

Nestlé Human Rights and Rural Development Roundtable

London

Summary of stakeholder feedback

1 About this document

This document provides a summary of stakeholder views as expressed during the Nestlé human rights and rural development stakeholder roundtable held in London on Tuesday 29 April 2014 at the Thistle Barbican Hotel.

2 About the roundtable

The roundtable was organized by Nestlé. The Danish Institute for Human Rights facilitated the panel discussion on Human Rights Impact Assessments, and in particular on the document [“Talking the Human Rights Walk: Nestlé’s Experience Assessing Human Rights Impacts in its Business Activities”](#). SustainAbility acted as rapporteur. It gathered twenty human rights and rural development experts from NGOs, intergovernmental organisations, think tanks, consultancies and trade associations. The aim was to discuss in detail Nestlé’s approach to human rights and rural development, including the nexus between these two topics in the context of Nestlé’s business activities. The agenda and a list of participants are provided in the Appendix.

3 General findings

Stakeholders identified a number of areas where Nestlé might adjust its approach and improve performance. Generally, they would like to see Nestlé:

- Continue to develop and communicate its approach and practices on human rights impact assessments (HRIA) and rural development, serving as an exemplar and supporting improved practices across the industry.
- Strengthen governance of human rights through escalation processes and effective local accountability systems.
- Engage in multi-stakeholder action with industry, civil society, governments and intergovernmental agencies to improve human rights and rural development outcomes.
- Engage with stakeholders to jointly define scope and priorities for human rights and rural development activities.
- Apply a rights-based lens to deepen its HRIAs and align its work in human rights and rural development.

More detail on each of these recommendations may be found below.

4 Human Rights

Nestlé provided an introductory presentation on the Nestlé Human Rights Due Diligence Programme and the Danish Institute for Human Rights provided an overview of the feedbacks received so far ([slides are available here](#)). An invited panel – Peter Frankental, Amnesty International; Adam Greene, Bureau for Employers' Activities, ILO; and Farid Baddache, Business for Social Responsibility – provided their perspectives on Nestlé's Human Rights Impact Assessment (HRIA) process. Messages from the panel included:

- Stakeholder engagement is crucial for respecting human rights. It is important that this engagement happens at the right level within Nestlé, and is of high quality particularly in instances where there may be a breakdown in trust between local management and communities. There is a need to carefully consider the engagement approach, including the skills, capacities and resources of stakeholders to engage.
- Important aspects of human rights governance include a management plan to address risks, effective systems of accountabilities, approvals and escalation processes.
- Timing and a deep understanding of local context are important as rights issues are dynamic and may change over time.
- Understanding where companies can control versus influence human rights issues is a challenge. Large companies such as Nestlé may need to work closely with their suppliers, as often awareness and understanding of human rights issues and approaches is significantly lower in smaller companies.
- Nestlé's human rights performance needs to be considered in context of the most difficult contexts in which they operate. Nestlé's Colombian operations are an area of historic vulnerability for the company and the killing of Oscar López, a Nestlé worker and member of the Sinaltrainal Union was highlighted. This point underscores the importance for a continuous understanding of the nuances and dynamics of the different local contexts in which Nestlé operates.

Two breakout sessions explored specific aspects of the HRIA process: (a) HRIA scope and the benefits of either integrating HRIA into business processes or undertaking HRIA as stand alone exercises; and (b) stakeholder and rights holder engagement and HRIA reporting. The following sections identify the themes raised in the discussions.

Human rights governance:

The following areas were identified as important for governance of human rights issues:

- Clear processes for escalation for egregious and imminent human rights issues.
- Clear accountabilities at a country level for human rights.
- Distinguishing between areas of Nestlé direct control and areas of Nestlé influence. Understanding that there are also different levels of influence Nestlé has over its different relationships.
- Integrating HRIA and ongoing monitoring into existing systems, particularly in jurisdictions where the context and conditions can change rapidly..

Collaboration and pre-competitive action:

Stakeholders consider there to be significant potential for pre-competitive collaboration to advance rights issues, particularly in addressing rights that are impacted by systemic and legal issues. Considerations raised included what information Nestlé could share with suppliers and other companies to advance action on rights issues.

Systemic Human Rights issues:

Stakeholders consider operating in jurisdictions facing systemic human rights issues to be particularly challenging. Stakeholders made the following points:

- The importance of pro-active action where Nestlé is operating in an environment where the company may be tacitly benefiting from systemic human rights issues.
- The importance of acting to tackle a culture of impunity for human rights abuses.
- Engaging with national governments is particularly challenging – it is important to understand who has the mandate and authority to engage with governments.
- The need for clarity on what human rights conditions it is appropriate to withdraw operations from a jurisdiction.

