggested preventive actions	

Click here to [download](#) a blank registry for complaints and suggestions



Tool



WHAT: Guidance on how to effectively communicate with and gather feedback from employees through surveys.

HOW: Use to apply the lessons from Chapter 4 (Section 4.5) of the Palma Futuro handbook

WHO: Senior leadership at a medium and large palm oil farms

SCS CATEGORY:

Communicating, Training & Grievance Mechanisms

5.4 WORKER SURVEYS

INTRODUCTION

Worker communication is key to successfully implementing Social Compliance Systems. Workers must understand what your farm stands for and has committed to. They must understand what role they play in the process and what rights they have within the system. This requires significant time and effort in training, guidance, and other forms of engagement.

At the same time that you are striving to share information with workers, you also need to be collecting information from them. To effectively understand your risks and successes, worker input must be incorporated at multiple points of your SCS. Your workers often know best whether a program you have implemented has an impact and where significant risks to your business and performance are coming from.

INSTRUCTIONS

The present tool includes a Sample Communication Survey (5.4.1) and a Sample Topic-Specific Survey (5.4.2). Both are types of surveys that should be conducted regularly among your workers and employees. The results of worker surveys should feed back into your overall monitoring of risks (Tool 2.3) and ultimately the development of your Improvement Plan (Tool 7.4.2). You can also use the results of worker surveys to help you prioritize training topics (Tool 5.1) that would be most valuable to workers.

5.4.1 SAMPLE WORKER SURVEY

Below is a sample communication survey that you can conduct at your farm. This is one form of worker communication among many that could be used to elicit worker feedback on your systems. Worker surveys should be relatively short, anonymous, and performed regularly to help you understand how your performance is improving (or not). Please use this example as an inspiration for designing your own survey tied to your organization's goals.

The survey has mostly simple yes/no questions so that it is easy for workers to understand and complete, and easy for you to compile and analyze the responses. We recommend working with worker representatives to adapt and conduct the survey so that the survey asks the relevant questions and workers are encouraged to respond. We also recommend that you aim for 10-15 questions.

WORKER SURVEY		
1	Please indicate your gender.	Man Woman Other Prefer not to say
2	How long have you worked at your current company?	# of years:
3	Are you a permanent employee or external contractor?	Permanent employee External contractor Not sure
4	Do you have a clear understanding of your contract with this company?	Yes No Not sure
5	Do you have a clear understanding of your company's labor policies and how they relate to you?	Yes No
6	If you have an idea for improving your company's operations, is there someone you can talk to that you think would take you seriously?	Yes No
7	Is there a way for workers as a group to discuss issues and concerns with management?	Yes No Not sure
8	If you have a problem at work, is there a manager other than your supervisor, to whom you can speak and submit a complaint?	Yes No Not sure
9	If someone files a complaint, do you think that the management would resolve it fairly and without retaliation?	Yes No
10	If someone files a complaint, do you trust management to keep it confidential?	Yes No
11	Does the company provide training to improve your job skills, so that you can make more money or get promoted?	Yes No
12	Have you received training on workplace health and safety and proper use of machinery?	Yes No
13	Have you received training on wages, benefits, and how pay is calculated on your pay stub?	Yes No
14	Have you received training on labor policies such as discrimination and discipline?	Yes No
15	Please describe any concerns or ideas that you have for improving working conditions in your company.	Yes No

Click here to [download](#) a sample survey



5.4.2 SAMPLE TOPIC-SPECIFIC SURVEY

Topic-specific surveys of employees should be conducted often and cover all relevant labor performance elements e.g., discrimination, freedom of association, etc. - but especially pressing topics. For example, if your internal audit and grievance mechanism system uncovered instances of discrimination, a topic-specific survey on discrimination could be conducted to investigate the issue further.

In the example provided below, the pressing topic was the COVID-19 pandemic. You can tailor your survey based on the developments of the day.

This is not a complete survey. Your company can adapt the questions to assess your identified risks in more depth.

Categories	Questions	Answer Options
Company Location	In which department is your company located?	1. Magdalena 2. Cesar 3. Other
Gender	What is your gender?	1. Male 2. Female 3. Prefer not to say
Age	How old are you?	Please enter your age
Impact of COVID	Where has COVID-19 had the most significant impact for you?	1. On my farm/business 2. On my health 3. On my finances 4. On my family 5. On my mental health 6. All of the above 7. It has not impacted me
Impact of COVID	How else have you been affected by COVID-19?	1. On my farm/business 2. On my health 3. On my finances 4. On my family 5. On my mental health 6. It has not impacted me in other ways
Business relationships	Have your business relationships with buyers changed since the beginning of the COVID-19 situation?	1. No, it has stayed the same 2. Yes, lost business 3. Yes, gained business 4. I don't know



Categories	Questions	Answer Options
Income	Were your product/fruit deliveries paid on time in the past six months?	1. Yes, prices are lower 2. Yes, prices are higher 3. No, prices are as expected 4. No, prices are lower 5. No, prices are higher
Income	In your community, have you seen a change in the number of individuals under the age of 18 working since the beginning of the COVID-19 situation?	1. Yes, always on time 2. Sometimes on time 3. Never on time 4. I don't know
Child Labor	In your community, have you seen a change in the number of individuals under the age of 18 working since the beginning of the COVID-19 situation?	1. Yes, it has increased 2. Yes, it has decreased 3. No change 4. I don't know
Training	In which areas do you need more information?	1. Hygiene and prevention measures for my business 2. Hygiene and prevention measures at home 3. Access to medical services 4. Labor rights 5. Government aid programs 6. All of the above 7. None of the above
Business security	Do you fear that the COVID-19 situation could lead to negative effects for your business in the future?	1. Yes 2. No 3. I don't know
Supplies	Do you have the appropriate hygiene supplies to limit the spread of Covid-19 on your farm (for example: clean water, soap, single-use towels, and PPE)?	1. Yes, I have appropriate supplies and provide them to workers free of charge 2. I have some, but not all needed supplies 3. I do not have the appropriate supplies 4. I don't know
Participant Type	What is the size of your farm according to the number of hectares?	1. From 0 to 50 Hectares 2. From 50 to 100 Hectares 3. More than 100 Hectares

Click here to [download](#) a sample survey



5.5 DIRECTIONS TO EMPLOYEES ON HOW TO SUBMIT GRIEVANCES

Tool



WHAT: Guidance to be posted next to your comments and suggestions (grievances) box to instruct employees on how to use it.

HOW: Use to apply the lessons from Chapter 4 (Section 4.5) of the Palma Futuro Handbook

WHO: Senior management, human resources, and the social compliance/sustainability department at medium and large palm oil farms

SCS CATEGORY:

Communicating, Training & Grievance Mechanisms

INTRODUCTION

Your employees should always have a clear, confidential, transparent, and accessible process for submitting complaints and suggestions for management review. This includes providing clear directions next to the station where grievances are collected that instructs employees on how to submit them. You should use the tool in conjunction with Tool 5.3 and Procedure Template 3A.03.

