
Human Rights Impact Assessment (HRIA) Cashews from Vietnam

Final report
25 July 2025



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Executive Summary

Overview

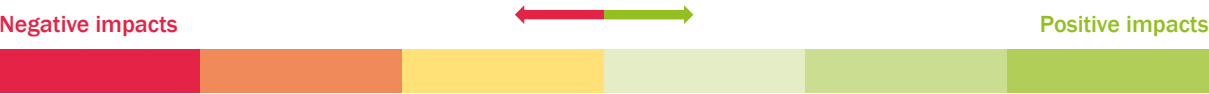
This report presents the findings of the Human Rights Impact Assessment (HRIA) for Superunie, examining human rights conditions and their root causes in its cashew supply chain from Vietnam. The study was conducted by Ergon Associates. This HRIA was undertaken using Ergon’s HRIA methodology, which is informed by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

The methodology is designed systematically to identify potential positive and negative human rights impacts arising from specific business activities and relationships and categorise them in order to develop an action plan to address the most salient impacts. This HRIA methodology and outputs have been developed taking into account the obligations placed on companies in the EU Corporate Sustainability Due Diligence Directive (CSDDD).

The HRIA was conducted between November 2024 and June 2025 and involved a mix of desk-based literature review and direct engagement with Superunie’s suppliers, industry actors, civil society and rightsholders (principally workers and farmers). Rightsholder engagement took place in the main sourcing regions for cashews with visits to farms, drying yards, as well as processing facilities in the provinces of Binh Phuoc, Ba Ria Vung Tau and Dong Nai. These visits were undertaken by Ergon and its local partner in Vietnam, during the harvest period in March 2025. It is important to highlight that not all sites visited were part of Superunie’s supply chain owing to traceability challenges, as well as an interest in understanding broader sectoral risks.

Salient impact findings

The potential and actual impacts in the supply chain in scope are assessed based on the saliency of each impact which includes – among other factors – the predicted severity and likelihood of the impact. Saliency is indicated by the following colour scale:



Each coloured box represents an impact finding in relation to the rights category (rows) and supply chain activity (columns).¹

The impact findings below present a range of actual and potential impacts in Superunie’s supply chain for cashews and are not intended to reflect any specific supplier or sites visited during the fieldwork.

¹ The following risks were assessed but not considered significant or evidence on the rights category was limited: forced labour, right to an adequate standard of living (farmers – accommodation, water, electricity, etc.), non-discrimination (community), gender-based violence and harassment.

Rights category	Non-harvest	Harvest	Drying yards	Processing	Home-based peeling
Working conditions (contracts, wages, hours)					
Occupational Health and Safety (OHS)					
Freedom of association and collective bargaining					
Child labour					
Discrimination in employment					
GBVH (affecting workers)					
Right to an adequate standard of living (income - farmers)					
Right to an adequate standard of living (workers - accommodation, water, electricity etc.)					
Right to education					
Right to a healthy environment					
Right to an effective remedy					

As demonstrated above, the HRIA identified a number of potential and actual negative human rights impacts. However, the most salient human rights concerns identified in the HRIA were:

- Child labour:** Child labour is present in multiple tiers of the cashew supply chain, particularly during harvest and in drying yards, and it is also likely to be present in home-based peeling operations. During harvest, informal working conditions, limited access to education and poverty are the main drivers behind workers' and farmers' children working at various ages. At drying yards, the fact that labour is often subcontracted and the subsequent informality also contribute to the presence of child labour. Interference with schooling is particularly likely where farms and drying yards are in remote areas as schools – particularly secondary schools – are often far away and people tend to be poorer and have a greater incentive for children to start working earlier to support family income.
- Working conditions (contracts, wages, hours):** In several tiers of the supply chain, workers operate primarily through informal arrangements without written contracts. From seasonal harvest labourers and drying yard workers to home-based peelers, payment can be based on piece-rate systems that often lack transparency, create income insecurities and may result in earnings below minimum wage. Working conditions vary significantly between socially-audited processing facilities and those without, with audited locations providing more formalized arrangements for permanent staff. However, even in certified processing factories, outsourcing (in particular: drying yards and home-based peeling) can be common and creates informal working arrangements with elevated risks for issues such as low pay, excessive overtime and poor occupational health and safety.

- Right to an effective remedy:** Throughout Vietnam's cashew sector, workers have limited access to grievance mechanisms at all levels—from farms and drying yards to processing facilities and home-based operations—resulting in few formal channels to address workplace concerns, payment disputes, safety issues, or rights violations. Particularly the informal nature of much of the sector creates structural barriers to establishing effective systems for addressing issues when they arise. This gap in remedy pathways presents challenges particularly for temporary and migrant workers. While some processing facilities have implemented complaint systems, their effectiveness may vary.

The cashew supply chain is highly feminised, with women comprising a significant portion of the workforce, especially at processing level. This gendered dynamic contributes to risks disproportionately affecting women, including limited access to effective remedies and heightened exposure to poor working conditions or occupational health and safety risks.

Root causes

Each impact often has a variety of root causes. Root causes are the underlying structural or contextual factors which may be considered to drive human rights impacts and affect the enjoyment of human rights by rightsholders. The root cause analysis is important to inform the development of appropriate actions to mitigate or remedy impacts, as well as to prevent further impacts.

The root causes identified in this HRIA can be categorised as follows:

Commercial, sectoral and business drivers	Legal and institutional framework	Other contextual social drivers
Price pressure	Legal restrictions on freedom of association	Societal norms: child labour
Seasonal nature of work	Performance of state institutions	Societal gender norms
Physical nature of work	Inadequate enforcement of labour law	Societal perceptions of Indigenous peoples
Producer capacity		Societal perceptions of migrants
Labour outsourcing / informality		Poverty and lack of opportunity
Limited regulation of labour brokers		Limited awareness of rights
Limited supply chain traceability		

Superunie Purchasing and Corporate Responsibility practices: Key points

Superunie is a cooperative buying group of 10 independent food and foodservice organisations. Each year, Superunie consults its members to determine, firstly, their interest in participating in collective cashew procurement and, secondly, the volume they intend to purchase. Price, quality and reliability are the main drivers for supplier selection, although since cashews have been identified as a high-risk commodity, Superunie has specified that all cashews must be grown in Vietnam or Cambodia and all processing factories must have valid social audits. Underpinning this is a “sourcing at origin” strategy aiming to reduce transport and CO2 emissions of raw cashews sourced from various African origins, for processing in Vietnam, a supply chain structure that is common in the sector. Superunie does not buy cashews directly from factories but through various intermediaries facilitating trade and final packaging.

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1. Introduction

As part of its human rights due diligence (HRDD) process, Superunie have commissioned Ergon Associates (Ergon) to conduct a human rights impact assessment (HRIA) on their cashew supply chain from Vietnam. This report outlines the methodology, research and results of the HRIA.

The HRIA aims to support the following objectives:

KEY OBJECTIVES	
1	Support Superunie's existing human rights due diligence efforts and commitments
2	Identify the most salient human rights impacts (actual, potential, positive and negative) within Vietnam's cashew sector
3	Understand root causes of impacts, and how they are affected by Superunie's practices and supply chain relationships
4	Gather perspectives of rightsholders and broader sectoral stakeholders on impacts and areas for improvement
5	Develop practical actions (recommendations) for Superunie to prevent, mitigate or remediate negative impacts and enhance positive impacts in the supply chain, and subsequently support the development of a human rights action plan (HRAP)

The country and product have been selected for an HRIA owing to the importance of nuts to Superunie's supply chains and customer offering – as well as the known human rights risks and interest from commercial teams. Superunie considers Vietnam as a high-risk sourcing country and cashews as a high priority commodity. It has selected cashews due to the high volume purchased, member interest and applicability (almost all Superunie members purchased the product) as well as considering the country-of-origin risk level, supplier leverage and existing certification status of cashews.

The scope of the HRIA was limited to the key phases of the cashew supply chain in Vietnam up to and excluding logistics and international shipment. This includes primary production activities (crop maintenance and harvesting) as well as drying yards and processing facilities, where applicable.

[Ergon](#) is a specialist consultancy in labour and human rights with extensive experience in carrying out HRIAs on complex international supply chains, including previous studies for Superunie. Ergon worked with a trusted and experienced local partner to conduct fieldwork in Vietnam.

2. Methodology

Human Rights Impact Assessments (HRIAs) are specialist studies designed to support an organisation's due diligence efforts in relation to international standards and frameworks, including the UN Guiding Principles on Business and Human Rights and the OECD Guidelines on Multinational Enterprises. The methodology used is designed to systematically identify actual and potential human rights impacts arising from specific business activities and relationships and rank them according to salience. Based on rightsholder feedback and a review of Superunie's functions and capacities, appropriate mitigation or remediation actions have been proposed.

