

## LDC Human Rights Committee – December 3, 2020

### Members:

Michael Gelchie (Group CEO), Jessica Teo (Chief Human Resources Officer), Nigel Mamalis (Special Adviser to the CEO), Guy Hogge (Global Head of Sustainability)

### Additional Invitees:

Lene Wendland (Chief, Business and Human Rights - Office of the United Nations High Commissioner for Human Rights), Benjamin Smith (Senior Specialist, Child Labour - International Labour Organization), Tim Bourgois (Global Trading Manager, Cotton Platform - LDC), Ross Hawkins (Global Head of Coffee Partnerships - LDC)

- Following November's LDC Board Meeting, at which staff from the Office of the UN High Commissioner for Human Rights (OHCHR), including Lene Wendland, had spoken on forced labour issues, Nigel Mamalis gave an update on progress and developments since.
- In particular, Nigel referenced the creation within LDC of a High Level Committee (HLC) to ensure senior management and Board level awareness and participation in addressing human rights challenges in LDC supply chains. The HLC was tasked with developing a protocol that would require greater supplier transparency in relation to their operations, and more detailed supplier mapping, especially in geographies and supply chains known to face human rights-related risks.
- Lene Wendland commented that the HLC was a positive step, but that LDC should also continue to engage with stakeholders like the OHCHR in identifying and addressing human rights challenges.
- Lene also referenced a planned workshop to be held in early 2021, hosted by the OHCHR, at which LDC agreed to participate.
- Benjamin Smith mentioned that China is considering ratification of the ILO's forced labour convention.
- Following various negative reports related to LDC's Juice business in Brazil, and in particular the remuneration of seasonal laborers involved in fruit picking, an internal analysis has yielded the following information:
  - The Brazilian minimum wage, which an employer like LDC is legally obliged to pay to all workers, is set at BRL1,045.00/month
  - The São Paulo State minimum wage is set at BRL1,163.55/month
  - The Living Wage for São Paulo State, as per the Living Wage Report, is set at BRL2,551/month
  - In the last harvest season, LDC employed 3,335 seasonal workers
  - 408 seasonal workers (12%) received the São Paulo State minimum wage
  - 2,757 seasonal workers (83%) received higher than the São Paulo minimum wage
  - 170 seasonal workers (5%) received higher than the São Paulo Living Wage
- While remuneration of seasonal workers at LDC is based on the São Paulo minimum wage recommendations plus additions linked to performance, LDC's Sustainability Department will work with our Juice Platform leadership to continue to ensure fair treatment of seasonal laborers, setting remuneration at a level beyond any legal minimum.



- Ross Hawkins gave a brief summary of the process to update LDC's Coffee Supplier Code of Conduct, to include new clauses improving both human rights observance in our supply chain, as well as environmental stewardship and performance. An external partner will also be appointed to help monitor and report on compliance with the Code of Conduct.
- Jessica Teo gave a brief update on progress being made by LDC's Diversity and Inclusion Committee, which is now convening on a regular basis. As time did not permit a full and proper summary of this important work, more time will be afforded to this initiative on the agenda of the next Human Rights Committee meeting.