



The Food Network for Ethical Trade (FNET)

ALL MEMBERS MEETING 6TH NOVEMBER 2024



Welcome from Sharon Cross

Senior Human Rights
& Ethical Trade
Manager
G's Fresh



Housekeeping



Please share on social media your attendance at today's all members meeting

@ethicaltrade
#FoodNetworkforethicaltrade
#FNETAllMembers24





Agenda

- 09.30 – 09.35 Overview of the day
- 09.35 – 09.45 Welcome from G's
- 09.45 – 10.35 **Session 1** Panel: Are worker rights better protected today?
- 10.35 – 11.00 FNET AGM
- 11.00 – 11.20 Coffee
- 11.20 – 12.05 **Session 2** Panel: Getting to grips with EU regulations
- 12.05 – 12.45 **Session 3** Breakout: Collective action managing ethical issues
- 12.45 – 13.25 Lunch
- 13.25 – 13.55 Communications Strategy
- 13.55 – 14.20 Working Group Updates
- 14.20 – 15.00 **Session 4** Breakout: Developing FNET Activity Plan for 2025/26
- 15.00 – 15.05 Survey Summary
- 15.05 – 15.30 Board Q&A, Wrap up and close
- 15.30 Depart



Welcome to our New FNET Members





Purpose of today

- ❖ Members to reconnect and accelerate collaboration
- ❖ Hold AGM, inform Communication focus, share updates from working groups and develop priorities for FNET 2025-26 workplan
- ❖ Latest insights on worker rights in the UK and implementing EU legislation
- ❖ Peer-learning to advance understanding and capacity on collective action to manage ethical issues.

What do we need from you today?



Ask a question
to the Board to
answer at the
end of the day.

Go to
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Panel



Are worker rights in the UK better protected today?