2.1 Key stages of the HRIA process

The HRIA was based on the following steps:

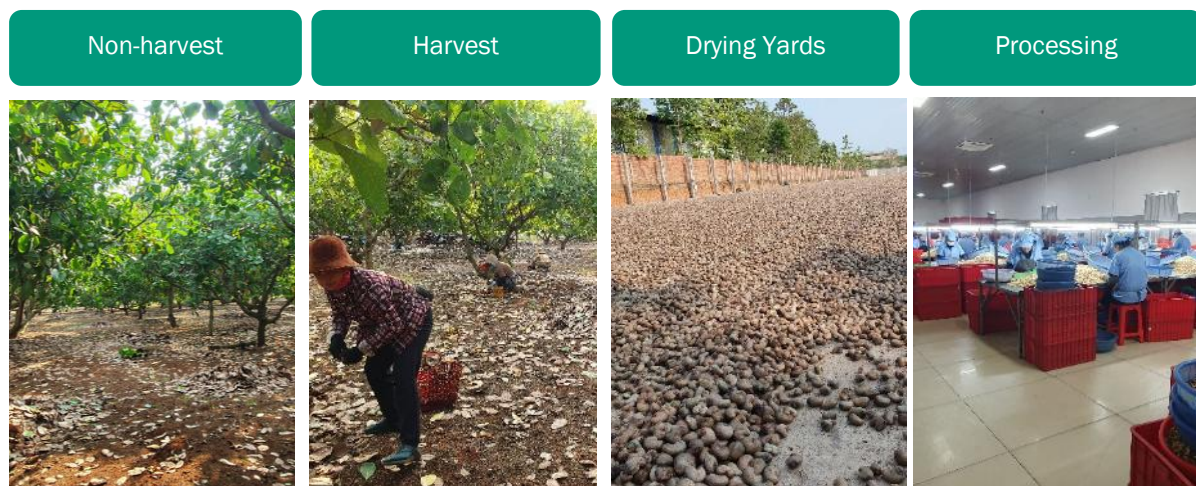
1	Background research	Review of procurement data, policies and processes	November 2024 to January 2025
		Supply chain mapping: interviews with Superunie and key suppliers	
		Country and sector research: incl. human rights in law and practice	
		Stakeholder mapping and shortlisting of relevant human rights	
2	Stakeholder and rightsholder engagement	Interviews with institutional stakeholders	February to March 2025
		Visits to production and processing sites in-country	
		Interviews with site management, workers, and other rightsholders	
3	Impact assessment	Apply saliency scoring methodology to identify salient impacts	April 2025
		Determine root causes and Superunie's attribution to salient impacts	
4	Recommendations and finalization	Develop recommendations to address salient impacts	April to June 2025
		Workshop recommendations with Superunie	
		Development of final HRIA report	

2.2 Scoping

2.2.1 Supply chain activities in scope

Ergon mapped out the key supply chain activities relevant to this study based on a desk review of relevant reports and sectoral analyses; a review of Superunie's respective systems and processes; and engagement with Superunie and their key suppliers. The graphic below shows relevant supply chain activities in scope for the impact assessment:

Transport activities at various stages



These activities were prioritised for analysis after an assessment of the full supply chain identified these as highest risk activities in terms of human rights impacts. During fieldwork, indications for further subcontracting at processing stages were found relating to home-based peeling. These are explained in more detail in the impact section. Although there are risks associated with other activities – such as freight transport, international shipping, and logistics in destination markets – these are not considered unique to the cashew supply chain and are better assessed through specific activity assessments.

2.2.2 Potentially impacted rights in scope

Rights likely to be affected by each supply chain activity were identified to produce a practical shortlist of rights for the baseline and impact assessment. Scoping was based on sectoral knowledge and desk research. All rights contained in the International Conventions on Civil and Political Rights and on Economic, Social and Cultural Rights as well as the ILO Core Conventions were reviewed as a starting point.

Labour rights

- Working conditions (contracts, wages, hours)
- Occupational Health and Safety (OHS)
- Freedom of association and collective bargaining
- Prohibition on child labour
- Prohibition on forced labour
- Discrimination in employment
- Gender-based violence and harassment (GBVH)

Economic and social rights

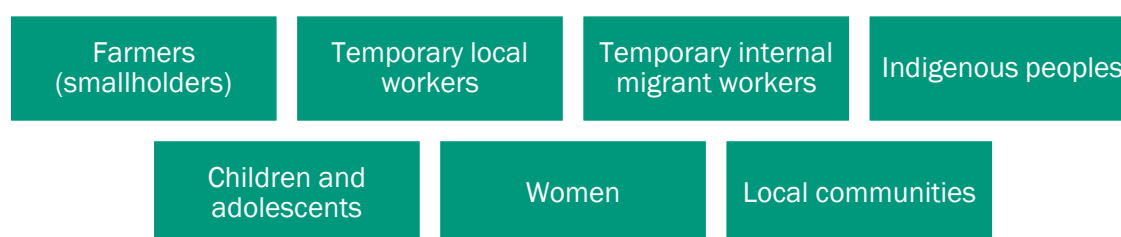
- Right to an adequate standard of living (workers, farmers)
- Right to a healthy environment
- Right to education
- Right to social security

Cross-category rights

- Right to an effective remedy
- Non-discrimination (communities)
- Gender-based violence and harassment (GBVH) (communities)

2.2.3 Rightsholders in scope

Key rightsholders present in or affected by the business activities in scope in Superunie's cashew supply chain in Vietnam were also identified. As with rights categories, this list was updated as appropriate throughout the development of the HRIA.



It is important to note that few categories of rightsholders are fully distinct; a person may be represented under more than one category of rightsholders simultaneously. In addition, impacts can be intersectional, meaning that they affect different rightsholders (as well as different individuals and groups within the categories of rightsholders) in different ways, depending for example on their gender identity, sexual orientation, ethnicity, age and / or class. For this study, priority groups are temporary internal migrant workers, children, women and indigenous groups.

2.3 Stakeholder engagement

Stakeholder outreach is a key element of the HRIA methodology and is designed to:

- Engage relevant stakeholders on human rights risks and impacts as well as current commercial challenges and trends affecting the sector
- Collect information on potentially impacted rightsholders and the likelihood or potential severity of impacts, root causes, and their views on potential mitigation actions
- Identify potential stakeholders to follow up with for collaboration to address impacts or to monitor the implementation of certain mitigation measures.

2.3.1 Institutional stakeholder engagement

Institutional stakeholder engagement is a key component of Ergon's HRIA methodology. Interviews were conducted with a range of national and international institutional stakeholders to gather their expert views on challenges and opportunities in the cashew supply chain.

INSTITUTIONAL ENGAGEMENT			
International stakeholders		National stakeholders	
Certification organisations	2	Government ministries	2
Multi-stakeholder initiatives	1	Trade unions	1
Non-governmental organisations	1	Business associations	2
		Farmers associations	1
		Cooperatives organizations	1
		Research organizations	2

2.3.2 Site visits and rightsholder engagement



Figure 1: Regions where fieldwork was conducted

During March 2025, Ergon and local consultants conducted in-person engagement with 12 farm sites, 1 cooperative, 5 processing facilities (3 of which are relevant to Superunie's supply chain) and 3 drying yards. Engagement included conversations with farmers, local and migrant workers, children, family members as well as management staff of processing facilities.

