



NOMOGAIA

GUIDING BUSINESS IN HUMAN RIGHTS



San Antonio SER sugar plantation, Nicaragua.

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ANNUAL REPORT 2017



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San Antonio SER sugar plantation, Nicaragua.

TABLE OF CONTENTS

LETTER FROM THE EXECUTIVE DIRECTOR	3
MISSION STATEMENT	4
FROM THE FIELD: HRRRA PROGRESS	5
FROM THE DESK: STRENGTHENING POLICIES AND FINANCIALS	10



LETTER FROM THE EXECUTIVE DIRECTOR



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Dear NomoGaia supporters,

I'm delighted to present our 2017 Annual Report. 2017 saw a reshaping of the business and human rights landscape. Uncertainty about US commitments to human rights invigorated discussions about the role of companies towards human rights abroad. NomoGaia was pleased to be a part of that activity. We worked with the Dutch Development Bank (FMO) to better incorporate human rights into its

policies. We also worked with European partners to advance the human rights assessment procedures at the European Investment Bank – the world's largest international financial institution. An effort that promises to have broad-reaching impacts on the business community in the foreseeable future is the establishment of human rights due diligence for the OECD. NomoGaia contributed to this guidance, which is slated for acceptance by OECD members in June 2018.

NomoGaia remains committed to the field-based research that has always differentiated us from other think tanks and research groups in the business and human rights space. To this end, we invested your generous donations in rightsholder interviews and fact-finding activities in the Dominican Republic, Nicaragua and Japan in 2017. Our emphasis on supply chain due diligence has deepened as we have developed a fuller understanding of the challenges faced by rightsholders in large corporate value chains.

Thanks for taking the time to read our annual report, and thank you for your ongoing support of our mission.

Dr. Kendyl Salcito

Executive Director, NomoGaia



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Mission Statement:

NomoGaia is a nonprofit (501(c)(3)) research and policy organization advancing the



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FROM THE FIELD: HUMAN RIGHTS RISK ASSESSMENT PROGRESS



In 2017 we published a Practitioner's Guide to Human Rights Risk Assessment to accompany our 2016 Business Person's Guide. Both are available online at www.nomogaia.org/tools.

These guides provide insight into both how HRRAs are conducted, and how they should be vetted by companies for adequacy.

In 2017 our Equatorial Palm Oil HRRAs in Liberia was validated by EPO when they commissioned a full-scale Human Rights Impact Assessment to vet our findings. The executive summary of that assessment is publicly available and hews closely to our findings. Supporting EPOs efforts to improve practices, we have continued to engage with the company.



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FROM THE FIELD: THE SUGAR SUPPLY CHAIN

NomoGaia is now two years into its study of the sugar supply chain. With fieldwork in Belize, Dominican Republic and Nicaragua paving the way for a broader understanding of human rights conditions for sugar workers, we head to South Africa in 2018 to broaden our understanding of the issues.

We plan to build on a broad network of actors in the sugar sector to develop guidance that helps mill owners understand the human rights challenges experienced by their smallholders, and that helps purchasers (like Pepsi and Coke) contribute to solutions.

Human rights risks in can sugar include labor violations, health harms, and structural poverty. Solutions are complicated and we are grateful that our donors recognize the need for patience and incremental change.



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FROM THE FIELD: COCOA AND POVERTY

In 2016 NomoGaia began working in the Dominican Republic to get a handle on cocoa farming. The DR is neither the largest nor the most exploitive context for cocoa growing – that’s Cote d’Ivoire. Instead, it’s a case study in cocoa’s limitations as a cash crop to lift people out of poverty. Cocoa is extremely cheap, selling for about \$1 a pound on the international market. Dominican farmers grow about 4,000 pounds per average farm, making less than \$2800 a year.

Because trading, transportation and processing eat into their earnings, cocoa farmers get about \$0.11 from every chocolate bar that hits the shelves.

Chocolate companies have argued for decades that they don’t have the power to eliminate child labor from their suppliers or meaningfully increase revenue for farmers. But right now they aren’t even tracking farmer incomes at all.

Bottlenecks in chocolate production trade and production – particularly at ports – create leverage points that NomoGaia is investigating. Our in-depth understanding of the Dominican cocoa sector is an important first step.





FROM THE DESK: STRENGTHENING CORPORATE POLICIES AND PRACTICE

DIRECT IMPLEMENTATION OF EXPERTISE



In 2017, NomoGaia continued to support the Dutch development bank, FMO, on its Human Rights Policy and procedures. FMO reports that it is developing an early-warning tool for identifying rights-adverse contexts for investments, as well as piloting HRRAs processes on a subset of its 2017 investments. The European Investment Bank is interested in FMO's activities, and we met with their leading social risk management staff to consider ways to protect opponents of EIB-funded projects from state retaliation.

CONFERENCES & PRESENTATIONS

NomoGaia continued to engage with key actors in the business and human rights space, presenting human rights due diligence work on three continents in 2017. We helped facilitate a training for nearly 50 business leaders in Japan's Global Compact Network in November and worked with Environmental and Social experts at the European Investment Bank, scholars congregating in Santa Clara, and practitioners at BSR to advance good practice in corporate human rights.