INSTRUCTIONS

Post this sign next to where you collect complaints and suggestions. You can adjust it depending on the type of receptacle your facility uses. Be sure to keep pens nearby for your workers to fill out their comments and suggestions forms!

Complaint and Suggestion Box

TO ALL WORKERS, EMPLOYEES, & SUPERVISORS

You can submit any complaints, suggestions, or general feedback you have for our company here.

Simply take a blank complaint and suggestion form, fill it out, and insert it in the box.

Your feedback can be anonymous if you choose for it to be so – simply indicate that you would like to remain anonymous on the form.

We will review and address your concerns as quickly as possible.

Thank you for contributing to the continuous improvement of our facility!



Visita de SAI - Palma Futura
» Capacitación equipos
» Evidencias Fotográficas - Buenas prácticas

6

INTRODUCTION TO MONITORING AND INDEPENDENT REVIEW

Effective monitoring and independent review not only help you understand your current labor performance, they also provide insight about the effectiveness of your management system. The information gathered through audits and other forms of monitoring provide a baseline for action.

This chapter includes 2 tools:

6.1 INTERNAL AUDITING CHECKLIST

Checklist that covers all the processes and content of an internal audit.

6.2 SAMPLE SCS ASSESSMENT

A comprehensive sample social compliance assessment with automated features. This assessment measures the maturity of your social compliance system, while the internal auditing checklist is a more general assessment that goes beyond the SCS framework.

The tools in this chapter should be used to implement the lessons learned from the Palma Futuro Handbook's corresponding Chapter 4.6.



6.1 AUDITING GUIDANCE FOR INTERNAL SOCIAL COMPLIANCE AUDITORS

INTRODUCTION

Internal auditing is one way of monitoring the viability and efficacy of your company's social compliance system. In internal audits, qualified personnel that are independent of the operations in a given department conduct a systematic review, or assessment. A regular internal audit program supplements ongoing monitoring activities and helps gain objectivity. Internal audits focus on whether the monitoring program itself is operating as it should and if the policies, procedures, and controls in place are adequate and effective.

Use this tool in conjunction with the accompanying Social Compliance System assessment (Tool 6.2), which provides a comprehensive set of questions to assess management system categories and labor elements.

INSTRUCTIONS

This document can be used to guide your internal auditors as they conduct an internal audit of your farm.

Your farm can use different methods for your internal audits, depending on the process that feels most intuitive. You can either organize the review by management system categories, asking questions about each labor performance element for each category. Or you can review by labor elements, asking questions about each management system category as you go.

Tool



WHAT: Internal auditing checklist that covers all the process and content of an internal audit

HOW: Use to apply the lessons from Chapter 4 (Section 4.6) of the Palma Futuro Handbook

WHO: A representative with sufficient auditing training ideally comes from the sustainability department. If that person is not from the SPT, a member of the SPT should also be involved in the process.

SCS CATEGORY: Monitoring and Independent Review





A. Audit Preparation

- ☐ Review internal audit reports or any other internal labor performance reports generated by the farm for the previous two years.
- ☐ Review any government inspection reports, third party audit reports etc.
- ☐ Collect corrective action plans generated from previous audits (internal and external) and review the status of each action item that was agreed upon. Are all closed out? Focus review on open items and the underlying reason(s) for incomplete status, and ensure that the audit considers the underlying issues for the upcoming audit. Focus should be on the underlying factors that prevent completion.
- ☐ Research and refer to current local labor and human rights laws and regulations
- ☐ Basic labor code issues: (i) regular weekly work hours, (ii) labor contract provisions, (iii) rest periods, lunch, etc., (iv) overtime requirements, limits and exceptions, (v) hour averaging and banking hours, (vi) minimum wage, (vii) social system payment liability, (viii) annual leave, (ix) laws to protect disadvantaged workers, (x) severance pay.
- ☐ Review the requirements of your labor policy or code of conduct and international standards
- ☐ Review your stakeholder engagement plan and records of grievances by external stakeholders. If possible, meet with local stakeholders, including NGOs, trade unions, and government ministries.
- ☐ Research and understand the national and local context of labor union rights and activity, local environmental groups and community activist organizations.
- ☐ Schedule sufficient time to conduct the scope of the audit. Announce the availability of confidential meeting schedules with employees; schedule, arrange and conduct while protecting employee confidentiality.



B. Introductory Meeting with Management

- ☐ Meet with the senior management and department managers before conducting audit activities to review any SCS issues, your code of conduct/labor policy and the purpose of the audit.
- ☐ Share an agenda for the meeting and itinerary with senior management and department managers.
- ☐ With department managers, review the prior audit report and performance to date in meeting Corrective Action Requests.
- ☐ Discuss non-retaliation against cooperating workers; inform management that future audits will include reviews of the continued employment of workers interviewed.



C. Operational Walk-Through

- ☐ Conduct operation walkthrough following the flow of production from harvest to delivery of raw materials to extractor plants. Refer to previous relevant physical walk-through assessments of the worksite; determine if all previous nonconformance/action items are closed out; if not, why not?
- ☐ Minimize the number of department managers and supervisors that accompany you on the walk-through. One or two escorts based on knowledge/responsibilities are usually sufficient.
- ☐ During the walk-through, be aware of your body language and the message this sends to workers; ensure that you are equipped with/wearing the same PPE required of employees.
- ☐ Take note of all things observed that require attention.
- ☐ Verify that fire exits in buildings (e.g. storage or maintenance areas, administrative buildings, etc.) exist and open on demand; no means to prevent exit; panic bars in good working order; clear egress once exit opened; emergency exits clearly marked; nearest exits clearly marked; hose cabinets equipped with hoses, nozzles, etc.; prohibited areas clearly marked; electrical cabinets closed and sealed; lockout tag out procedures and tools (tags, locks, warning labels and signs) clearly available near electrical cabinets; first aid cabinets and equipment; emergency lighting; emergency preparedness and evacuation plans in place; and that employees are trained on using these.
- ☐ Indoor working conditions should be verified for adequacy if there is potential for risks such as heat, light, noise and dust. Use measuring devices to determine air quality, noise level, temperature. This is a good/easy thing to do.
- ☐ Following the worksite walk-through, conduct a walk-through of the dormitory facilities, canteens, washrooms, changing rooms if relevant. Note the condition and adequacy of these areas.
- ☐ Identify all instances of non-conformance issues for supervisors and department managers during the walk-through.
- ☐ Suggest best practice to supervisors and managers during the walk-through.
- ☐ Give sufficient attention to all SCS elements during the walk-through.
- ☐ If potentially underage workers are identified during the walk-through, follow-up to investigate through interviews and document review
- ☐ Pay special attention to areas identified in previous corrective action requests.