FIELD VISIT – INCL. RIGHTSHOLDERS			
Processing management staff			
Female: 6	Male: 1	Total: 7	
Processing workers (permanent)			
Female: 36	Male: 13	Total: 49	
Processing workers (temporary)			
Female: 5	Male: 0	Total: 5	
Drying yards (management)			
Female: 1	Male: 1	Total: 2	
Drying yards (temporary workers)			
Female: 5	Male: 8	Total: 13	
Drying yards (migrant workers)			
Female: 1	Male: 0	Total: 1	
Farmers			
Female: 6	Male: 5	Total: 11	Stieng, an indigenous ethnic group, are prevalent in Bu Gia Map and Phu Nghia communes
Temporary local farm workers			
Female: 36	Male: 22	Total: 58	Stieng, an indigenous ethnic group, are prevalent in Bu Gia Map and Phu Nghia communes
Temporary migrant farm workers			

Female: 1	Male: 4	Total: 5	
Workers' children (working)			
Female: 0	Male: 2	Total: 2	Including underage members: 2
Traders/Collectors			
Female: 0	Male: 2	Total: 2	
Community members			
Female: 1	Male: 0	Total: 1	

2.3.3 Ensuring meaningful engagement

Topics for consultation were customised for each stakeholder and rightsholder group. Some questions were posed to all to gain a variety of perspectives, including broader questions relating to the positive and negative impacts of the sector on workers and communities, and requests for recommendations for positive change. Measures were taken to ensure stakeholders – particularly vulnerable rightsholder groups – could comfortably express their views. These included:

- **Communicating confidentiality:** Superunie did not take part in any of the stakeholder interviews. The confidentiality of the engagement process was communicated to all participating stakeholders. Participants were told that the HRIA was commissioned by Superunie and that their views would not be communicated either to supply chain actors, Superunie or publicly on a named or identifiable basis.
- **Language and gender:** Interviews were conducted in the native language of rightsholders and a gender balance among consultants was ensured. Women-only focus groups and interviews were conducted by female consultants, including for female seasonal migrant workers and female family members.
- **Ensuring confidentiality:** Worker interviews were conducted without the presence of farmers/management staff. Worker interviews where management was unwilling to leave were cancelled.
- **Allowing for follow-up:** Contact details of consultants were shared with rightsholders for future contact, if required.

2.4 Limitations

The methodology followed for this HRIA is considered to provide an effective means for identifying salient human rights impacts in the cashew supply chain in Vietnam and developing recommendations for Superunie. However, there were some limitations:

- **Site visits:** While Ergon was involved in site selection, and the selection of sites visited represented a cross section of sites in the supply chain, it is important to acknowledge the reliance on suppliers to organise announced visits to relevant sites, such as farms and processing facilities. Some sites presented challenges during the engagement process, with instances where visits were changed on short notice, worker interviews could not be conducted in a safe setting, or the number of worker interviews severely was restricted.
- **Sensitive issues:** The nature of HRIA fieldwork, including time limitations, and the conditions under which it was conducted meant that it was unlikely to identify instances of more clandestine human rights impacts such as forced labour, or gender-based violence and harassment. Engagement with

representative organisations for institutional stakeholder engagement are used to gather further information on these sensitive issues.

- **Traceability and sourcing ambiguity from Cambodia:** This HRIA focused on the cashew sector in Vietnam. However, during the assessment and site visits, it became increasingly evident that the origin of cashews was not always traceable to farms in Vietnam. There is a significant possibility that a larger volume of raw cashews is being sourced from Cambodia than initially anticipated. Given Vietnam's role as a major processor rather than a primary producer, this raises questions about the extent to which Cambodian-sourced cashews are entering the supply chain. As a result, there is a risk that human rights issues specific to the Cambodian cashew sector — such as labour conditions, land rights, or child labour — require further study than this Vietnam-focused assessment.

3. Country and sector context

3.1 Sectoral overview

3.1.1 Key economic figures

Aspect	Key points
Production volume	Farming area: In 2022, Vietnam harvested 304,039 hectares of cashews, with an average yield of 1,123.8 kg/ha (UN Data, 2021). Cashew processing output figures vary with the General Statistics Office in Vietnam stating figures as high as 383.3 thousand tons in 2021 (General Statistics Office Vietnam, 2022). Local production: Vietnam accounts for 9% of the global cashew harvest but relies heavily on raw cashew nut (RCN) imports due to domestic processing capacity exceeding local production (CBI, 2024; UNCTAD, 2021).
Certification and social audit	Ethical Certifications: Certifications like Fairtrade and Rainforest Alliance (RA) promote ethical practices in the cashew industry.² Social audits: Social auditing is becoming increasingly common in the sector, especially among export-oriented processing facilities, with SMETA (Sedex Members Ethical Trade Audit) or Amfori BSCI being the most prevalent audits used.
Price developments	Volatility: Raw cashew nut (RCN) and kernel prices have experienced significant volatility from 2000 to 2019, driven by global competition, demand fluctuations, and supply constraints, with kernel prices peaking at over \$10/kg in 2017 before declining to \$7.8/kg in 2019 (UNCTAD, 2021). Current price: The average export price of Vietnamese cashews rose by 2.9% to \$5,867 per ton in 2024, with all 15 major markets, led by the UAE, showing increased import values (Tridge, 2024).
Key trading partners/ destination markets	Exports: Vietnam is the world leading exporter of processed cashew, exporting \$3.6 billion worth of cashews in 2022, with primary destination markets mirroring global import trends, except for Belgium and the UAE (USDA, 2024). Major exporters include Olam (10% of Vietnam's export value) and other significant companies like Long Son and Thao Nguyen (FairTradeNApp, 2018). Key destination markets: Vietnam has solidified its position as the world's leading supplier of cashew kernels, accounting for over 80% of global exports by volume and value in recent years, according to the WTO. In 2024, Vietnam supplied approximately 98% of cashew imports into the U.S., further increasing its market share from 85% in 2019 (UNCTAD, 2021; WTO, 2024). The second key destination market is the EU, with Vietnamese cashews representing over 50% of EU imports and 90% of UK imports (Vietnam Agriculture, 2024; Vietnam Ministry of Agriculture and Rural Development, 2022). The EU, Vietnam's second-largest market for cashews, contributed approximately \$900 million to exports in 2022, with key trading hubs in Germany and the Netherlands facilitating domestic consumption and re-exports across the bloc (CBI, 2024).
Economic importance	Farming and processing: Agriculture is important to the economy at 12% of GDP and employs 29% of the labour force (World Bank, 2022). In 2023, the cashew industry aimed to generate \$4 billion in export revenue, up from \$3.6 billion in 2022 (ASEM Connect, 2024).

² A comparison of the scope of the Rainforest Alliance and Fairtrade certification schemes can be found in the Annex, along with relevant information on the practical implications of their implementation.

Aspect	Key points
	• Imports: Vietnam is the world's largest importer of raw cashew nut (RCN), sourcing over 1.2 million tonnes annually (ASEM Connect, 2024, ETI Norway, 2018). It relies heavily on imports of raw cashews (90% of supply) from countries like Cambodia, Ghana, and Ivory Coast (Vietnam Union of Friendship Organisations, 2023). Imports are incentivized by reduced tariffs (5% for RCN), enabling Vietnam to maintain its leading position in global cashew kernel exports despite domestic production challenges (Trade for Development Center, 2018; ETI Norway, 2018). • Exports: Vietnam is the largest global exporter of cashew nuts, accounting for 80% of global output for 16 consecutive years (ASEM Connect, 2024). In 2017, over 70% of Vietnam's export cashew value came from imported RCN, primarily sourced from Cambodia, Ghana, Nigeria, and Tanzania (ETI Norway, 2018). From January to October 2024, Vietnam exported 613,500 tons of processed cashews worth \$3.6 billion, achieving an 18.7% increase in volume and 22.1% growth in value year-on-year (Tridge, 2024). • The proposed 46% U.S. tariff on Vietnamese cashew imports has caused significant uncertainty and threatens to sharply reduce Vietnam's cashew exports to its largest market, which accounts for about 25–27% of export value (Kaifarm, April 2025; Tridge, April 2025). In response, Vietnamese exporters are urgently diversifying into alternative markets such as the Middle East, while the government seeks tariff exemptions, among ongoing unpredictability (Vietlinh Agrimex, April 2025).
Social importance	• Scope: Vietnam's cashew sector sustains a vast network of processors and exporters, contributing significantly to rural livelihoods and employment (ASEM Connect, 2024). • Livelihoods: The cashew industry in Vietnam plays a crucial role in providing employment and improving the livelihoods of rural communities. It is estimated that it creates regular jobs for 80,000 workers in Binh Phuoc Province alone (Vietnam Plus, 24 July 2023). The Vietnamese cashew industry is estimated to employ over 1 million people across more than 200,000 farming households and nearly 1,000 processing sites.

3.1.2 Geography

Vietnam's primary production of cashew is concentrated in the south, particularly in the Binh Phuoc province, which borders Cambodia and accounts for over 50% of the country's raw cashew nut (RCN) supply and is renowned for high-quality production ([Vietnam Union of Friendship Organisations, 2023](#)). It is also the only province that employs a Geographical Indication label that links production with the province. Other significant areas include the southern provinces of Ba Ria-Vung Tau and Dong Nai, as well as Phu Yen and Binh Dinh in the central region and the Central Highlands provinces of Dak Lak, Gia Lai, and Kon Tum. However, the Central Highlands have seen a sharp decline in production due to unfavourable weather, pests, low-quality seeds, and farmers shifting to other crops, particularly after significant area reductions in 2016 ([Trade for Development Center, 2018](#)).

