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Forest
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Programme



Policy Brief

THE IMPORTANCE OF TRACEABILITY TO THE PRODUCTION UNIT FOR HUMAN RIGHTS DUE DILIGENCE (HRDD) IN TRADE REGULATIONS AND CORPORATE POLICIES



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This publication was made possible with the support of
WWF-Switzerland.

Suggested Citation

Russo Lopes, G., Silva, D., Timmers, J-F. (2025). The importance of
traceability to the Production unit for human rights due Diligence (HRDD)
in trade regulations and Corporate policies. Brasília: WWF-Brazil. Disponível
em: https://www.wwf.org.br/nosso_trabalho/desmatamentozero/

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GROWING DEMAND FOR TRACEABILITY IN TRADE REGULATIONS

In international trade, there is a growing demand for traceability mechanisms in commodity supply chains. This is a result of the increasingly consolidated understanding that **private companies are responsible not only for the impacts of their direct suppliers, but also of their indirect suppliers.** From the areas of production to the final consumer, companies that profit from transnational commercial flows are also being held accountable politically, administratively and judicially, as well as by investors and consumers, for the entirety of their supply chains.

In recent years, several regulations have been adopted to increase supply chain accountability. This is the case of regional regulations, such as the [European Union Deforestation-free Regulation \(EUDR\)](#), the [EU Corporate Sustainability Due Diligence Directive \(CSDDD\)](#), as well as national legislations, such as the [French Duty of Vigilance Law](#) and the [German Supply Chain Act](#). These regulations require private companies to conduct due diligence across their operations worldwide to identify actual and potential environmental and human rights impacts, take action to prevent and mitigate and to remedy their impacts where they occur. They also require companies to report publicly on their sustainability practices.

In order for companies to carry out such human rights and environmental due diligence across their supply chain and for governments to enforce such accountability laws, traceability mechanisms coupled with rightsholder mapping are critical elements/pre-requisites to avoiding, addressing and remediating harms. Traceability enables downstream companies (traders, retailers, end users) to identify the origin of their products. How **traceability is approached has a significant influence on the effectiveness of these emerging trade regulations on supply chains.** Rightsholder mapping enables companies to understand which rightsholders will be, have been or continue to be impacted by the production and extraction of particular commodities. **Information gathered through a rightsholder mapping exercise provides a critical starting point for understanding the types of human rights being infringed.** This, in turn, helps identify the additional assessments – such as Human Rights Impact Assessments – required to deepen the understanding of potential and ongoing violations and **to reflect the views of affected rightsholders on how these should be prevented, mitigated, addressed and remedied.**

TRACEABILITY TO THE PRODUCTION UNIT AND RIGHTSHOLDER MAPPING AS PREREQUISITES FOR HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE

Companies implement traceability in many ways and at different levels, depending on the supply chains' complexity, the access to data and the willingness of supply chain actors. Some propose to only trace their supplier's base to a specific jurisdiction, for instance, a country, a state/department/province, or a municipality. In this case, companies cannot specifically identify the production site from which they are buying, just the broad area where the products come from. **This is what is referred to as area-level traceability.** Alternately, a company can further trace its direct and indirect suppliers all the way to the production unit, that can be for example a farm or a plot of land. In this case, companies are able to provide information on the specific origin of production through precise geolocations. **This is what is called traceability to the production unit¹.**

Traceability to the production unit coupled with rightsholder mapping are critical aspects of the 'identifying' phase of human rights and environmental due diligence. They are essential to upholding human rights because (1) they can **demonstrate the connections between a particular business operation downstream and a given violation** on the ground at the first mile of the supply chain, (2) they **make the affected rightsholders visible**, which enables easier identification of the types of human rights violations in producing areas, and (3) they **complement jurisdictional approaches aimed at addressing territorial conflicts** in multi-stakeholder efforts.