D. Interviewing Workers

- ☐ Select at least 5% of workers, max. 100 workers. Conduct individual and group interviews for balanced response.
- ☐ Select workers who are representative of the workforce population (gender, race, age, religion, functional departments, etc.).
- ☐ If the company has contracted or migrant workers, make sure to include them as well.
- ☐ Do not allow supervisors or managers to influence the selection of workers for interviews or the interviews.
- ☐ Conduct on-site interviews in areas that protect worker confidentiality and where the worker would feel comfortable. Make sure supervisors or managers are not in or near the space where the interviews are conducted.
- ☐ Conduct interviews early in the audit to allow for follow-up.
- ☐ Make sure to tell the workers that everything they say is confidential and that management has been warned against retaliation.
- ☐ Ensure sensitivity to cultural and gender issues.
- ☐ Plan for an average of fifteen minutes per interview; however, use common sense in terminating interviews that are becoming nonproductive and extending interviews with people who are candid or openly addressing critical issues.
- ☐ Formulate questions prior to the interviews to make sure you cover all specific areas of the SCS through the aggregated interviews.
- ☐ If you plan to take notes, ask the workers if it is OK and clearly explain reason for taking notes. Try to minimize note taking as much as possible during the interview. Finish writing your notes immediately after the interview, so you have accurate documentation.
- ☐ Have your worker representatives recommend a preferred approach to building rapport with workers.
- ☐ Ask workers specifically about follow up on previous corrective action plans
- ☐ Make sure your questions address the following (at minimum):

LABOR ISSUES

- ☐ Do workers know about and understand your policies related to labor and working conditions?
- ☐ Do workers understand their rights under the law related to freedom of association and collective bargaining?
- ☐ Do workers understand how their wages are calculated, for base time, performance and overtime?
- ☐ Are workers aware of any dismissal, transfer, demotion or other punitive action against workers due to their exercising their rights under either their contracts or local or national law?
- ☐ Ask workers about the status of trade unions, worker committees or other worker groups in the plant and whether there is management interference.
- ☐ Ask questions to determine conformance to discrimination and sexual harassment policies.
- ☐ Do workers understand the company's grievance mechanism, and do they feel it is operational and free from retaliation?

OCCUPATIONAL HEALTH AND SAFETY ISSUES

- ☐ Do workers feel safe and protected in their jobs? For example, are they provided with PPE that is appropriate and works? Is their physical environment free of hazards? Are they expected to reduce physical hazards or are engineering controls in place? Are there job hazards assessments done routinely and when the processes or materials change? Have issues submitted through the complaints management and resolution mechanism been addressed?
- ☐ Do they feel there is adequate safety equipment, such as extinguishers/hydrants and first aid kits? Are there sufficient safety drills if an emergency, such as a typhoon, flood or wind storm, were to occur and necessitate an evacuation from buildings? Witness the emergency mock drills and make note of shortcomings; ask an employee to pretend he/she has just been injured and explain what to do next.
- ☐ Are they instructed and trained on these risks at regular intervals?
- ☐ Have any workers been involved in accidents at the facility and, if so, what happened afterwards?
- ☐ Is the environment comfortable to work in, in terms of exposure to heat and sun?
- ☐ Do they feel that chemicals, waste and other substances are stored or disposed of safely and appropriately at the facility? Is there sufficient access to Material Safety Data Sheets (MSDSs) and/or International Chemical Safety Cards (ICSCs) and appropriate training in their use? What is the management's response to any issues expressed through the complaint management and resolution mechanism?
- ☐ Do they feel toilets and lockers are maintained properly? Are they provided with water?
- ☐ If the you employ contract workers, make sure to ask questions that address possible violations and areas of abuse, such as: Do you feel different from a permanent employee? Why?
- ☐ Conduct some worker interviews off-site if possible.

E. Interviewing Affected Communities and Other Stakeholders

- ☐ The stakeholder mapping exercise and stakeholder consultation meetings should help identify the relevant population that is affected or affected by your company and its activities.
- ☐ Select a sample of individuals that represents the views of this affected community such as local villagers and small landowners. This group may include members of the public as well as NGOs, campaign groups, trade unions, local businesses and government authorities. If possible, target NGOs that are industry-specific.
- ☐ Gauge awareness of the grievance mechanism. Has it been tested? Does it work? Does the company utilize it in practice or ignore it? Is it taken seriously?
- ☐ Be sure to include representatives from indigenous or marginalized groups in these interviews.
- ☐ Make sure your questions address the following:
 - ☐ How have the farm's operations affected the physical environment (air, water, land) near them?
 - ☐ Have any health risks or deterioration to well-being been associated with the farm from exposure to pesticides, air emissions or noise pollution?
 - ☐ Have these affected groups had any clashes with security hired at the farm?
 - ☐ Have any of these groups been approached or invited by the farm to discuss their concerns at meetings?
 - ☐ Have any of their grievances been addressed or investigated? Has the farm followed up on questions?





F. On-site Document Review

- ☐ Select personnel files, time cards and payroll records without management interference
- ☐ Select files and/or records at random to generate a representative sample of the workforce population and functional distribution on the plant. Seek some files to corroborate interviews conducted earlier.
- ☐ Make sure you review the relevant documents for the following areas:
 1. Human resources: Management-worker committee meeting minutes, memos and letters, budgets related to implementing labor policy, training material, logs and curricula or written communications to workers that address all issues, training records and instructor qualifications.
 2. Working conditions: Contracts for all workers; policies and procedures related to wages, benefits, hours and leave; evidence of communication and training on wage calculation; personnel files; time cards; payroll records and pay stubs (selected without management interference); criteria used to set performance pay bonuses; and employment and termination records.
 3. Are employee payment methods secure? Are employees able to have payments deposited into an account? Are they paid in cash at the facility (which can lead to significant risks during the trip home)?
 4. Collective bargaining: Collective bargaining policy, agreement and documentation (such as minutes and records of collective bargaining sessions).
 5. Discrimination: Discrimination policy; related procedures; documentation handling discrimination issues; diversity training and attendance log; hiring, promotion and termination records; gender demographics in facility at worker and manager levels.
 6. Retrenchment: Policies and procedures for workforce reduction, severance and transition; documentation of prior workforce reductions; minutes of management meetings and communications to workers on this issue.
 7. Complaint management and resolution mechanism: Documented procedure, communications, records and logs of grievance handling.
 8. Child labor: Procedure for age verification, documentation of apprentice program, birth and medical records and school records of workers.
 9. Forced labor: Employment contracts (as well as for those workers hired through recruitment agencies), payroll records, time-sheets and wage deduction, worker passports and IDs.
 10. Health and safety: Accident and medical treatment logs, equipment safety logs, logs of fire and safety drills, health and safety risk analyses, government health inspection reports, safety certificates and training curriculum and logs, and evidence of changes to all of this when company processes, methods, chemicals, materials are changed, reordered, etc.
- ☐ Balance your time and effort investigating all areas of labor standards at work. Document review is particularly critical for wages, working hours, health and safety, use of sub-contractors, hiring and termination.
- ☐ If the company employs contract workers, address potential areas of abuse in the document review. Specifically review the contract with the workers.
- ☐ Identify all significant incidences of non-conformance in preparation for your management