With regards to processing, Binh Phuoc boasts the highest concentration of cashew processing factories and shelling facilities. By 2022, it represented 70% of the country's cashew enterprises and 50-80% of the national cashew processing capacity. The province presently hosts over 1,400 cashew processing facilities ([Vietnam Plus 2024](#)). Other significant provinces with processing facilities include Dong Nai, Ba Ria-Vung Tau, Binh Thuan, and the Central Highlands regions of Dak Lak, Gia Lai, and Kon Tum ([Vietnam Agriculture Outlook Report, 2024](#)).

Country	Region	Size of cashew farms (in ha)	Unit
Vietnam	Southeast Region (Binh Phuoc)	175,000	ha
Vietnam	Central Highlands	85,265	ha
Vietnam	South Central Coast	35,023	ha
Source (Vietnam Plus, 24 July 2023) .			

Figure 2: Main cashew production regions in Vietnam

3.1.3 Production calendar

The average cultivation cycle for cashew trees is about 3 to 5 years before they start bearing fruit, with peak production occurring around 8 years ([Akinola, E., 2023](#)). The production calendar for Vietnamese cashew production typically begins with land preparation and planting in January and February, followed by the harvest season from February to June, with peak harvesting occurring from March to May. Post-harvest activities, including drying and initial processing, take place from June to August, while maintenance of orchards, such as pruning and fertilization, takes place from September to December ([ViegoGlobal, 2021](#)).

3.1.4 Producer profile

Vietnamese cashew producers are mainly individual farmer households. There are some outdated reports referring to major state-owned farms and agro-forestry enterprises. ([Trade for Development Center, 2018](#); [ETI Norway, 2018](#); [FAO, 1996](#)). However, there is limited recent information regarding these and no evidence was identified to suggest they are present in this supply chain.

The ca. 200,000 family-run cashew farms vary in scale, with smaller farmers (1–3 hectares) often struggling with limited resources, while those with larger farms (5–6 hectares) and more diversified crops tend to have more capital and are likely to employ more temporary labour. It appears that farmers with smaller plots are often of the ethnic minority, Stieng. A limited number of smallholder farmers in Vietnam's cashew sector may join cooperatives to enhance production efficiency, secure better market access, and adopt sustainable farming practices ([ETI Norway, 2018](#)). In Binh Phuoc, there are 45 cashew cooperatives with 2,290 members, providing jobs for 2,262 workers.

Vietnam has over 1,000 processing facilities, including 450 enterprises and 500 household businesses. SMEs make up 90% of the processing firms, while 10% are foreign owned. Key players like Olam and Long Son dominate, but there are also 600-700 small processors operating as subcontractors ([ETI Norway, 2018](#)). According to the Vietnam Cashew Association (VINACAS), there has been a trend of foreign-owned companies acquiring or merging with larger Vietnamese cashew processors, indicating that foreign investors are expanding their influence and share in Vietnam's cashew processing industry ([ETI Norway, 2018](#)).

3.1.5 Workforce profile

Orchard maintenance

Cashews are considered low-maintenance and typically, farmers and/or family members would conduct activities relating to irrigation, fertilization, pruning, pest and disease management, weed control, soil

maintenance, themselves. However, maintenance on cashew farms can be limited – for example, only 45% of cashew farmers in Binh Phuoc have invested in grafted seedlings, fertilizers, pesticides, and machinery, leading to low productivity. Only in some instances are workers hired for specific tasks such as pesticide application.

Harvest

Given the variety in size of cashew farms, it is difficult to use intensive farming techniques ([ETI Norway, 2018](#)). Family-run cashews farms try to rely on family members to carry out most of the work to minimise costs but, particularly on larger farms, farmers may hire additional workers on a temporary basis (with oral contracts varying from days to weeks) during the peak season. Temporary workers may be neighbours who are also farmers who have finished their own harvest, casual labourers from the region, or migrant workers from different areas within Vietnam, particularly the Mekong Delta.

Drying yards

The workforce profile at Vietnamese drying yards reveal a heavy reliance on seasonal labour, predominantly involving local ethnic minorities, like the Stieng people, as well as some migrant workers from the Mekong Delta and neighbouring Cambodia. Workers primarily operate under verbal agreements facilitated by labour brokers, with no formal contracts in place. Seasonal tasks include unloading trucks, drying, and packing cashew nuts, often performed under challenging conditions, such as prolonged exposure to sunlight and heat. While men typically handle heavier duties like turning cashews or unloading, women are involved in lighter tasks such as bagging and repacking. Despite the low and unstable incomes for some workers, particularly migrants, conditions are considered relatively better than in their hometowns.

Processing

The processing sector likely employs about 1 million workers, though mechanization has reduced labour needs by up to 70% in tasks like sorting ([ETI Norway, 2018](#)). Shelling, peeling, and sorting are conducted manually by hand, mechanically, or fully automated, with by-products like shells and processed for oils and other industrial uses ([ETI Norway, 2018](#)).

Work in cashew processing factories is somewhat seasonal and low-skilled. Larger companies manage to secure enough raw cashew to maintain year-round production, whereas smaller processors, constrained by financial and storage limitations, operate intensively for 6-8 months and then halt production for the remainder of the year. This distinction is evident in the proportion of workers who have signed employment contracts with these companies. Women are predominantly employed in the lower-paying, labour-intensive roles such as shelling and peeling cashew nuts. Additionally, women reportedly earn 29.5% less per hour than men in a sector-agnostic assessment, reflecting broader occupational segregation and discriminatory practices ([MekongPlus, 2024](#)).

Home-based peeling

Home-based peeling facilities in Vietnam would likely employ predominantly women, who engage in labour-intensive tasks such as manually peeling cashew nuts. Typically, these workers would often operate without formal employment contracts, relying on informal arrangements, which highlights the precarious and unstable nature of their work. The lack of enforceable labour protections further exacerbates their vulnerability, leaving them with limited avenues for dispute resolution. Moreover, it is likely that many of these workers manage their peeling duties alongside various household responsibilities, resulting in extended workdays. These insights are based on assumptions derived from comparative research in sectors where home-based peeling activities are prevalent, providing a broader understanding of workforce profiles in similar contexts.

3.2 Key supply chain activities

The following gives an overview of key supply chain actors for cashews produced in Vietnam for Superunie.

Stage / actor	Key points
Input supply	Only 45% of local cashew farms in Binh Phuoc use fertilizers, reportedly, affecting productivity and yields (ETI Norway, 2018). This is often outsourced to local specialist services.
Primary production	- Farmers cultivate cashew trees by planting seeds or seedlings in well-drained sandy loam soils. The trees require regular watering, especially in the first year, and benefit from fertilization. - Cashew harvesting in Vietnam is done using both manual and mechanized methods. Traditionally, manual harvesting is more common, where cashew fruits are picked from the ground to pick the nuts. This method is cost-effective but labour-intensive. - After harvesting, the raw cashew nuts (RCNs) are air-dried on concrete floors, drying mats, or tarpaulins under the sun for 2 to 4 days, and then stored in airtight containers to maintain freshness and prevent moisture absorption. Some small farmers lack the space to complete this drying, and hence sell their RCNs before drying. <u>Reliance on imports of RCN</u> - Vietnam produces only 35% of the raw cashew nuts (RCN) it needs and this trend is continuing. Therefore, Vietnam relies heavily on imports from Africa and Cambodia to fuel its processing industry (Trade for Development Center, 2018; ETI Norway, 2018). Cashew farming outside of Vietnam was not in scope for this assessment.
Cooperatives	- As cooperatives are not always seen as effectively supporting farmers' interests, many farmers continue to negotiate directly with traders (ETI Norway, 2024). Also, small farmers face challenges joining cooperatives due to long-term commitments to farming practice improvements (Trade for Development Center, 2018; ETI Norway, 2018). - Larger processors often bypass middlemen by buying directly from farmers or cooperatives (ETI Norway, 2024). - The limited capacity and low concentration of cashew cooperatives in Vietnam, coupled with weak linkages between producers and processing companies, continue to undermine production efficiency and quality control. - Many farmers depend on loans from traders or cooperatives to finance their operations, repaying them after the harvest.
Traders	- Farmers sell RCN to local small collectors in their community, who then sell to larger collectors or processing companies, involving multiple layers of traders. Only about 10% of cashew production is sold directly by farmers to large agents, with occasional direct sales to nearby processing factories Vietnam (Trade for Development Centre, 2018). - Some traders source from specific areas in Vietnam, whereas others have specialised in facilitating cross-border trade in Cambodian cashews to Vietnamese factories, in addition to sourcing from African origins also.
Drying	- As some small farmers often do not have the space to dry cashews themselves, this is sometimes done at specific drying yards. These are either owned by traders or by processing factories. - Cashews are spread out on concrete floors and left to dry under the sun for 2-4 days. Workers need to unload the cashews, spread them out on the floor, mix and turn them around occasionally. Once dried, cashews are loaded onto trucks for transport to processing factories.

