

## Supplemental Resource

# Sample Business Enterprise Policies

## How to Use this Resource

This resource accompanies Phase 1, Task 1, Step 1 of the Model Guidebook for Business Enterprises. It provides examples of business enterprise policies that tend to promote socially responsible investing and work toward ensuring the equitable sharing of investment benefits by women and men in affected communities. At every level of the supply chain, and at every step of the investment process, responsible policies will reflect best practices and international standards discussed in the guidebook.

The following company policies are intended to serve as illustrations, and are not intended to be comprehensive. Company policies that provide a broad statement about commitments to land best practices should be supplemented with more detailed descriptions of how the company will implement the commitments. Companies should continuously promote responsible investing throughout their supply chains and consistently examine all policies and processes for disparate impacts on women and other vulnerable stakeholders. The inclusion of a policy in this resource does not constitute an endorsement of the company or its policy, nor is each policy intended to be an example of best practices.

For a more comprehensive analysis of leading company policies from a gender perspective, see the Landesa/Resource Equity paper, “Realizing Socially-Responsible Investments in Land from a Gender Perspective: Unpacking ‘Zero-Tolerance’ to Identify Barriers and Practical Steps to Achieve Equitable and Sustainable Investments,” which was presented at the 2016 World Bank Conference on Land and Poverty, available online at <http://www.landesa.org/wp-content/uploads/LandConference2016-WorldBank.pdf>. The general takeaway from this analysis is that the first generation of company policies are recognizing the importance of considering gender in agricultural investments, but are struggling to address the myriad issues associated with it. These policies address women’s land rights indirectly, but each require more targeted measures to uphold women’s land rights thoroughly and fully.

## Example Policies and Implementation Guidance



**The Coca-Cola Company's Commitment to Land Rights and Sugar.**

**The Coca-Cola Company's Supplier Guiding Principles Implementation Guide**

**The Coca-Cola Company's Issue Guidance on Responsible Land Acquisition**



**Nestlé's Commitment on Land & Land Rights in Agricultural Supply Chains, an appendix to The Nestlé Policy on Environmental Sustainability**

**Nestlé's Responsible Sourcing Guideline**



**PepsiCo Land Policy**



**Unilever Responsible Sourcing Policy**



**Illovo Group Guidelines on Land and Land Rights**

**Illovo's Road Map on Land Rights**

# Overview of Key Policy Themes

## Zero Tolerance for Land Grabs

Although it is difficult to define “land grab,” many company policies include a provision committing to a zero tolerance for land grabs in company activities throughout their supply chains.

Generally speaking, a zero tolerance for land grabs policy should mean that a company commits to best practices and international standards in all land acquisitions at every level of the supply chain. This should include a mechanism for monitoring and enforcing the compliance of suppliers and subsidiaries.

In “Nestle Commitment on Land & Land Rights in Agricultural Supply Chains,” Nestle provides that high-risk commodity suppliers must commit to a policy of zero tolerance for land grabs. Although the commitment doesn’t define land grabs, it follows the zero-tolerance provision with a further requirement that:

*[suppliers] engage with and seek the support of those who could be affected by investment decisions prior to decisions being taken and respond to their contributions. They take into account existing power imbalances and ensuring [sic] active, free, effective, meaningful and informed participation of affected individuals and groups.*

Unilever’s commitment to zero tolerance for land grabs is included in its “Responsible Sourcing Policy.” Its policy for suppliers includes a commitment to zero tolerance for land grabs within its interpretation of a provision requiring the protection and promotion of community land rights.

The Illovo Group’s Guidelines on Land and Land Rights constitute perhaps the most comprehensive and descriptive company land policy. It includes a detailed road map for implementation, and a definition of zero tolerance for land grabs that includes a commitment to the principles of FPIC throughout its supply chain for all communities (not only indigenous communities), and adherence to the UN Guiding Principles on Business and Human Rights. To ensure compliance with its zero-tolerance policy, Illovo requires its suppliers to use this more inclusive version of FPIC and reserves the right to use corrective action in the case of breach and, if necessary, terminate non-compliant suppliers.