G. Closing Meeting with Management

- ☐ Conduct a closing meeting with senior management and supervisors.
- ☐ Present your preliminary findings with particular emphasis on the positives as well as areas for improvement. All new and previously existing non-conformances must be addressed. Seek clarification on any findings or issues raised during the audit.
- ☐ Work with department managers and supervisors on a corrective action plan that details specific actions to be taken and timelines for their completion
- ☐ Go over any outstanding corrective action requests from previous audit reports.
- ☐ Make sure senior management signs off on the corrective action plan.
- ☐ Identify all significant incidences of non-conformance in preparation for your management meeting.

6.2 SAMPLE SCS ASSESSMENT

INTRODUCTION

An assessment of your social compliance system is a targeted way to identify deficiencies in your management system components and your labor elements. Like with the internal audit, you can tailor this based on your risk assessment: if you find that the severity of our occupational health and safety risks are high, for example, you can use OHS tab of this assessment. This sample assessment offers you an assessment framework for each of the management system categories and each of the labor elements. It also gives you space to record the SCS scores during both a baseline and a final assessment, as per the Palma Futuro three-step assessment methodology: (1) assess the baseline status of your SCS, (2) implement improvements to the issue-areas (using the tools in toolkit Chapter 7, Correcting and Remediating, if you like), and (3) conducting a final assessment using the same framework as the baseline to measure improvement.

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Photography: Palma Futuro Project, funded 100% by the United States Department of Labor

7

INTRODUCTION TO CORRECTING AND REMEDIATING

Once you have identified your SCS's areas of improvement through your risk assessments, stakeholder engagement, grievance mechanisms, and monitoring, you will need to correct those issues. This requires both daily management of corrective actions as well as longer-term improvement planning.

To help you with both, this chapter includes 6 tools:

7.1 ROOT CAUSE ANALYSIS EXERCISE

An exercise for identifying the root causes of identified issues and gaps. This should be applied to the corrective actions submitted and logged in the following 2 tools. Corrective actions that are based on good root cause analysis prevent issues from reoccurring and strengthen your SCS.

7.2 CORRECTIVE ACTION TEMPLATE

A template for logging individual corrective actions.

7.3 REGISTRY OF ALL CORRECTIVE ACTIONS

A registry for consolidating and tracking progress on all of your corrective actions. This registry will be used for daily management of the status of your corrective actions.

7.4 IMPROVEMENT PLANNING

Guidance for how to build and manage your improvement plan. This includes a sample improvement plan template to consolidate and address SCS issues from a wide range of sources: Risk Assessment, Internal Audit, External Audit, SCS Assessment, Process Map, Physical Map, Grievance Mechanism, and/or Stakeholder Engagement. This improvement plan template will be used for longer term improvement tracking.

7.5 STEP APPROACH REMEDIATION (CHILD LABOR REMEDIATION)

Guidance for how to address and remediate child labor if it is encountered within your facility or supply chain.

The tools in this chapter should be used to implement the lessons learned from the Palma Futuro Handbook's corresponding Chapter 4.7.



7.1 ROOT CAUSE ANALYSIS

EXERCISE

Tool



WHAT: An exercise for identifying the root causes of your deficiencies

HOW: Use to apply the lessons from Chapter 4 (Section 4.7) of the Palma Futuro Handbook

WHO: Senior management, human resources, and the social compliance/sustainability department at medium and large palm oil farms

SCS CATEGORY: Correcting and Remediating

INTRODUCTION

Once you have identified and prioritized your risks, you will need to identify their underlying root causes. The root causes are often ingrained structural issues with an aspect of your management system that are not explicitly apparent. A root cause analysis requires you to think critically about issues you have identified. While it may not be intuitive at first, it will become second nature with practice. It is worth committing to this process; doing so will ultimately save your farm time, money, and resources. It is common for the same problems to keep coming up unless the root cause is addressed. While short-sighted, easier strategies might get your farm through the next audit, they are not meaningful, sustainable solutions.

One common didactic strategy for approaching root cause analysis is the “5 whys” technique: consider the main problem and then ask “why?” five times in response to the issues that emerge. With each successive “why,” you will gain a deeper understanding of the underlying systemic factors that caused the problem. The tool instructions below encourage you to use this analytical framework.

PRE-ROOT CAUSE ANALYSIS

This root cause analysis tool can be used to identify the root causes of issues gathered from a variety of sources prior:

- Internal audits (see Tool 6.1)
- External audits
- Risk assessments (see Tool 2.3)
- SCS Assessment (see Tool 6.2)
- Process & physical mapping (see Tools 2.1 and 2.2)
- Grievance mechanisms (see Tool 5.3, and Procedure Template 3A.03)
- Stakeholder engagement (see Tool 4.2)