Stage / actor	Key points
Processing	- Processing factories roast, shell, and peel RCNs to obtain kernels, then grade, ensure quality control, and package them. Roasting methods include drum, oil bath, or steam, which make shells brittle for easier removal (Global Cashew Council, n.d.). After roasting, the nuts are shelled to remove the outer hard shell and then peeled to remove the thin inner skin or testa. The kernels are then graded and packaged for distribution (Global Cashew Council, n.d.) - Home-based Peeling: This method involves the peeling of cashews by workers in their homes, providing flexibility and convenience for processing facilities based on their volumes. This practice is widespread in the cashew processing sector in Vietnam, often used by processing factories to outsource labour to local people's homes. In 2017, 500 household businesses were identified by VINACAS (ETI Norway, 2024). The informality of this work arrangement makes it difficult to monitor and regulate, leading to potential exploitation. Home-based peeling operations are characterized by several risks, including child labour, poor working conditions, health and safety risks, and lack of effective remedy for workers.
Export	- Vietnam primarily exports cashew kernels that have undergone minimal 'fine' processing, incl. roasting, etc. Exports are often in bulk rather than retail packaging (Trade for Development Center, 2018). Most of the value addition in the global cashew supply chain occurs in the destination markets rather than in the countries where the cashews are originally produced. - Export companies and agents, along with government export promotion agencies, handle the packaging and labelling for international markets, ensure compliance with export regulations and standards, and manage logistics and transportation to international buyers.
Import	Cashew importers import cashew nuts which have undergone minimal processing into Europe.
Final processing	Processors buy cashew nuts from importers, conduct further processing into products such as nuts or mixes, if required and package the product as required by customers.
Superunie	Superunie collects product requests from member supermarkets, buys the respective products and distributes them to member supermarket for retail.
Retail	Member supermarkets sell cashew products to consumers.

3.3 Key challenges facing the sector

- Pests, adverse weather conditions and climate change risks:** Pests like tea mosquito bugs and cashew stem borers have harmed cashew nut productivity and quality – significantly reducing yields some years. The cashew sector also faces climate change risks like droughts, floods, and unseasonal rains and heavy dew, which disrupt production and supply chains, reduce tree yields, and degrade soil, making adaptation strategies essential ([Vietnam Union of Friendship Organisations, 2023](#)).
- Trade, quality, food safety, and traceability:** Vietnam's cashew sector faces challenges in raw material sourcing, trade deficits, and quality control—partly due to past over-importation of raw cashew nuts (RCN). This has pressured local producers to lower prices, prompting some to shift to higher-value crops like coffee, rubber, and pepper ([Vietnam Union of Friendship Organisations, 2023](#); [ETI Norway, 2018](#)).

- **Low productivity of family-owned farms:** Many trees are too old to carry maximum yield ([ETI Norway, 2018](#)). Also, many farmers do not use good agricultural practices which would be needed to maximize yields. Particularly on small farms, farmers tend not to have the financial capacity to invest in new trees, new equipment or training to address these issues.
- **Counterfeit products:** Concerns over counterfeit Binh Phuoc cashews and weak producer–processor linkages were once significant but have reportedly improved with some oversight and coordination. Nevertheless, the risk of foreign cashews being sold and marketed as Binh Phuoc cashews remains. These counterfeit products, often of poor quality and lacking proper labelling, have been accused of violating the geographical indication protections and harming the reputation of local produce ([Tridge, 2024](#)).

4. How Superunie buys cashews

Aspect	Description
Product categorisation	- A variety of cashew products, including salted, unsalted, roasted, and unroasted cashews, are available in different package sizes. Cashews also feature in product lines such as trail mixes. - Currently, Superunie purchases conventional cashew nuts for all its products. However, it has a target to source 100% sustainability certified by 2030 for own-brand products.
Supplier selection	- Suppliers are selected based on price, their performance, certifications (e.g., SMETA), and reputation in the market. Superunie tracks suppliers on their performance (order fulfilment), and poor performance can lead to reconsideration of the supplier. - The Sustainable Trade ("Duurzame Handel") team participates early in the tendering process to discuss requirements and potential ambitions or desires throughout the supplier selection and contracting process.
Contractual arrangements with suppliers	- Annual contracts are typically negotiated with suppliers, with some agreements lasting up to two years. Indicative volumes are collected from Superunie members in advance and provide the basis for the tender. Prices are set during the tendering process. - Sustainability annexes are included in contracts, focusing on transparency and monitoring. - Once a contract is signed, Superunie members can place orders directly with the supplier. Performance is monitored weekly, focusing on order fulfilment. - In case additional volumes need to be purchased, this would require new negotiations. - Long-term relationships with suppliers are discussed, where applicable.
Supply chain visibility	Visibility is limited and extends only to direct suppliers and the tier prior to packaging. Efforts are being made to enhance supply chain mapping and risk assessments.
Supplier purchasing practices	- Superunie's suppliers typically have annual contracts with importers and pass down Superunie's requirements to them. - Importers buy from processing factories through an agent who facilitates export and ensures Superunie's requirements are passed down to the processing factories. Agents typically buy on a more irregular basis based on market demands – ranging from purchases every week to every few months.
Corporate Responsibility and Human Rights	- In order to reduce CO2 emissions and to increase transparency, Superunie requires suppliers to only offer cashews grown in Vietnam and Cambodia and processed in Vietnam. - Suppliers and their direct suppliers need to have valid social audits if they operate in high-risk countries. In the cashew supply chain, this requirement extends to all processing factories when these are based in high-risk countries. - Superunie is planning to improve traceability and HRDD efforts, developing specific targets and KPIs as well as including stricter requirements for suppliers connected to these goals.
Projects, initiatives and collaborations	Collaboration with Dutch retailers through the CBL Platform aims to ensure 100% certified private label cashews by 2030. Participation in the – now expired – Food Sector Agreement helped build a foundation for due diligence. The company is exploring additional sustainability commitments and strengthening grievance mechanisms.

5. Impact assessment

5.1 Overview

This section sets out the key findings arising from the impact assessment, which was based on information gathered through the baseline assessment, rightsholder and additional stakeholder engagement, and field research. The impact findings are separated into sections relating to each supply chain activity in scope. The impacts are rated based on the saliency of each impact. This considers whether the potential or actual impact is positive or negative, whether it is directly attributable to the activity in question, its duration, its likelihood, and its magnitude. Saliency is indicated by the following colour scale:



The table below displays all impacts assessed for this study.³ Each row represents a specific rights category. Each column refers to a supply chain activity. Each coloured box represents an impact finding in relation to the rights category (rows) and supply chain activity (columns). Positive impacts appear green; negative impacts appear yellow or red.⁴

The impact findings below present a range of actual and potential impacts in Superunie's supply chain for cashews and are not intended to reflect any specific supplier or sites visited during the fieldwork.

Rights category	Non-harvest	Harvest	Drying yards	Processing	Home-based peeling
Working conditions (contracts, wages, hours)					
Occupational Health and Safety (OHS)					
Freedom of association and collective bargaining					
Child labour					
Discrimination in employment					
GBVH (affecting workers)					
Right to an adequate standard of living (income - farmers)					

³ Impacts were found to vary between growing regions in Vietnam. The impact assessment represents the most salient cases identified. These instances are explained in the text below.

⁴ No significant potential or actual positive impacts were identified. Some risks were assessed but not found to be significant or evidence on the rights category was limited. These included: forced labour, right to an adequate standard of living (farmers – accommodation, water, electricity, etc.), right to social security, non-discrimination (community), gender-based violence and harassment (communities).

Rights category	Non-harvest	Harvest	Drying yards	Processing	Home-based peeling
Right to an adequate standard of living (workers - accommodation, water, electricity etc.)					
Right to education					
Right to a healthy environment					
Right to an effective remedy					

5.2 Impact findings by activity

In the following sections, each impact is explained in more detail and with specific attention to the rightsholder(s) impacted. Impacts are in descending order, starting with the highest saliency rights impacted.⁵



Figure 3: Cashews in storage at processing

5.2.1 Crop maintenance



Year-round, orchards must be maintained and prepared. Activities include irrigation, pruning and spraying pesticides. This may be carried out by the farmers themselves, their family members or neighbours, or external service providers. Children are unlikely to be involved in these tasks.