Steve Gibbons,
Director
Ergon Associates



Caroline Robinson,
Executive Director
Worker Support
Centre



Lee Abbey
Chief Adviser (Crop &
Plat Production)
NFU



Derek Wilkinson
Managing Director
Sandfields Farms (part of Gs Group)
NFU

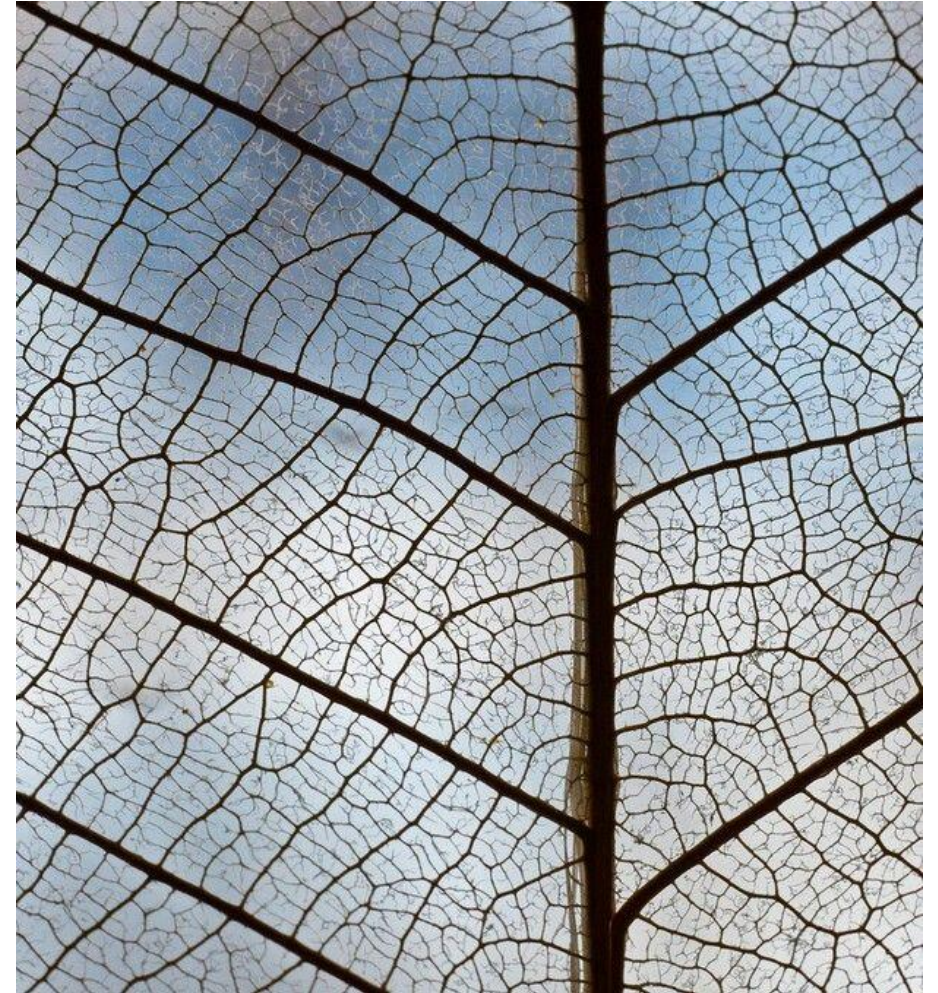
FNET AGM

6th November 2024



Agenda

- Apologies for absence
- Acceptance of Minutes of last AGM
- Pins Brown Board Report 2023/24
- Welcome from Chris Sutton and Accounting Report for the year to 31st January 2024
- Re-appointment of Auditors
- Change to Membership Fees and membership expectations
- Board of Directors elections



Acceptance of Minutes of last AGM Tuesday 4th September 2023

**Board report
for the year to
31st January
2024**

**Pins Brown FNET
Chair**



Annual report Feb 2023-Jan 2024

In 2023/4, the FNET and its 67 members have worked hard to further the organisation's mission **to use the collective leverage of suppliers and retailers to bring about positive change** in working conditions supply chains by providing **guidance, resources, training and opportunities for collaboration**. 2023 activities have included:

- **21 fortnightly all member calls** sharing current human rights risks, ongoing ethical trade issues and opportunities for collaboration **19 working group meetings** developing tools and resources on a **briefing note on climate and human rights, summaries of deep dives on China, UK fisher visas, member analysis of 6 risk assessment tools for to understand climate impact on human rights, Empowering Work WG was rebranded as HR focussed group**
- **2 All member meetings** exploring **responsible business conduct during conflict, Environment and human rights due diligence, managing PR issues** and developing the **FNET 3-year strategy**
- **3 learning webinars** covering topics that including **gender and international supply chains, indigenous peoples in food supply chains and heat stress**
- **50 Weekly news emails** keeping members **up to speed on topical human rights issues** and events. Launch of new FNET website 3500+ downloads
- **Ongoing support to members through ad hoc webinars, meetings and collaborations** on issues including **Human Rights Impact Assessments, Tuna Workstream, China and Gender based Violence**
- **Collaboration with and, advocacy to, organisations** with 10+ organisations including BRC, ALP, IOM, ETI, IDH, Aim Progress, SEDEX and Stronger Together on issues ranging from, **Ocean Outlaw Investigation, Trading During Periods of Conflict, Seasonal Worker Programmes** and other topics