POST-ROOT CAUSE ANALYSIS

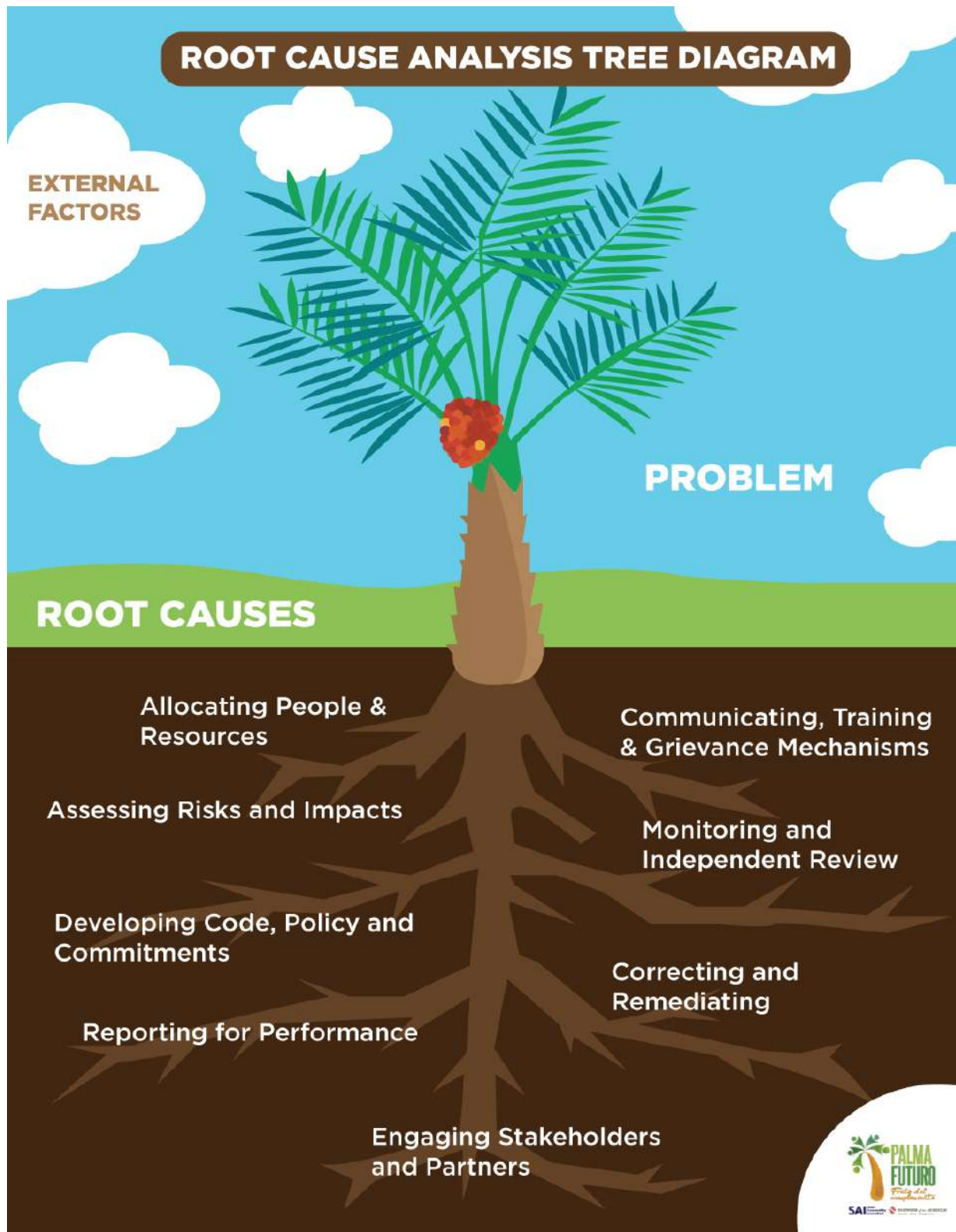
This root cause analysis is followed by the development of a corrective action plan (see Tools 7.2 and 7.3) and/or improvement plan (see Tools 7.4.1 and 7.4.2) for addressing the root causes you identify. All the information you gather throughout this exercise will directly feed into these plans – so it is important you spend time, energy, and resources on completing it.

It is important to consult your root cause analysis frequently to ensure your company is addressing them.

INSTRUCTIONS

This exercise should be done by the Social Performance Team (SPT) or by a team that is relevant for the problem/risk being analyzed. For example, if your company has an Occupational Health and Safety (OHS) team, they should conduct the root cause analysis for OHS-related issues. It should be repeated for every issue that you have identified and prioritized.





Use the template tree diagram included beneath the instructions as you go.

STEP 1. As a group, identify the problem, drawing on information gathered from any one of the variety of sources listed above (risk assessment, and so forth). Write it in the “Treetop” text-box of the tree diagram.

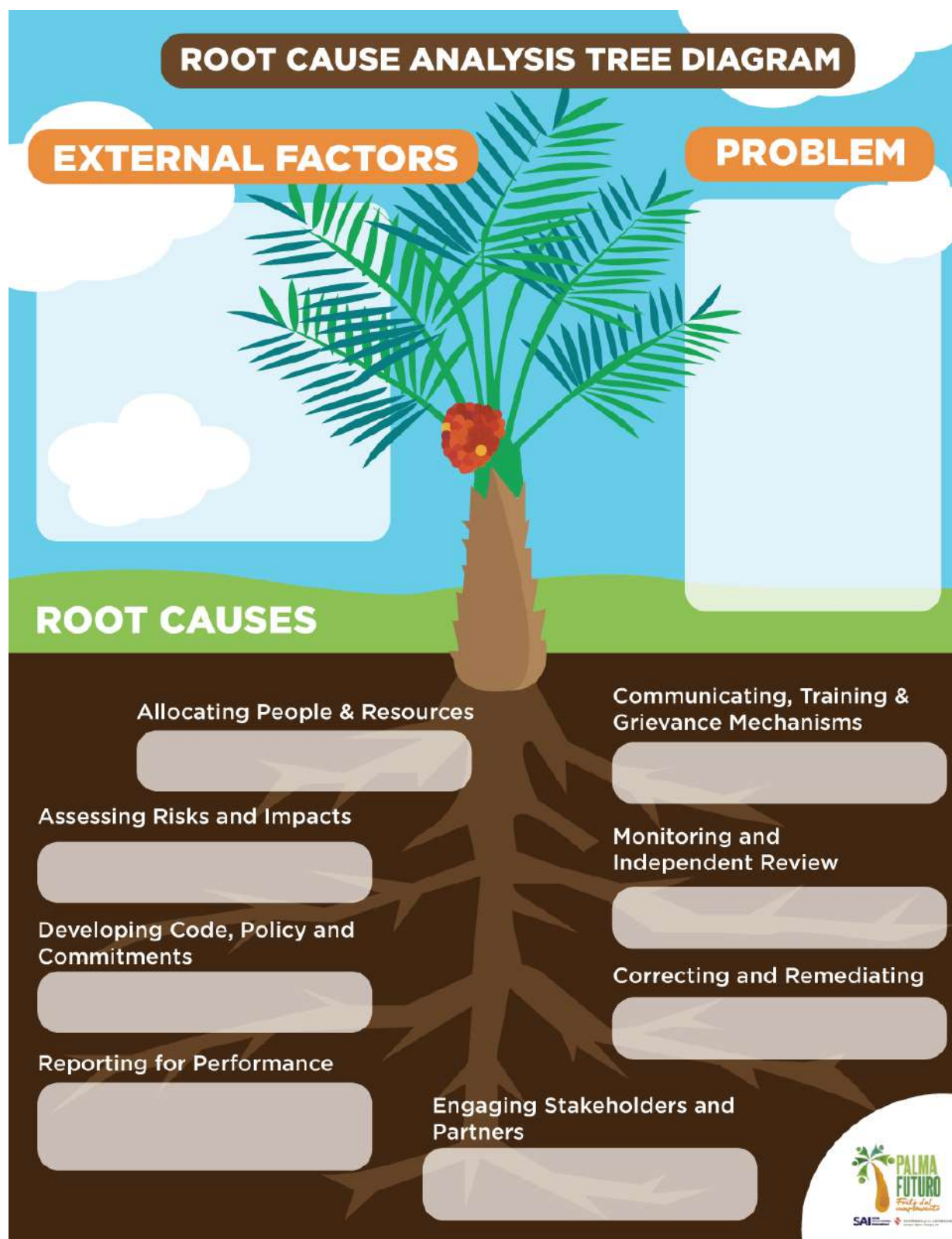
STEP 2. Individually brainstorm the causes of that problem. List as many causes as possible. For example, if the problem is workplace injuries, potential causes include: workers are not trained on how to use machinery properly; the company OHS policy is not written in the language understood by workers; personnel do not wear PPE.