Rights issue	Impact description	Impact rating
Occupational health and safety (OHS)	Farmers and workers face risks related to pesticide and chemical exposure, particularly concerning as proper protective equipment is rarely used, provided, or adequate. Some farmers report applying pesticides 6-7 times annually yet demonstrate limited knowledge of associated health hazards and long-term consequences. The spraying of pesticides might be outsourced to specialized companies or day labourers.	
Working conditions (contracts, wages, hours)	Most farms operate with family labour only, with larger operations occasionally hiring local workers or service providers for specific seasonal tasks like tree pruning or pesticide application. These workers typically perform one-off jobs on farms. While this employment is likely to be informal, with no formal contracts or employment protections in place, it only affects a small number of workers.	
GBVH (affecting workers)	Gender-based violence and harassment concerns are limited in Vietnam's cashew sector due to the minimal hired workforce in maintenance activities. The primary GBVH risk may exist in smallholder households where male household heads control farms. These power imbalances within family farming	

⁵ Certain human rights were excluded from the scope of assessment. For example, the right to life and physical integrity was carefully considered but since indications in the literature could not be backed by rightsholder or stakeholder engagement, these rights were eventually excluded from the assessment.

Rights issue	Impact description	Impact rating
	operations could potentially create conditions for GBVH, though no reports were identified.	
Right to an adequate standard of living (income - farmers)	- Income levels among cashew farmers show significant disparities based on farm size and diversification practices. The majority of farmers who own larger plots and engage in intercropping or crop rotation are generally able to sustain a decent standard of living - whereas farmers with smaller plots (1-2ha) are often found struggling to sustain a decent living. - Many small-scale farmers particularly struggle with limited access to affordable credit, exposing them to exploitative high-interest loans and persistent debt cycles with local traders, creating situations where they cannot escape financial vulnerability despite their work. - Farmers with larger plots reportedly earn approximately 80-120 million VND annually. However, because production costs are not well documented, it is difficult to determine whether farmers achieve a living income or not. For reference, living wage estimates per Vietnamese region as relevant to the sites included in the fieldwork have been included in the Annex.⁶	
Right to a healthy environment	Environmental health concerns are present due to high pesticide usage combined with limited training on proper application methods and safety precautions. The potential negative effects on local ecosystems, water sources, and surrounding communities are likely underreported due to insufficient monitoring and knowledge among local communities.	
Right to an effective remedy	Access to specific remedy mechanisms for farmers or workers is absent, with no formal grievance processes. While the overall risk is not considered severe (primarily due to limited workforce size rather than strong protections), the lack of remedy channels means that when violations do occur, affected individuals have no clear path to seek redress. Although workers (notably not farmers themselves) in the cashew sector can theoretically seek redress through local courts, this option is often inaccessible due to high costs, lengthy procedures, and lack of legal support. These mechanisms are particularly ineffective for informal workers, compounding the lack of effective remedies.	

5.2.2 Harvest



In the harvesting period, the main tasks include picking up cashews, packing them in sacks and carrying them to the designated collection or drying area. Manual harvesting is more common, where farmers use their hands or simple tools to pick the cashew fruits from the ground. This is typically carried out by farmers and their family members but some hire additional workers (incl. local indigenous populations and internal migrant workers) on a temporary basis during the peak season. Approximately 200,000 households are involved in cashew farming, with 40% in Binh Phuoc. Women constitute the majority of the labour force. Children are commonly engaged in harvest work.

⁶ Many farmers have other sources of income besides cashews, however, these income sources may vary greatly. This irregularity makes it difficult to determine their incomes comparative to living income.

Rights issue	Impact description	Impact rating
Child labour	- Child labour appears to be present during harvest season. Field observations identified children as young as 13 collecting cashews with their parents, who were hired workers themselves. While children do not constitute the majority of workers, their presence is notable. - In rural areas, due to economic hardship and the absence of nearby secondary schools, many children leave school after primary education to begin work – especially in poorer households and those of indigenous communities. - It is unclear to what extent children are paid directly or their payment is made to parents.	
Working conditions (contracts, wages, hours)	- Hired workers typically work on farms only during harvest season with no written contracts, relying instead on verbal agreements formed through word-of-mouth connections. There are usually no labour intermediaries involved. Pay is based on piece rates with workers paid daily in cash, though the payment system lacks transparency as most workers often do not understand exactly how much they collect per day and how much they would earn per Kg collected. - Working hours generally run from 7am-4pm, daily, throughout the harvest period. - Workers throughout Vietnam's cashew supply chain predominantly receive piece-rate compensation – from harvest workers earning 3,500-4,500 VND per kilogram (200,000-400,000 VND daily) – with payments typically made daily in cash. Irregular work patterns, characterized by inconsistent work schedules and fluctuating income, make it difficult to accurately assess whether their compensation meets minimum wage standards, let alone provides a living wage sufficient for basic needs.⁷	
Right to education	Particularly for farms located near the Cambodian border, access to schools – particularly secondary schools – tends to be limited. Schools are often located far away from people's homes, thus disincentivising young people to visit schools instead of starting work. The poor economic situation in these areas may contribute to that trend.	
Occupational health and safety	Physical issues include repetitive strain injuries from crawling on the ground to collect cashews, risks from falling cashew apples, and exposure to insects and pests. Workers generally lack adequate safety equipment and proper footwear for the tasks performed. There are no visible bathroom facilities on farms.	
Right to an effective remedy	Workers and farmers have no formal channels through which to raise concerns about working conditions, payment disputes, safety issues, or potential rights violations. This poses particular risks for vulnerable people such as temporary and migrant workers and women.	
Freedom of association and collective bargaining	Owing to informality and seasonality, workers face significant barriers to organizing and collective bargaining. This combined with legal restrictions on freedom of association within Vietnam and limited awareness among workers about their rights creates an environment where unionization is highly unlikely.	

⁷ Due to informality, it is challenging to accurately assess the extent of individuals' involvement in cashew production. Even when workers are engaged over a period of weeks or months in the cashew sector, they often have periods during a year spent seeking additional work or working in other sectors, such as rubber, or non-agricultural work. For reference, living wage estimates per Vietnamese region as relevant to the sites included in the fieldwork have been included in the Annex.

Rights issue	Impact description	Impact rating
GBVH (affecting workers)	Gender-based violence and harassment risks exist in Vietnam's cashew harvest operations due to the highly feminized workforce combined with informal working arrangements. The informal setting, potential power imbalances, and lack of formal protections create conditions where GBVH could occur, though no specific incidents were reported in the assessment.	
Right to an adequate standard of living (worker accommodation)	- The small number of migrant workers present during harvest typically either rent rooms in nearby towns or stay in farmer-provided accommodations. - Accommodation can vary in quality – with risk of inconsistent access to basic utilities - some are provided with electricity and running water, while others lack these essential services. Local indigenous workers and those migrating from the Mekong Delta region are particularly affected by these inadequate living arrangements, which fall below standards for dignified accommodation and basic services.	

5.2.3 Drying yards



After harvesting, cashew nuts are initially air-dried on concrete floors, drying mats, or tarpaulins for 2 to 4 days. Workers turn nuts frequently during the drying period to ensure uniform drying. Due to a lack of space, some farmers sell their harvested cashews without completing this process. The workforce profiles at Vietnamese drying yards show a significant dependence on seasonal labour, mainly involving local ethnic minorities such as the Stieng people, along with some migrant workers from the Mekong Delta and neighbouring Cambodia. Farmers often sell their harvest quickly to generate immediate income and cannot afford facilities for drying yards. Therefore, drying yards are typically run by traders or processing facilities and labour is frequently outsourced.

Rights issue	Impact description	Impact rating
Child labour	- Child labour is Vietnam risk in larger cashew drying yards, with evidence of adolescent workers at sites. Field observations identified adolescent workers, mostly boys. - Drying yards on the Cambodian border, often belonging to large traders or processing facilities, are in a poor area with a greater indigenous population. Children would often only finish primary education and leave school at age 11 or 12 to start working. - Children and adolescents can work independently or with siblings/community members rather than under parental supervision. Tasks performed are broadly the same as adults, with significant exposure to sun and heat.	
Working conditions (contracts, wages, hours)	Employment on drying yards is largely informal and seasonal. Workers are typically paid by the kilogram but with lack clarity on how their wages are calculated, earning approximately 7-8 million VND per month (equivalent to approximately €273 to €312). Workers experience long hours with intermittent tasks such as moving nuts every two hours. For reference, living wage estimates per Vietnamese region as relevant to the sites included in the fieldwork have been included in the Annex.	