HRIA scope:

Stakeholders explored a number of aspects relating to the scoping of HRIAs. There was some support for using a country lens to frame the scope of assessments. There was discussion over the merits of a standardized approach for HRIA verses an approach that acknowledges and allows for circumstantial differences. The engagement of stakeholders in the HRIA scoping process was considered to be of primary importance.

Stakeholders made a number of other suggestions to Nestlé on its approach:

- Use a rights based lens to undertake the HRIA. This might highlight a number of issues that the current approach does not make explicit.
- Applying a supply chain, rather than a country, lens might provide useful insights. This would require clarity on and consideration of direct impacts and secondary or product impacts (e.g. gender rights in transportation).
- Ensure there is a focus on vulnerable groups. Impacts on gender, children and indigenous people need to be identified.
- Ensure that the rights to life and to health are identified. The right to health was identified as particularly important given Nestlé product and portfolio orientation.
- Consider through the HRIA the severity of impacts, bearing of duty and reputational risk. Clarification of Nestlé duty will be particularly challenging. Stakeholders noted that the severity of impacts might be relative - what seems less severe to Nestlé may feel acutely severe to communities, implying the importance of taking an affected rights holders approach to addressing human rights. Stakeholders also considered whether there a need to prioritise and focus investigations on grave human rights issues.
- Draw on the full range of available tools for the HRIA processes including the results and outputs of certification processes, collaborations and engagement.
- Consider including states not listed in the FTSE4Good index in the group of initial assessments to allow for some easy wins and to test the methodology in areas with less acute human rights risks.

HRIA Engagement:

Stakeholders considered the approach to and practice of engagement around HRIAs to be of primary importance. They stressed the challenges there may be in identifying who to engage and who can legitimately represent a rights holder. Legal definitions were identified as too limiting while practical guidance was often considered expansive. It was suggested that stakeholders might be prioritized by both the severity of impacts and the vulnerability of groups. Other important aspects of the engagement process identified included:

- Engaging local organisations. Organisations may not have capacity or resources to engage and efforts to address this may result in issues of capture, control or influence.
- Enabling stakeholders to engage in ways that are sensitive to their context and wishes. This might include a mixture of face-to-face engagement and anonymous surveys and ensuring understandable language is used.
- The need for care to ensure that legitimate stakeholders are not displaced from processes. Flexibility is needed in stakeholder identification and engaging with actors on the ground is critical.
- Ensuring that vulnerable or less represented groups are engaged – not just, for example, the perspective of the village chief.

- The importance of capacity building and transformation of local market operation management mindsets on the above points is a requisite for these recommendations to be successfully undertaken.

HRIA Reporting:

Stakeholders expressed the value they saw in Nestlé's reporting on its HRIA approach: providing a baseline of Nestlé's performance; signaling best practice; raising the profile of issues; shaping expectations on industry and providing a point of leverage to improve practices and advance special cases. They considered that the structuring of Talking the Human Rights Walk against the Guiding Principles was appropriate and useful. They suggested that the approach to this reporting effort should be established to meet the objectives for Nestlé human rights reporting and communication. Other considerations raised included:

- Nestlé should consider publishing the HRIA methodology and considering how it might be made relevant to smaller organisations.
- It is difficult to gauge how effective Nestlé's work has been as it's difficult to assess the materiality of risks. e.g. are risks more material at operating sites or in the agricultural supply chain.
- Benchmarks of human rights disclosure are emerging which will increase pressures on reporting.
- Nestlé should consider the impact and implications of publishing these reports. Are the published reports meeting their intended objectives?

5 Rural Development

Nestlé described its Rural Development Framework and recent work to assess the status of rural development in regions of their supply chain. More information is available on the Nestlé website¹. Stakeholders were invited to discuss the intersection between Nestlé's human rights and rural development approaches and to provide comment on the Rural Development Framework. The following sections identify the themes raised in these discussions.

Intersection between Human Rights and Rural Development:

Stakeholders saw potential to use a rights-based approach to review rural development progress. Stakeholders suggested that this would enable alignment with both Nestlé's work on HRIA and with the work of international donors. However, stakeholders noted several challenges with this approach that would need to be considered:

- Human rights and rural development approaches differ in the focus – rights focus on individuals, while development focuses on communities.
- The Nestlé Rural Development Framework uses a red-amber-green assessment scale, but human rights are normally binary (they are either respected or not respected). Could a rights-based approach signal when development is "enough"?
- Some areas on the Nestlé Rural Development Framework do not relate to rights issues, e.g. farmer knowledge.