Acceptance of Board Report

**Welcome
from Chris
Sutton
FNET Finance INED**

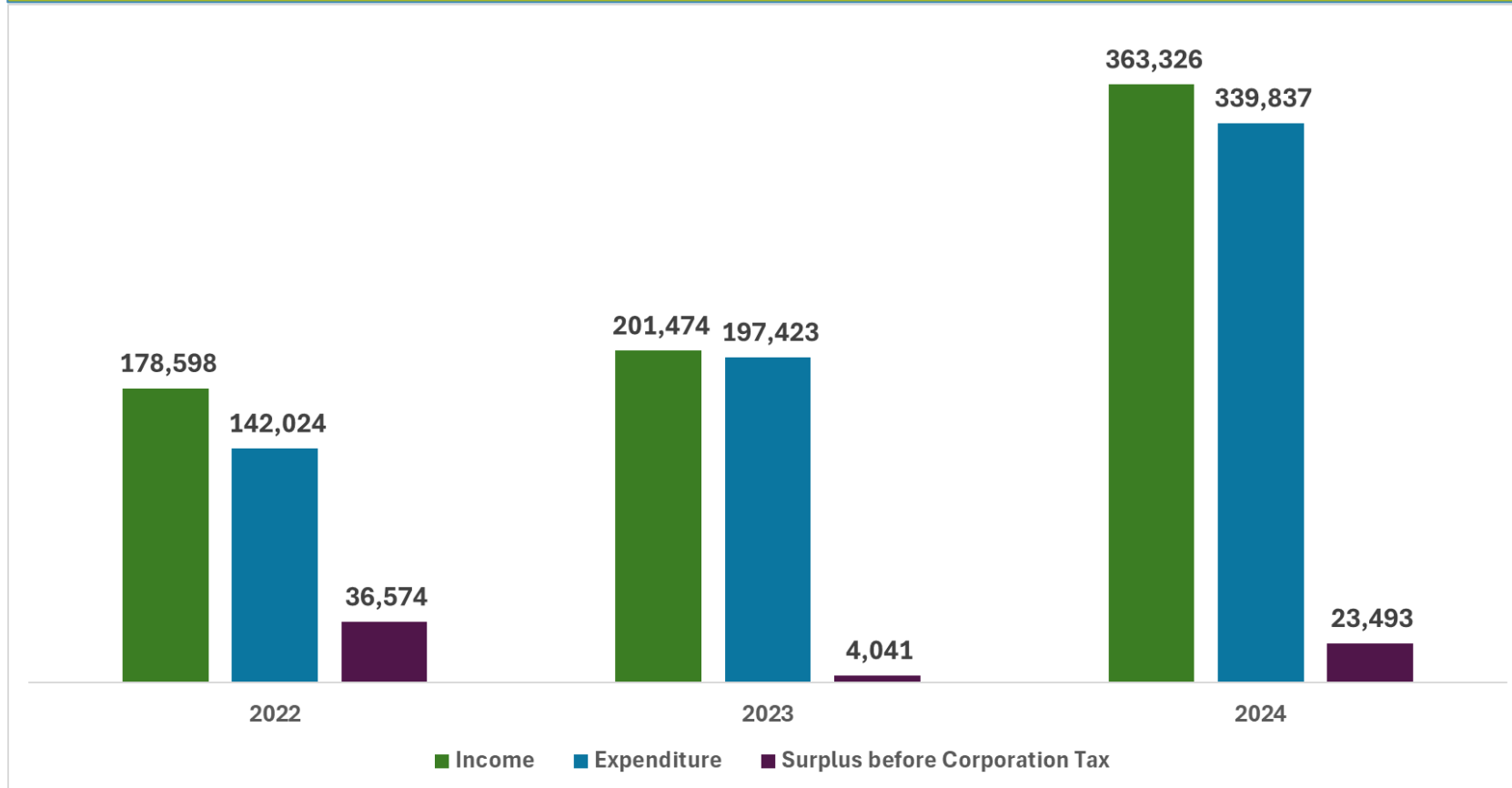


Published Accounts 2023/2024



- I am presenting to you our **statutory accounts prepared for the year ending in January 2024.**
- Our **financial statements were prepared** by an independent chartered accountancy firm Rayner Essex LLP
- Given our small size, we **do not require an audit and report under Small Companies Exemption** scheme.
- There are **no related party transactions, no breaches of laws of regulations to disclose** and accounts were prepared on a **going concern** basis.