Rights issue	Impact description	Impact rating
Occupational Health and Safety (OHS)	Workers regularly exposed to extreme heat, intense sun, and dust while working in the yards. Additional hazards include dangers from trucks entering the facilities and the manual handling of heavy weights. Workers typically have inadequate access to drinking water and proper sanitation facilities.	
Right to education	A number of large drying yards are located in Hoa Lu, which is underserved with public services including schools. The physical location of drying yards in areas with poor educational infrastructure means that children may face substantial difficulties accessing secondary education and instead start working – potentially at the drying yards. The poor economic situation in these areas may contribute to that trend.	
Right to an effective remedy	Workers do not have access to any grievance mechanisms. Owing to labour outsourcing and informality, they are unlikely to have any other channels to raise grievances with their employers, such as professional HR services.	
Freedom of association and collective bargaining	The informal and seasonal nature of employment severely limits workers' capacity to form or join unions, while Vietnam's legal framework places restrictions on freedom of association more broadly. Additionally, workers generally have limited awareness of their rights.	
GBVH (affecting workers)	Gender-based violence and harassment risks is a risk in drying yards due to the informal working environment where women (approximately 40% of the workforce) work alongside men in a highly informal context. While no specific reports were identified, the combination of minimal supervision, periods of downtime between tasks, and the informal context creates conditions where GBVH could occur.	

5.2.4 Processing



Processing factories roast, shell, and peel raw cashew nuts to obtain kernels. The kernels are then graded, checked for quality, and packaged for distribution. The processing sector likely employs about 1 million workers, though mechanization has reportedly reduced labour needs by up to 70% in tasks like sorting. The table displays impact ratings for processing factories that undergo social audits. Factories without social audits are likely to have considerably poorer conditions, as confirmed through observational site visits. The workforce in processing facilities is predominantly female, and they are primarily employed in lower-paying, labour-intensive roles such as shelling and peeling cashew nuts.

Rights issue	Impact description	Impact rating
Working conditions (contracts, wages, hours)	- Permanent workers likely have contracts with monitored hours and wages that comply with regional minimum wage standards in SMETA certified facilities. In parallel, however, some workers are paid by piece-rate, are not registered with social security, have less transparency on how their wages are calculated and face significant job insecurity. - In non-certified facilities, risks are heightened with greater informality, more prevalent piece-rate work, and increased time pressure reported by women in peeling and grading roles.	

Rights issue	Impact description	Impact rating
Occupational Health and Safety (OHS)	- Manual cashew shelling can result in skin burns and long-term health issues, with workers reporting deteriorating eyesight over time. However, these risks have largely been addressed through mechanised shelling processes. - Still, processing factories pose residual risks including uneven floors, poorly lit work areas, and high temperatures around nut cooking areas. Workers are exposed to repetitive strain injury risks and loud noise in areas with machinery, often without proper hearing protection like earplugs.	
Right to an effective remedy	Workers face barriers to accessing remedy for workplace grievances. While complaint boxes often exist in factories with social audits, evidence suggests they are rarely used, and workers are not always aware of formal grievance procedures.	
Freedom of association and collective bargaining	- Owing to the national context, while some unions exist in processing factories, they function more as welfare management organizations rather than effectively advocating for better working conditions, and no alternative models for worker organization exist. - Workers typically prefer to address grievances through team leaders rather than through union channels, indicating limited trust in union effectiveness. - While there is no evidence of active suppression of unions or retaliation against union activists, Vietnam's legal restrictions on freedom of association create a structural barrier to genuine worker representation and collective bargaining.	
Discrimination in employment	- While women can be found in management and supervisor roles, there is a clear gender division of labour with women typically assigned to detail-oriented work such as manual shelling and peeling. Piece-rate work, which carries greater economic uncertainty and is typically lower paid, is predominantly performed by women, reflecting societal patterns such as a significant gender pay gap in Vietnam. - Simultaneously, some factories pay higher wages for "harder" roles that are generally occupied by men, creating a structural pay disparity even when both genders are employed within the same facility.	
GBVH (affecting workers)	While no specific incidents were reported during the assessment, the context – including a highly-feminised environment with low-skill workers and limited grievance route – means a risk of GBVH is present.	
Right to healthy environment	Environmental impacts from cashew processing include air pollution (specifically odour and dust problems) and the discharge of untreated wastewater from some facilities. While these appear to be isolated cases rather than industry-wide practices, they nonetheless represent significant potential harm to both workers and surrounding communities.	

5.2.5 Home-based peeling



Home-based cashew peeling facilities involve small-scale, often family-run operations where family members, and potentially additional workers, manually or semi-mechanically remove the thin skin (testa) from cashew kernels. Brokers purchase volumes from processing facilities and then distribute these daily to home-based peeling units. Given the general patterns of home-based work, these facilities likely rely on women and children in the process. Home-based cashew peeling operations appear to exist as an informal, undocumented segment of the supply chain, and can be notably absent from social audit

findings and processing factory disclosures. Given this informality, the fieldwork team was unable to conduct site visits. Impact ratings should hence be seen as indicative.

Rights issue	Impact description	Impact rating
Child labour	- The combination of cultural acceptance of child labour as "family help," informality, lack of oversight, and poverty increase the likelihood of children working alongside adults in peeling tasks to supplement household incomes, possibly from a young age. The home-based nature of the work makes it particularly difficult to monitor or prevent children's involvement. - Since no specific observations about the issue – such as the age of children, the tasks involved, the hours worked and the impact on education – could be made, its severity is unclear and warrants further investigation.	
Working conditions (contracts, wages, hours)	- Home-based cashew peeling operations are likely to be characterized by piece-rate payment systems and informality. - Families and/or workers are reportedly paid by the weight of cashews peeled, likely earning below minimum wage and working long hours to meet quotas. For many homes, these peeling activities are often supplementary to other work they do (e.g. harvesting) and can also take place in the evening.	
Right to an effective remedy	- Workers completely lack access to formal supply chain grievance mechanisms. The informality of these operations makes implementing any formal complaint system difficult. - Workers generally have limited awareness of their rights, further restricting their ability to seek redress when violations occur.	
Occupational Health and Safety (OHS)	Workers in home-based cashew peeling operations are likely to face significant health hazards. The repetitive movements required for peeling lead to musculoskeletal disorders such as joint and back pain, creating long-term health impacts. Insufficient lighting may negatively impact vision over time.	
Freedom of association and collective bargaining	The informal and home-based nature of these operations fundamentally limits workers' capacity to form or join collective organizations or negotiate for improved conditions.	

6. Root causes

To further understand the human rights impacts identified in this HRIA, a root cause analysis was conducted. Root causes are underlying structural or contextual factors which are considered to drive human rights impacts and affect the enjoyment of human rights by rightsholders. The root cause analysis is important for the development of appropriate actions to mitigate or remedy impacts, as well as to prevent further impacts.

This analysis demonstrated that each human rights impact is frequently driven by multiple root causes, and these root causes often contribute to multiple impacts. Where there are multiple root causes driving these impacts, this may also compound or exacerbate specific impacts. The root causes are categorised under three main categories: commercial sectoral and business drivers, legislative and institutional framework, and other contextual social drivers.

Commercial, sectoral and business drivers

Root cause	Description
Price pressure	Vietnamese cashew processors face significant price pressures due to reliance on imported raw cashew nuts (RCN), with domestic supply insufficient to meet processing needs. Sharp price fluctuations in global markets and unreliable supply from African exporters create financial instability.
Seasonal nature of work	- The cashew harvest season in Vietnam runs from February to June, creating a high demand for labour during this period. This seasonality drives temporary employment and increases reliance on informal workers at various stages of the supply chain. - During peak seasons, processors may impose excessive working hours to meet production demands, while workers face employment insecurity during off-seasons.
Physical nature of work	- Cashew harvesting, drying and processing in Vietnam are both physically demanding and hazardous. Workers – often including women and children – collect cashew nuts by hand and dry them under the sun, frequently in hot temperatures. - While processing has become more mechanised, the residual manual tasks present the greatest risks, such as burns and blisters as a result of exposure to heaters or caustic cashew shell liquid, or repetitive tasks in manual peeling.
Producer capacity	Vietnamese cashew farmers operate individually, lack knowledge of good agricultural practices, and have limited access to training and affordable credit for investments in better cultivation techniques or new trees. For example, lack of finance leaves farmers unable to invest in new trees, even though their old trees may not be able to carry maximum yield anymore, hence reducing their income.
Labour outsourcing / informality	- On farms, nearly all workers are employed informally with limited pay transparency as well as no social insurance. - Drying yards – both those owned by traders and those owned by processing factories – frequently outsource labour to labour providers who would typically have lesser controls over working conditions. - For one of the last steps in processing, manual peeling, many processing factories send cashews to local people's homes to be peeled. This is mostly done under very informal conditions and subsequently lesser controls over working conditions.
Limited supply chain traceability	Vietnamese processors import 1.2 million tonnes annually of raw cashew nuts from Africa and Cambodia. These imported nuts are often mixed with local production, making it difficult to trace products back to their origin. Cambodian cashews, in particular, enter Vietnam through both official and unofficial channels, further complicating transparency.