## Adopting International Standards

As part of achieving best practices, many companies have directly referenced international standards in their policies or expressly adopted these standards as their policies. Relevant policies often include a commitment to various definitions of FPIC, the IFC Performance Standards, or the VGGTs. They may be included as part of a broader definition, such as The Coca-Cola Company's use of these standards in their definition of zero tolerance for land grabs, or as stand-alone commitments such as Nestle's commitment to the VGGTs.

In "Nestle Commitment on Land & Land Rights in Agricultural Supply Chains," Nestle expressly adopts the VGGTs, and commits to promoting their adoption by governments and industry partners, as do The Coca-Cola Company and PepsiCo. Unilever requires that suppliers publicly support the VGGTs.

Many companies refer to some form of FPIC in their various policies. However, there is a broad range of definitions of FPIC among companies; some policies limit FPIC to indigenous communities while others provide no definition at all.

- Kellogg's "Global Supplier Code of Conduct" mentions an adherence to FPIC in the context of land transfers and a rejection of expropriation for its benefit if the taking is an "illegitimate use of eminent domain."
- Although lacking a specific definition of FPIC, Nestle's "Responsible Sourcing Guidelines" include a requirement of FPIC for agricultural and forestry activities for all affected communities, not only indigenous communities.
- Associated British Foods (ABF) adheres to FPIC when acquiring land, and includes all communities, as does its subsidiary, Illovo Sugar, but the ABF policy does not clearly define FPIC.

Both Coca-Cola and PepsiCo explicitly adopt the IFC Performance Standards definition of FPIC. PepsiCo does not mention whether it supports FPIC for all communities or only indigenous communities, but it provides a clear definition:

- Free: Consent to the sale of land is given voluntarily and absent of "coercion, intimidation or manipulation."
- Prior: Consent is sought sufficiently in advance of any authorization or commencement of activities from an existing land owner.
- Informed: Ensures that information is provided prior to seeking consent to acquire and that information is provided as the acquisition process proceeds.

- Consent: Refers to the collective decision made by the land rights-holders and reached through the customary decision-making processes of the affected peoples or communities.

PepsiCo's section on consent may be read to pertain to any community, but the section does not expressly say so. The Coca-Cola Company explicitly provides that not only will it implement FPIC in accordance with the IFC Performance Standards, it will apply the standard to all communities.

## Gender and Women's Land Rights

Although some of these company land policies have addressed the disparate and often harmful impact that investments can have on women, many policies are gender neutral and do not adequately protect women's land rights and interests in land. Although it adopts many useful standards, including standards such as the VGGTs that do address gender disparities, "The Coca-Cola Company Commitment: Land Rights and Sugar" is itself gender neutral, as is the "PepsiCo Land Policy." Kellogg's policy requires that suppliers respect the land rights of women, although some have expressed concern with the policy's lack of specificity on implementation or enforcement of its commitment to women's land rights. Unilever's "Responsible Sourcing Policy" mentions the recognition of women's right to own and access land as a "good practice," but does not include this recognition in its mandatory provisions.

Nestle's policies on women's land rights are perhaps the most comprehensive of the companies surveyed. "The Nestle Rural Development Framework" acknowledges that gender equality is "at the heart of the human rights," includes women's empowerment as one of eight core themes of successful rural development and adopts a strategy of gender integration into every part of its rural development framework. The "Nestle Cocoa Plan" includes an Action Plan on Women in the Cocoa Supply Chain that includes mechanisms for gathering data, reporting, and tackling inequalities within its cocoa supply chain. In the "Nestle Commitment on Land & Land Rights in Agricultural Supply Chains," Nestle acknowledges that "hundreds of millions of women" do not have security of tenure and commits to "promote the security of tenure for women whose rights under the law or in practice may not be equal to those of men in their household.