STEP 3. Come back as a group. Collect and organize all the individual responses and see where there is consensus and where there is divergence. Consensus is good, but there may be times when just one person identifies an important cause, and that should not be overlooked. Together, consolidate all the causes identified into 1 list.

STEP 4. Identify which Management Systems category the cause is associated with (all categories are in the tree below). Write each cause in the tree diagram under the corresponding management system root. Also identify potential external factors – that is, factors that are not the fault of your internal management system, like COVID-19 or fluctuations in the price of palm oil – and write it in the External Factors box.

STEP 5. Try doing the 5 why’s for one of the causes. For example, if the cause is that personnel don’t wear PPE, think deeper about why. Perhaps the answer will be that personnel don’t wear PPE because it’s uncomfortable, or perhaps it’s because the company does not provide a variety of sizes that are needed by personnel, or perhaps wearing PPE slows the individual down significantly, negatively impacting their wage (if working on a piece-rate system). After doing the 5 why’s you should reach the root cause, of which you can then determine a potential solution. You will need to transfer these potential solutions over to your corrective action (see Tools 7.1 and 7.2) and/or improvement plan (see Tools 7.4.1 and 7.4.2) and develop steps to move towards it.





7.2 CORRECTIVE ACTION TEMPLATE

INTRODUCTION

Correcting the issues and gaps in your social compliance system is an important part of improving labor conditions and enhancing management system capacity. Your company, your workers' conditions, and your compliance with national and international standards depend on your ability to remediate the issues you identify. To do so, you will need to create corrective action plans for each area of social compliance where your company falls short of the standard.

Click here to [download](#).

Tool



WHAT: A template for logging individual corrective actions

HOW: Use to apply the lessons from Chapter 4 (Section 4.7) of the Palma Futuro Handbook

WHO: Senior management, operational managers, human resources, and the social compliance/sustainability department at medium and large palm oil farms

SCS CATEGORY: Correcting and Remediating



7.3 CORRECTIVE ACTION REGISTRY MATRIX

Tool



WHAT: A registry for consolidating and tracking progress on all of your corrective actions.

HOW: Use to apply the lessons from Chapter 4 (Section 4.7) of the Palma Futuro Handbook

WHO: Senior management, human resources, and the social compliance/sustainability department at medium and large palm oil farms

SCS CATEGORY: Correcting and Remediating

INTRODUCTION

Having a consolidated document with all of your corrective actions (Tool 7.2) can help you manage all the violations, identify patterns in where your company is falling short of social compliance standards, and track progress.

This Corrective Action Registry Matrix is designed to help your company's day-to-day management of all violations, while the Improvement Plan – included later in this chapter – is designed for longer-term progress tracking and planning.

Use this form as a cover sheet to compile the individual Correction Action Plan forms at your company. This is a handy reference to give you a quick overview of the outstanding issues, the progress being made and where to focus your attention. During internal audits (Tool 6.1) and management reviews (Tool 1.2), you should review this document so you are aware of outstanding issues.

[Click here to **download**](#)



7.4 IMPROVEMENT PLANING

INTRODUCTION

An Improvement Plan consolidates all the social compliance issues identified throughout your Social Compliance System (SCS) assessment process. While the Registry of Corrective Actions consolidates your identified violations the improvement plan serves as a detailed work plan of system changes to reduce risks (preventive actions) and drive continual improvement in your SCS. The Registry of Corrective Actions is intended to be used for day-to-day compliance management while the Improvement Plan is meant for longer-term risk management.

INSTRUCTIONS

This tool (7.4.1) provides step-by-step instructions for how to utilize the Improvement Plan Template (Tool 7.4.2) You can tailor the Improvement Plan to focus on certain labor elements or management systems categories based on the risks that are most severe per your Risk Assessment or the areas in need of the most improvement per your Internal Audit or Social Compliance System Assessment. The purpose of the improvement plan is to give you a framework for tracking to successfully improve a given issue.

I. ISSUE IDENTIFICATION

1. Consolidate all the priority issues identified throughout your social compliance assessment process into the management system category or labor element they most closely align with. These issues can come from a number of assessment and monitoring sources:

- a.** Process Map (Tool 2.1)
- b.** Physical Map (Tool 2.2)
- c.** Risk Assessment (Tool 2.3)
- d.** Training evaluations (Tool 5.1)
- e.** Complaint or Suggestion submitted through a grievance mechanism (Template 3A.03 Template for Submitting Complaints and Suggestions, Tool 5.3)
- f.** Worker Surveys (Tool 5.4)

Tool



WHAT: Guidance for how to build and manage your improvement plan.

HOW: Use to apply the lessons from Chapter 4 (Section 4.7) of the Palma Futuro Handbook

WHO: Senior management, human resources, and the social compliance/sustainability department at medium and large palm oil farms

SCS CATEGORY: Correcting and Remediating.



- g. Stakeholder feedback (Tools 4.1-4.3)
- h. Internal or External Audit (Tool 6.1)
- i. Social Compliance Assessment (Tool 6.2)

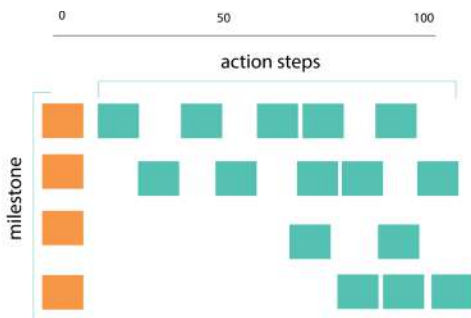
2. Fill out the information about that issue, including the source (from one of the above list, or from elsewhere), the SCS score (Tool 6.2) if applicable, and the root causes, as identified using your Root Cause Analysis (Tool 7.3)

3. Determine the objective of your improvement process for that issue. For example, if the issue identified is that workers are not familiar with workplace regulations, the objective could be to implement a progressive training program.