Root cause	Description
	Multiple intermediaries between farmers and factories further complicate traceability.

Legislative and institutional framework

Root cause	Description
Legal restrictions on freedom of association	Although Vietnam's 2019 Labor Code and ratification of ILO conventions have strengthened the legal framework, in practice, freedom of association and collective bargaining remain limited. All unions must affiliate with the Vietnam General Confederation of Labor (VGCL). This structure results in low worker confidence in unions and hinders effective collective bargaining and grievance handling.
Inadequate enforcement of labour law	Vietnamese labour laws prohibit forced and child labour and provide for worker protections, but enforcement is weak, especially in the large informal cashew sector. Labour inspections are infrequent and often limited to larger workplaces, while smallholder farms, home-based units, and subcontractors are rarely monitored.

Other contextual social drivers

Root cause	Description
Societal norms: child labour	It is common for children to help their families on farms and in home-based peeling, especially in poorer rural areas and/or among ethnic minority communities. Economic necessity and social norms contribute to child labour, with children often missing school and potentially experiencing hazardous conditions.
Societal norms: gender	Women make up the majority of the workforce in processing and often perform the most repetitive tasks, such as peeling. Despite progress, women remain underrepresented in leadership roles. When new technologies are introduced, women are most likely to lose their employment, as mechanization tends to favour the hiring of men. In some farming households, women's financial contributions are overlooked, and they may have limited influence over household or agricultural decisions.
Societal perceptions of migrants	Seasonal demand for cashew harvesting and processing drives internal migration from poorer rural areas to processing centres. Prejudices by the local population against migrant workers, often from ethnic minorities or poorer provinces, can affect their working conditions.
Societal perceptions of indigenous peoples	While societal perception of indigenous peoples has not been found to be a discriminatory factor per se, they often live in situations of economic hardship and lack of access to education. As a result of this, families from these communities may be more likely to accept poorer working conditions or involve children in their work.
Poverty and lack of opportunity	Poverty and limited access to alternative livelihoods drives families to accept poor working conditions and to involve children in work. Poverty is a key factor behind both child labour and migration for seasonal work, and it limits the ability of workers and farmers to negotiate better conditions or invest in improved practices.
Limited awareness of rights	Workers often lack awareness of their labour rights, which heightens their vulnerability. This could include limited awareness of working conditions, OHS risks or awareness of how to raise grievances. More broadly, there is a lack of rights consciousness or awareness among farmers and communities which adds to the broader risks.

7. Attribution to Superunie

The UN Guiding Principles outline three ways that a human rights impact can be attributed to a company:

- **Causation:** A business' action leads directly to an impact on an affected person.
- **Contribution:** A business' action leads indirectly to an impact on an affected person – either via a third party or in conjunction with a third party.
- **Linkage:** A business is connected – via operations, products or services – to a third party which causes the impact on an affected person.

Understanding a company's relationship to impacts is important for determining its leverage, or the capability of a company to influence conditions in the supply chain. This understanding helps prioritise and identify effective actions that can mitigate impacts or prevent potential impacts on rightsholders. It is important to highlight that a relationship to an impact through causation, contribution or linkage is not a pre-requisite for action by companies.



Figure 4: Women employed at the processing facility.

In order to develop and prioritise recommended actions for Superunie, Ergon undertook an internal analysis to identify the nature of Superunie's relationship – through prices paid, requirements, supplier selection, and other sourcing and purchasing decisions – to each of the salient impacts identified in this HRIA (e.g. causation, contribution, linkage).

As an international end buyer with no direct contractual or investment relationships to the lowest tiers of the supply chain (i.e. farm-based activities in Vietnam) Superunie's activities alone are not sufficient to *cause* an impact to occur, in most cases. Its connections to impacts are therefore through *contribution* or *linkage* – as set out in some examples below.

Identifying how the various impacts may be attributed to Superunie is instructive of how Superunie can support to prevent, mitigate and remediate negative impacts. Hence, the understanding of how each impact can be attributed to Superunie has been used to develop recommendations which are enclosed in a separate document.

The below are illustrative examples of attributions that have been used to draft recommendations. They showcase different types of attributions for different risks at different stages of the production process. They are not intended to be comprehensive.

Farms: Non-harvest and harvest

Rights issue	Attribution	Description
Working conditions	Contribution	Higher prices paid to farmers could benefit better working conditions. Although Superunie is several tiers removed from farmers, an increase in prices paid could lesser price pressure at farm level and somewhat benefit workers. Certification may have an impact in this regard.

Rights issue	Attribution	Description
Right to healthy environment	Contribute	Risks mainly originate from excessive pesticide use which may pose harms to local communities due to polluted waters and soil. Training farmers on the responsible use of pesticides as well as certifications' requirements on prohibited pesticides may have a prevent these risks.

Drying yards

Rights issue	Attribution	Description
Child labour	Contribution	Child labour on drying yards is strongly linked to subcontracting which can be directly addressed through contractual requirements by Superunie and their suppliers. If labour on drying yards was not subcontracted, processing factories would – because they have social audits – need to have strong systems to prevent child labour. Given the low leverage, this change would in practice most likely require pressure from various buyers.
Right to education	Linkage	Schools - particularly secondary schools - are often located far away from where children live, subsequently driving child labour post-primary school. Education is a state duty and provision, and this is outside the direct control of Superunie and other supply chain actors.

Processing

Rights issue	Attribution	Description
Discrimination in employment	Contribution	While drivers are mostly societal, the risk can be tackled by formalising management systems against discrimination. As opposed to farms, factories are a lot more formal with a more fixed and long-term workforce.
Freedom of association and collective bargaining	Linkage	Root causes are structural and based on legal restrictions relating to freedom of association in Vietnam. This issue is highly contextual and not driven by Superunie or its business partners – despite being present in the supply chain.

Date:

25 July 2025

8. Recommendations

Globally, cashews are mainly grown in Western and Eastern Africa, as well as South and Southeast Asia. Processing, however, primarily takes place in Vietnam, which means that many cashews grown in Africa are often shipped to Vietnam for processing and then transported for retail across the world, including to Europe. To avoid such CO₂-heavy detours, and because most of Superunie's cashew supply was already being grown and processed in Vietnam and Cambodia, Superunie decided to solely source cashews grown and processed in these two countries. Against this background, the human rights impact assessment (HRIA) was commissioned focused on the cashew supply chain in Vietnam.

While Superunie's T1 supplier and T2 suppliers were very supportive of the HRIA, there was hesitation from key Vietnamese processing factories. This could be an indication that the processing factories are less inclined to improving their human rights due diligence processes and/or it could indicate that Superunie and its suppliers do not currently have significant leverage over these factories. At the same time, many issues that were identified during this HRIA seem to be deeply engrained in the sector. These include:

- Subcontracting to home-based peeling units
- Labour outsourcing for drying yard activities
- Lack of traceability to farm-level (including uncertainty regarding country of origin of raw material)
- Lack of support for farmers.

These issues are structural to the Vietnamese cashew sector and processing factories are unlikely willing to discuss these issues with a sole customer. Therefore, increasing leverage and engaging in collective action is key for supporting engagement with processing factories in Vietnam. Not least since Superunie has pledged to sell 100% certified own-brand cashews by 2030, increasing use of certification is expected to play a key role in Superunie's due diligence efforts. Hence, information on advantages and disadvantages of available certifications are included.

At the same time, certification alone is unlikely to adequately address all salient issues identified in the HRIA. Instead, Superunie will need to work actively with certification organisations, suppliers and with the broader sector to increase leverage and address these issues.

Superunie may find it needs to broaden its supplier base in order to work with additional suppliers who are most capable and willing to effectively address human rights issues – these suggestions are also explored below.

The following graphic presents an overview of the recommendations that were developed as part of the HRIA and how they play together.