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FROM THE DESK: STRENGTHENING CORPORATE POLICIES AND PRACTICE



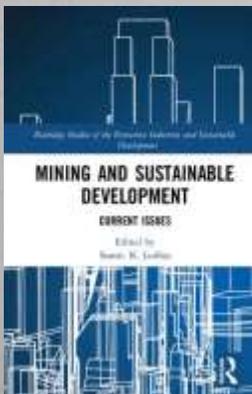
HUMAN RIGHTS AND THE LAW

Corporate lawyers face challenges integrating human rights into business practices. We contributed to a DLA Piper FAQ to help guide lawyers.

The Danish Institute co-authored the report and has remained a partner of NomoGaia's in efforts to improve human rights impact assessment processes and to publicize good practice. NomoGaia personnel authored chapters in a forthcoming handbook on HRIA edited by the Danish Institute.

HUMAN RIGHTS AT HOME AND ABROAD

NomoGaia's mission to make business more accountable to human rights was internationally focused for several years. In 2017 we partnered with the Truman Project to increase attention to human rights risks here at home.



NOMOGAIA IN PRINT

This year we published a book chapter on Human Rights Due Diligence in a Routledge handbook for Mining and Sustainable Development. We also published a detailed methodology for human rights risk assessment in the Business and Human Rights Journal. These publications are critical for keeping NomoGaia engaged in academic and professional decision making around next steps for business and human rights.

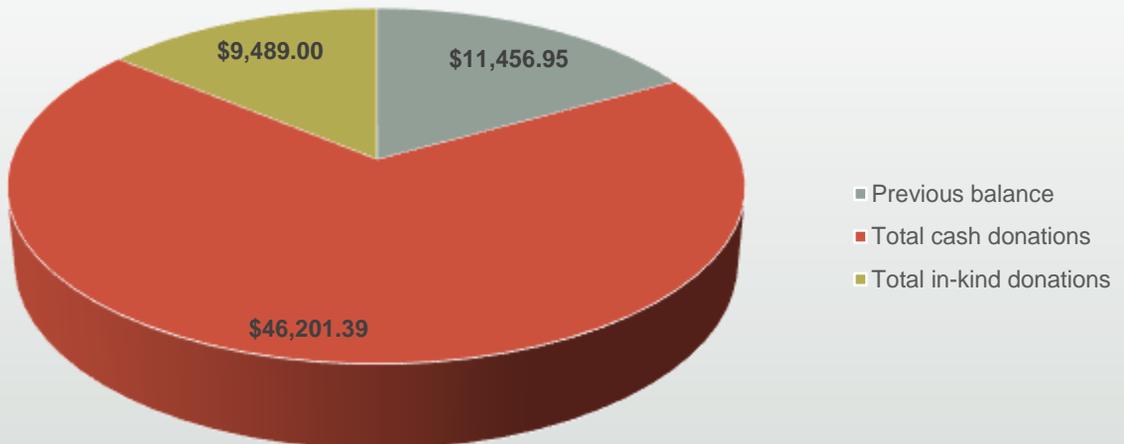


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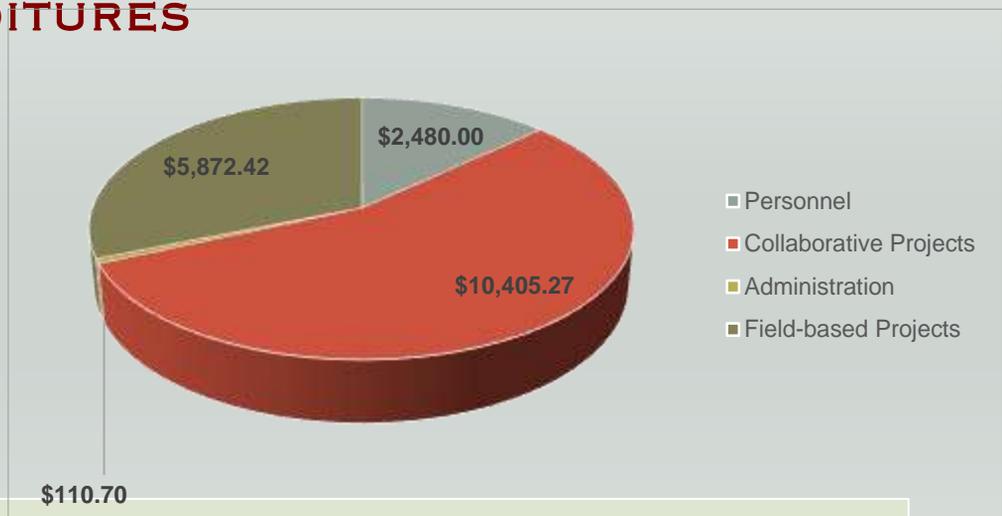
FINANCIALS

NomoGaia operates efficiently on a small budget. Expenditures for 2016 totaled \$26,135. This is possible partly because experts generously donate their time and facilities to assist our work. These contributions are not fully reflected in our “in kind” donations, but we wish to acknowledge those who contribute to our work in meaningful but unquantifiable ways.

REVENUES



EXPENDITURES



A detailed breakdown of income, expenses, and assets is available through NomoGaia's IRS form 990

THE BOARD

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