¹ Production unit according to the [Accountability Framework initiative](#) refers to plantation, farm, ranch, or forest management unit. This includes all plots used for agriculture or forestry that are under one management, located in the same general area, and share the same means of production. It also includes natural ecosystems, infrastructure, and other land within or associated with the plantation, farm, ranch, or forest management unit. A production unit can be a contiguous land area (regardless of any internal subdivisions) or a group of plots interspersed with other land units the same area or landscape and under the same management.

Depending on the framework or regulation, fine-scale traceability may vary in terminology and definition—for example, whether it refers to a plot of land or a farm.

- (1) Establishing causality and connection between perpetrators and victims is important in cases of human rights violations, such as those related to land conflicts, rural violence, death threats, assassinations or sexual abuse. In such cases, demonstrating causality and connection plays a fundamental role for holding stakeholders accountable in both administrative and legal instances. Traceability to the production unit, thus, is precisely what allows for the characterization of private companies' responsibility in fuelling such violations by operating and profiting from commodity production in conflict areas.
- (2) Traceability to the production unit and rightsholder mapping facilitate the exposure of human rights violations in producing areas. Oftentimes, human rights violations are perpetrated by powerful stakeholders against marginalized groups in rural areas, including Indigenous Peoples, Afro-descendant peoples, family farmers and other smallholders. These marginalized groups seldom have access to justice systems and often lack adequate support to effectively formalize their complaints or request any form of compensation or land restitution. In these contexts, traceability to the production unit coupled with rightsholder mapping must be embedded in HRDD to assess a company's compliance with human rights protection in production areas. By being transparent about their supplier base, companies and investors can reward the commodity producers who respect human rights and incentivize compliance both at the production site and at the landscape level.
- (3) Some human rights violations—such as taking of Indigenous lands or resources without free prior and informed consent (FPIC), land-grabbing, or the forced displacement of smallholders—can impact their rights on entire territories. Addressing these issues may require actions at the landscape level that strengthen territorial governance and companies' accountability to uphold the rights of Indigenous Peoples and the rights of local communities (IP and LCs). Such actions may include establishing multi-stakeholder platforms and dialogue forums, developing safeguard protocols and codes of conduct in conflict-prone regions, or designing frameworks for remediation that ensures FPIC. Traceability to the production site, combined with rightsholder mapping, provides critical information to guide these efforts by identifying the IP and the LCs whose rights are violated and the companies linked to these abuses.

Três Marias village on Parabubure
Indigenous Land, Xavante people,
in the transition area between
the Cerrado and Amazon biomes,
State of Mato Grosso - Brazil.
Indigenous peoples suffer
violations due to deforestation.



CONCRETE CASES WHERE FINE-SCALE TRACEABILITY IS KEY

Many cases show how critical traceability to the production unit is to identify human rights abuses and their connection to companies.

Cattle



SLAVE LABOUR IN THE LIVESTOCK SECTOR IN BRAZIL



BRAZIL: FROM FOREST TO FARMLAND – CATTLE ILLEGALLY GRAZED IN BRAZIL'S AMAZON

Cocoa



CHILD LABOUR IN COCOA PRODUCTION IN WEST AFRICA



ILLEGAL COCOA FARMING THREATENS A NIGERIAN RAINFOREST | AP NEWS

Coffee



MODERN SLAVERY AT NESTLÉ'S COFFEE SUPPLIER



WIDESPREAD INDICATORS OF FORCED LABOUR ON GUATEMALA'S COFFEE PLANTATIONS

Palm Oil



FORCED LABOUR AND INTIMIDATION IN THE PALM OIL SECTOR IN INDONESIA

Rubber



FORCED LABOR AND HUMAN TRAFFICKING IN RUBBER SUPPLY CHAINS IN THAILAND



INVESTIGATION REPORT FOR SOCFIN-KCD AND COVIPHAMA

Soy



ESTRONDO SOY FARM IN BRAZIL



LAND GRABBING IN THE NACALA CORRIDOR

Timber/Pulp/Paper



MALAYSIA: WOOD PRODUCTS TAINTED BY ABUSE, DEFORESTATION



DECKING THE FOREST

Please see the linked documents for comment from the named companies.

