Risk Assessment Plan for Identifying Existing and Potential Human Rights Risks in Palm Oil Procurement Policies

I. Objectives of the Risk Assessment

1. Identify existing and potential human rights risks in the supply chain (e.g., forced labor, child labor, land grabbing, indigenous rights violations, unfair wages).
2. Assess the likelihood, severity, and scope of impact of these risks.
3. Prioritize high-risk areas and develop mitigation measures.

II. Risk Assessment Framework

1. Defining the Scope of Risks
- Geographic Scope: High-risk regions (e.g., Indonesia, Malaysia, Latin America—major palm oil-producing areas).
- Supply Chain Coverage: From plantations, mills, and traders to end buyers.
- Stakeholders: Workers, smallholders, indigenous communities, female laborers, contractors, etc.

2. Categorizing Risks
Based on international standards (e.g., UN Guiding Principles on Business and Human Rights, ILO Core Conventions):
- Labor Rights: Forced labor, child labor, wage exploitation, occupational health and safety.
- Community Rights: Land dispossession, Free, Prior, and Informed Consent (FPIC) violations, health impacts from environmental pollution.
- Gender Equality: Discrimination and sexual harassment against female workers.
- Business Practices: Corruption, unfair contract terms, marginalization of smallholders.

III. Risk Assessment Steps

1. Data Collection & Baseline Analysis
- Supply Chain Mapping:
  - Develop a full supply chain flowchart, identifying direct and sub-suppliers (down to plantation level).
  - Use blockchain or third-party platforms (e.g., Trase, SPOTT) for traceability.
- Document Review:
  - Assess suppliers' human rights policies, certifications (e.g., RSPO), employment contracts, and land ownership records.
  - Check historical complaints (e.g., NGO reports, media investigations).
- Stakeholder Consultations:
  - Conduct anonymous interviews with workers, community representatives, unions, and local NGOs.
  - Engage in multi-stakeholder initiatives (e.g., Palm Oil Innovation Group (POIG)).

2. Risk Identification Tools
- Questionnaires: Standardized human rights assessment for suppliers (sample questions):

- Are regular labor rights trainings conducted?
    - Are there unresolved land conflicts?
    - Do wages meet local living wage standards?
- On-Site Audits:
    - Unannounced inspections (to prevent pre-arranged compliance), focusing on:
        - Worker IDs (to prevent child labor), pay slips, living conditions.
        - Effectiveness of grievance mechanisms for communities.
    - Use AI image analysis (e.g., satellite monitoring for illegal deforestation or encroachment into protected areas).
- Hotspot Analysis:
    - Cross-reference global databases (e.g., US Department of Labor's List of Goods Produced by Child Labor, Forest Peoples Programme's land conflict maps).

3. Risk Rating & Prioritization
- Risk Matrix (Example):

Likelihood	High Impact	Medium Impact	Low Impact
High	Immediate action (e.g., forced labor)	Monitor closely (e.g., wage theft)	Document & track
Medium	Preventive measures (e.g., land disputes)	Periodic review	Low priority
Low	Contingency planning (e.g., natural disasters)	Ignore	Ignore

- Scoring Criteria:
    - Severity: Number of affected people, irreversibility (e.g., land loss), legal consequences.
    - Probability: Historical patterns in the region, supplier compliance records.

4. Continuous Monitoring & Updates
- Early Warning Systems:
    - Track real-time news and NGO reports (e.g., Rainforest Action Network).
    - Use big data tools (e.g., Google Earth Engine for deforestation alerts).
- Annual Human Rights Impact Assessments (HRIAs):
    - Engage third-party auditors (e.g., Shift, Business & Human Rights Resource Centre).

IV. Recommended Mitigation Measures
1. High-Risk Suppliers:
    - Demand corrective actions with deadlines; terminate contracts if unresolved.
    - Support capacity-building (e.g., training smallholders in sustainable practices).
2. Policy Improvements:
    - Integrate human rights clauses into procurement contracts (e.g., Supplier Code of Conduct).
    - Promote RSPO certification or stricter standards (e.g., Fair for Life).
3. Remediation Mechanisms:

- Establish grievance channels (e.g., anonymous hotlines) and ensure victim compensation.

V. Key Resources

- Tools:
    - UN Due Diligence Guidance on Human Rights
    - RSPO Human Rights Toolkit
- Databases:
    - Walk Free Foundation's Global Slavery Index
    - Land Matrix's land deal database

This plan enables us to systematically identify and address human rights risks in palm oil supply chains while enhancing compliance and reputation. Local adaptation is critical—for example, migrant worker rights in Indonesia or land tenure conflicts in Africa require tailored approaches.