II. REMEDIATION ACTIVITY BRAINSTORMING AND IDENTIFICATION

As a group, ideally within the SPT, determine a remediation activity or set of activities that would get at the root of that problem - I.e., the meat of your improvement plan. It is important that the specifics of your improvement plan be developed by your team and not prescribed by an outsider. **Below is an activity that we recommend the SPT use to facilitate the brainstorming process. We recommend using sticky notes and a flip-chart for this activity.**



Step	Details (these are examples, not an exhaustive list)
Step 1: Brainstorming Ideas	Work individually to identify 3-5 activities your team will need to implement to achieve the objective identified in Step 3 above. Write out each idea on a sticky note, one idea per note.
Step 2: Defining Milestones	As a team, sort through all of the ideas. Group similar ones into piles.
Step 3: Refining your Objectives	<ul style="list-style-type: none"> As a team, identify these piles. Title each pile with a complete sentence in the past tense. Make this as detailed as possible: how many? How much? How often? Who? These will become your milestones. For example: Pile title: "Training" First iteration: Conducted training on new safety policy More detailed iteration: Conducted training for at least 500 workers on new safety policy Most detailed iteration: Conducted 3 training sessions on new safety policy for at least 500 workers.
Step 4: Creating Detailed Steps for Improvement	<p>Now, in-sub groups:</p> <ol style="list-style-type: none"> Pick 1 milestone and put it on the far left-hand side of a blank flip chart. Identify 6-8 action steps that will lead to this milestone One action step per sticky note <p>Place these action step sticky notes in the order in which they would have to occur from left to right, with the earliest ones further left and the successive ones to the right of it. You are creating a timeline. Assign 1 (and only 1) person to each action step. Use their name, not the title or department. The person should be on the SPT. All team members should be assigned action steps.</p> 

7.4.2 IMPROVEMENT PLAN TEMPLATE FOR MEDIUM AND LARGE PALM OIL FARMS

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7.5 STEP APPROACH TO REMEDiation OF CHILD LABOR

INTRODUCTION

A critical requirement of any social compliance system or certification scheme is that there be no employment of children in any manner that is economically exploitative, is likely to be hazardous or to interfere with the child's education, or is likely to be harmful to the child's health or physical, mental, spiritual, moral, or social development. There must be no recruitment of "child labor."

Additionally, a company may not recruit "young persons"—those above the minimum working age between the ages of 15 and 18—for work duties that do not comply with the provisions for young workers in the relevant International Labor Organization (ILO) standards. Production facilities must comply with all local laws and ILO standards regarding the working conditions and restrictions for these "juvenile workers", including:

INSTRUCTIONS

The present tool offers step-by-step remediation measures if an instance of child labor is discovered in your facility or company.

1. ENSURE IMMEDIATE SAFETY OF CHILD AND REMOVAL FROM WORK

- Remove the child from all work immediately.
- Ensure the child is in a safe place.
- Obtain contact details (ideally mobile phone number) of child and parents/guardian and, wherever possible, home address.
- Clarify the true identity and age of the child. Review age documents of the child and verify that they are genuine. If the documentary evidence is inconclusive, checking the age of the child may entail:
 - Communication or meeting with parents/guardians of the child
 - Contacting local labor authorities to validate identification
 - Medical checks to assess age

Tool



WHAT: Guidance for how to address and remediate child labor if it is encountered within your facility or supply chain

HOW: Use to apply the lessons from Chapter 4 (Section 4.7) of the Palma Futuro Handbook

WHO: Senior management, human resources, and the social compliance/sustainability department at medium and large palm oil farms

SCS CATEGORY: Correcting and Remediating

2. DETERMINE ANY POTENTIAL NEGATIVE IMPACTS ON THE CHILD– (e.g. how much school have they missed? Does their family depend on the child's wages?)

- You may provide free food and free and safe accommodation to the child until a remediation program is operational (this can be a relatively lengthy process). In some cases, particularly for children who have migrated for work, either with or without their families, the best interim solution may be to continue to stay in the workplace dormitory (if dormitory accommodation is provided); however this is never a desirable long-term solution.
- You may arrange payment of a stipend to the child during the exploratory phase and throughout the whole remediation program. The stipend should be equivalent to the amount the child was earning while employed, or at least the local minimum wage, whichever is higher. The stipend should be paid weekly or monthly, rather than as a lump sum.
- Contact the parents/guardians to ensure that they understand and agree with the remediation plan and to explain the ongoing provision of stipend, food, and accommodation. Make sure that the parents/guardians do not punish the child for being removed from their job. If necessary, educate the parents about the benefits of schooling/vocational training. With younger children, the active involvement of parents/guardians is particularly important. In cases where parents have sent their child to work, this process of persuasion may be difficult and it is particularly important to ensure that parents are confident that the family's income will not be reduced by participating in child labor remediation.

3. SET A REMEDIATION PLAN TO ENSURE SUSTAINABILITY AND PREVENT RECURRENCE (i.e. ensuring the child does not end up back at work and that the family is taken care of)

- Before starting this phase of the process, identify and establish a remediation team. This team could be made up of representatives from the factory, the agent, local NGOs, trade unions (if applicable) and local experts with the experience and capacity to work with children and their families to identify appropriate solutions. Local partners would have the determination to push the program through at a local level and have the skills to negotiate between the different stakeholders and find a solution that maintains the best interest of the child.
- When applicable, identify and work with existing government or civil society projects already working to tackle child labor.



- Ensuring the child's welfare must be the first priority for any remediation program. The remediation team must understand the specific needs, circumstances, and aspirations of each child and their family and the drivers that pushed the child into work. Specialist support may be needed to understand the full picture. The remediation program must be designed to tackle these specific drivers and to reduce the risk that they push the child back to work again.
- Remediation plans should include both a stipend and should cover the education costs
- Remedial education may be needed to help children who have lost a significant amount of school time and have fallen behind their peers
- Psychosocial support may be needed to support reintegration into new environment
- Community and government engagement may be necessary to address structural issues such as availability of local schools and prevalence of gangs and other security issues, which is a common problem in palm oil regions

4. ONGOING SUPPORT AND MONITORING RESPONSIBILITIES

Any remediation program must include ongoing support and monitoring to ensure that it continues to benefit the child until they reach working age. This should be carried out in partnership with local NGOs, trade unions, or other experts and should not be carried out by the employer that employed the child. Monitoring includes the following elements:

- Monitoring the child's progress at school, exam results, school reports, discussions with teachers, etc.
- Home visits by an independent 'friend' to the child, checking in on their hopes, fears, and ambitions on a regular basis.
- Regular payment of stipend, school fees, and any other expenses. The monitoring findings should then be used to fine-tune the remediation program.





Photography: Palma Futuro Project, funded 100% by the United States Department of Labor

8

INTRODUCTION TO REPORTING FOR PERFORMANCE

Transparency in your Social Compliance System (SCS) is critical for driving progress, supporting accountability, and recognizing achievements toward good labor performance. Reporting on that performance is one way to achieve transparency. This process should be consistent and ongoing, at least on an annual basis. If you do so, it will also save your farm time in having to answer questions from stakeholders.