THE PITFALLS OF WEAK TRACEABILITY

Weak traceability concepts or approaches in commodity supply chains create significant pitfalls for addressing human rights issues. As they would facilitate greenwashing and weaken accountability, they should not be accepted in trade regulations or corporate policies.

(1) **Sub-farm polygons monitoring:** Allowing compliance to be assessed at the plot level within a single farm facilitates misleading compliance claims and complicate accountability, as producers can market part of their production as “sustainable” while continuing harmful practices—such as land grabbing or abusive labour—elsewhere on the same property. Because sub-farm traceability is technically difficult to verify, risks of fraud and product mixing are high. To be credible, compliance must be verified at the whole-farm level, and ideally extended to the group or business level (policy of association), ensuring that no part of an operation benefits from harmful practices.

(2) **The “negligible risk” concept:** Some industries argue that the absence of documented human rights violations in a region is enough to treat products as low-risk. This approach is deeply flawed. Lack of data does not equal lack of abuse. On the contrary, in regions where documentation is scarce, partial traceability allows product laundering: volumes produced in conflict-affected where rights violations are common can be disguised and sold as compliant through neighbouring “clean” farms. Effective due diligence requires robust traceability even where violations are less visible.

(3) **Mass balance models:** Systems that allow mixing of certified and non-certified volumes are not designed to address human rights issues. As WWF points out, mass balance can help scale certified markets, but it does not separate harmful from responsible production, meaning abusive practices may persist unchallenged at the origin while products are traded as “human rights compliant”. This undermines both consumer trust and real improvements on the ground.

In short, weak traceability mechanisms obscure accountability, enable laundering of abusive practices, and expose companies, investors and regulators to serious reputational and/or legal risks. Production site-level traceability, combined with robust rightsholder mapping, are critical to assess the human rights compliance of production and trade.

KEY TRACEABILITY ASKS

GOVERNMENTS (PRODUCER COUNTRIES)

- Develop traceability systems and rightsholder mapping at national or sub-national scale and to the production unit level
- Strengthen recognition of the rights of IPs and the rights LCs, including to their traditional territories
- Support capacity-building for smallholders and local producers to comply with traceability and HRDD requirements.
- Promote South-South collaboration initiatives on monitoring and traceability tools
- Promote multi-stakeholder platforms and landscape-level governance initiatives that support the rights of IPs and the rights of LCs

GOVERNMENTS / REGULATORS (IMPORTING COUNTRIES)

- Mandate traceability to the production unit in trade regulations and reject weak approaches (sub-farm polygons, negligible risk and mass balance).
- Require rightsholder mapping as part of HRDD
- Support rightsholder mapping initiatives
- Provide technical and financial assistance to producer countries, with especial focus on smallholders, to support market access for traceable producers
- Establish grievance mechanisms in regulations to address human rights violations
- Promote landscape-level initiatives to develop public or public/private rightsholders mapping and traceability systems

DOWNSTREAM COMPANIES (RETAILERS, BRANDS, IMPORTERS)

- Source only from suppliers providing verified production unit-level traceability
 - Integrate rightsholder mapping into supplier assessments or use leverage to engage and support them to conduct rightsholder mapping
 - Require geolocation of production units from suppliers
 - Give preference to source from suppliers that provide traceability to the production-unit
-

UPSTREAM COMPANIES (TRADERS, PROCESSORS, MEATPACKERS)

- Provide traceability to the production unit for direct and indirect suppliers
 - Map and monitor rightsholders and conduct HRDD at the production-unit level
 - Share traceability data and geolocations with downstream actors
 - Ensure compliance at the whole-farm or business-group level
-

PRODUCERS

- Provide accurate geolocation and production-unit information
- Map affected rightsholders on or near the lands where they operate or produce
- Ensure human rights compliance at the whole-farm or business-group level





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