¹ http://www.nestle.com/asset-library/documents/library/documents/corporate_social_responsibility/rural-development-framework-update-july-2014.pdf and <http://www.nestle.com/csv/rural-development-responsible-sourcing/rural-development-framework>

Managing differences between Nestlé goals and community or national goals:

Stakeholders noted that Nestlé business needs and goals (e.g., supply security) may differ from community or national development priorities (e.g. food security). Stakeholders noted that:

- Clearly articulating Nestlé's rural development goals would be helpful.
- Business objectives might infer Nestlé goes further than might be suggested by following the Ruggie framework approach.

Engaging with governments:

Stakeholders emphasized that engaging with governments and multilateral agencies on the results of Nestlé Rural Development Framework assessments is critical. It may add to government work and understanding and help to establish Nestlé priorities for action (e.g. not duplicating efforts). Stakeholders suggested:

- There would be value in differentiating Nestlé's engagement approach between countries where: national governments are acting effectively on development; where government action is hindering development; and where assistance may be provided.
- Nestlé can use flexibility in its engagement approach with governments to advance its rights agenda. e.g. Engaging around rural productivity might be more effective than on rights.
- Nestlé might be able to gain leverage by engaging states in partnership with its home national government and multilateral agencies.

Rural Development Framework assessment process:

Stakeholders saw the potential for the Nestlé Rural Development Framework to identify priorities for action. They stressed that engagement of stakeholders in this prioritisation effort is important – ensuring both the Nestlé corporate perspective is considered, but also that of rights holders. Other considerations raised included:

- A need to focus efforts to be effective. This may mean there are some gaps in assessments.
- Whether the rural development framework could be used as an ongoing monitoring tool, and if so, what level and depth of engagement is appropriate.
- The potential to share resources and assessments with other companies and agencies.
- The importance of taking a broader view of child wellbeing (rather than just rights), as this will expand the potential for impactful interventions.
- Examining education as a key enabler of development.
- Identifying where business changes might cause other development or rights impacts. For example, growth in agricultural productivity may also lead to growth in labour challenges, which in turn increases risks of rights issues.

Appendix 1: Participants

Organisation	Name	Title
Amnesty International	Peter Drury	Researcher
Amnesty International UK	Peter Frankental	Economic Relations Programme Director
Business Social Compliance Initiative (BCSI)	Veronica Rubio	Senior Manager, Strategic Issues
Business & Human Rights Resource Center	Patricia Carrier	Executive Director
Business for Social Responsibility	Farid Baddache	Director Europe, Middle East and Africa
Fair Labor Association (FLA)	Sabrina Bosson	Agriculture and Strategic Project Manager
Fairtrade Foundation	Barbara Crowther	Director of Policy and Public Affairs
Global Business Initiative on Business and Human Rights	Katryn Wright	Programme Manager
GLOBAL CSR	Sune Skadegaard Thorsen	CEO
International Labour Organisation	Adam Greene	Senior Advisor
International Labour Organisation	Benjamin Smith	Senior Officer for CSR
Institute for Human Rights and Business	Salil Tripathi	Director, Emerging Issues
International Cocoa Initiative	Nick Weatherill	Executive Director
Landesa	Darryl Vhugen	Senior Attorney
Oxfam Novib	Frank Mechielsen	Policy Advisor Private Sector/CSR
Twentyfifty	Jenny Heap	Associate Consultant
UN Global Compact UK	Desirée Abrahams	Programme Manager
United Nations Global Compact	Puvan J Selvanathan	Economic Relations Programme Director
UTZ	Britta Wyss Bisang	Standards Director
Office of the UN High Commissioner for Human Rights (OHCHR)	Ragnhild Handagard	Business & Human Rights Research and Right to Development Division

Appendix 2: Agenda

Assessing Human Rights Impacts in Nestlé's business activities

- 9.30-09.40** **Welcome and introductory remarks**, Christian Frutiger, Nestlé
- 9.40-10.00** **Nestlé's Human Rights Due Diligence Programme: Overview**, Yann Wyss, Nestlé
- 10.00-11.00** **Nestlé's HRIAs: Introduction**, Allan Jorgensen, DIHR
Panel discussion:
- Peter Frankental, Amnesty International
 - Adam Greene, Bureau for Employers' Activities, ILO
 - Farid Baddache, Business for Social Responsibility

Coffee break – Transition to break-out rooms

- 11.00 -12.30** **Break-Out Session and Group Discussion:**
- HRIA scope
 - Stakeholder and rights-holder engagement
 - Integrated vs. stand-alone HRIAs
 - HRIA reporting

12.30-13.15 Lunch

Nestlé's Rural Development Framework (RDF)

- 13.15-13.45** **RDF Explained & Results so far**, Duncan Pollard, Nestlé
- 13.45-15.55** **Human Rights & Human Development – Navigating a path:**
- Where does a rights based approach have a role in our upstream supply chains?
 - Where do we need to go beyond?
 - What does this look like?
- 15.55-16.00** **Closing remarks**