This chapter includes 1 tool:

8.1 PERFORMANCE REPORTING TEMPLATE

This tool offers a complete guide to a company's Social Performance Team (SPT). It includes four sub-parts: A guide to who you should report to, what you should report, when you should report it, and how you should report it.

The tools in this chapter should be used to implement the lessons learned from the Palma Futuro Handbook's corresponding Chapter 4.8.



8.1 PERFORMANCE REPORTING TEMPLATE

INTRODUCTION

Reporting on your farm activities, specifically your social compliance-related developments, is key to keeping your stakeholders informed and engaged. Both internal and external stakeholders will want to know what actions you are taking to ensure social compliance in your company and supply chain. Reporting on performance is also an effective strategy for showcasing your successes.

Though most reporting is still voluntary, a growing number of consumers, shareholder groups and non-governmental organizations (NGOs) have come to expect companies to share social compliance information with the public – and increasing numbers of companies have undertaken sharing such information to demonstrate engagement and leadership in their policies and programs.

INSTRUCTIONS

The following is a shell of an annual Sustainability/Social Impact Report. This type of report details your farm's corporate social responsibility-related activities, progress, and developments over the course of the previous year – in other words, they detail the activities you have undertaken to establish and/or improve aspects of your social compliance system. It should complement, but not replace, more frequent monthly or quarterly updates and crisis communications.

Tool



WHAT: A guide to building a comprehensive performance report.

HOW: Use to apply the lessons from Chapter 4 (Section 4.8) of the Palma Futuro Handbook

WHO: Senior management, human resources, and the social compliance/sustainability department at medium and large palm oil farms

SCS CATEGORY: Performance Reporting



1. TITLE PAGE AND TABLE OF CONTENTS

Title page

- ☐ Year your company is reporting on
- ☐ Type of report – in this case, a Sustainability and Social Impact Report – which can double as the title of the report
- ☐ A photograph of your farm

Table of contents

- ☐ The organization of the report with page numbers referencing the start of each section

2. INTRODUCTORY LETTER FROM YOUR CHIEF EXECUTIVE(S) AND/OR SUSTAINABILITY/ SOCIAL COMPLIANCE EXECUTIVE

The introductory letter can be framed as a letter to stakeholders, or simply a general “welcome” letter. Regardless of the framing, it should include:

Commitment

- ☐ Your stated commitment to human rights at work and sustainability standards.
- ☐ A reiteration of your company’s vision of creating a safe, sustainable work environment.
- ☐ If applicable, list your sustainability certification memberships – like the RSPO, for example.

Strategy

- ☐ An overview of the types of structures, processes, and policies your company has in place to ensure this commitment is realized. This is where you can introduce your social compliance system and highlight your attention to both labor performance (citing any one, or all, of the nine labor elements) and building a structure to manage the labor standards (citing one, or all, of the eight management systems categories).
- ☐ An introduction to the organizational structure responsible for the internal management of your social compliance system. This may be the Sustainability Department or the Social Performance Team.
- ☐ You could include an anecdote describing one of the affirmative remediation measures you took this year to address a social compliance deficiency.

Annual Progress

- ☐ A general summary of your sustainability and social impact developments over the course of the year you are reporting on. This should include both your achievements and areas of improvement. The latter can include some key take-aways from your risk assessment.
- ☐ A consideration of any challenges your company faced in the implementation of your social compliance system. This could be a recognition that the COVID-19 pandemic exacerbated labor performance across the sector, for example.

Looking Ahead

- ☐ An overview of your future plans for improving or addressing an aspect of your social compliance



3. OPERATIONAL INTERVIEW

A brief section about your operations should be included in case any readers are not familiar with your company.

- ☐ A brief overview of the palm oil extraction process, for those readers who may not be familiar
- ☐ The geographic spread of your operations
- ☐ A breakdown of your supply chain

4. COMMITMENTS

This section expands upon the social compliance commitments you highlighted in the introductory letter. You could structure this section by labor element, or management system component, to ensure that you are reporting on all relevant social compliance information. You could also adhere to a more narrative-style structure, wherein you describe your general commitments and then flow from there.

No matter the structure, you should cite the following as concrete examples of these commitments:

- ☐ Code of Conduct
- ☐ Code of Ethics
- ☐ Diversity and Inclusion Policies
- ☐ Policies governing your labor performance across all nine elements
- ☐ Policies governing your management systems across all eight elements
- ☐ Environmental sustainability commitments

5. SUSTAINABILITY STRATEGY

This is where you describe the different strategies your company takes to improve human rights in your workplace. It is the “how-to” guide to show how you put the commitments into action. This section should cover:

- ☐ Your general business model, with a reiteration of how you weave sustainability into that model. This should include a high-level description of all the “input” sources your company utilizes to identify risks and deficiencies in your social compliance system:
 - **Risk assessments:** an introduction to the methodology, including how, when, and who is responsible for conducting them.
 - **Audits:** an introduction to the methodology, including how, when, and who is responsible for conducting them.
 - **Stakeholder engagement:** an introduction to the methodology, including how, when, and who is responsible for engagement
 - **Grievance mechanisms,** an introduction to the methodology, including how, when, and who is responsible for managing grievances; as well as a high-level summary of the most commonly cited grievances.
- ☐ Your remediation strategies to improve or mitigate deficiencies. This should include both the high-level remediation tools and strategies as well as concrete examples of these tools



being put into action to mitigate the previously listed issues.

- **Corrective actions:** an introduction to the methodology, including how, when, and who is responsible for managing your corrective actions on a day to day basis; as well as an overview of the number of currently open corrective actions.
- **Improvement Planning:** an introduction to the methodology, including how, when, and who is responsible for managing your longer term improvement planning; as well as an overview of the main types of areas to improve on.

6. ANNUAL PROGRESS REPORTING

This section focuses on the developments your company made over the course of the calendar year being reported on. It should provide concrete descriptions of all the issues your company has identified for improvement AND actively worked towards improving in the past year. This should create a consolidated dashboard of all your areas of improvement, which, if you have made concrete improvements, can also showcase your successes.

You can again structure the areas of improvement in this section by labor element or management system component. Your improvement plan can help you with that structure.

Each social compliance-related issue that you worked on improving should have the following information:

- ☐ **The general issue or risk:** Describe the issue or risk concisely.
- ☐ **Source:** List how you identified the risk or issue.
- ☐ **Goal:** Describe the goal that you are working towards.
- ☐ **KPI or other indicator:** If relevant, list the benchmark applied to measure progress made towards addressing this issue.
- ☐ **Work during this past year:** Describe what exactly your company did in the past year to make progress towards improving or addressing the risk or issue.
- ☐ **Future plans:** Describe what you plan to do in the coming year(s) to continue addressing this issue, if it is an outstanding one.