Income and Expenditure Account



- Significant growth year on year reflecting growing membership and increased project activity.
- As a non-profit organisation we aim to make small surpluses that contribute to our reserves and help increase our financial resilience.
- Despite growth, we remain a small and lean business operation.

Balance Sheet as at 31st January 2024

BALANCE SHEET AS AT 31 JANUARY 2024

	Notes	2024 £	£	2023 £	£
Current assets					
Debtors	4	334,493		22,953	
Cash at bank and in hand		138,084		97,807	
		<u>472,577</u>		<u>120,760</u>	
Creditors: amounts falling due within one year	5	(407,097)		(74,302)	
Net current assets			<u>65,480</u>		<u>46,458</u>
Reserves					
Income and expenditure account			65,480		46,458
Members' funds			<u>65,480</u>		<u>46,458</u>

- This is our snapshot of the business on the last day of the financial year and shows our reserve position.
- Reserves (members funds) were £65,480 at year end vs £46,458 last year, the increase being from the surplus retained for the year.
- The reserves increase reflect the increased size of team, paid Chair and finance INED and increased PM resource so that our reserve position continues to reflect three months of operating costs.

Resolution to formally adopt Accounts and Accountant's Report for year ended 31 January 2024

Re-appointment of our Accountants

Clarifying membership expectations



ENGAGE

Contribute to collective problem solving, innovation and understanding emerging trends in the field by doing **ALL** of the following:

- **Sign Membership agreement**
- Attend **one all member meeting** per year
- Engagement in **at least one working group** or project per year
- **Committed to not bring FNET into disrepute and comply with all legal requirements** on labour rights



PROGRESS

Support industry convergence on key responsible sourcing topics by

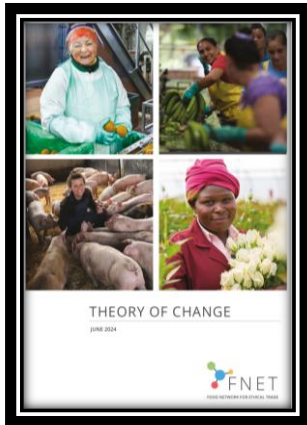
- **Make progress on implementation of FNET Human Rights due diligence framework** or equivalent
- **Adopt common approaches** using FNET guidance tools
- Support collaboration through **sharing a case study or hosting a meeting or collaborating in joint action**



CONTRIBUTE

Members are to use **all reasonable endeavours to promote the FNET objects** and support development of collective insights on approach, organization and current practices by

- **Complete annual survey between 1st February and 15th April 2025**
- Provide **timely payment of annual membership fees**



Our commitment to you

- To deliver detailed analysis for first all member meeting of the year
- Challenge the length of survey to minimise resource to complete – We are looking for some volunteers to join 1 meeting this month to review survey content for 25/26



Membership Fees for 2024/25

Annual Sales Turnover	Joining fee	Annual membership fee 25/26
Small <£1 Billion	£750	£3842
Medium £1 to £5 billion	£750	£4815
Large >£5 billion	£750	£6955

7% increase in fees this year is to enable

- A 3rd Project manager
- Investment in improved communications, intuitive website, and new member outreach
- More collaborative action

Board elections

FNET Retailer Director Nominations

Courtenay Forbes Tesco

FNET Supplier Director Nominations

Jo Speed

PDM Group

Leena Malde

Wealmoor

Julia Black

Hilton Foods



Confirmation of board directors elected

FNET Retailer Director Nominations

Courtenay Forbes Tesco

FNET Supplier Director elected

Julia Black Hilton Foods



Introducing the FNET Board and Team



Fiona Wheatley,
Bakkavor



Mel Miles,
Westfalia



Courtney Forbes
Tesco



Sam Ludlow Taylor,
Waitrose



Aisha Aswani,
Co-op



Andy York,
Pilgrims



Julia Black,
Hilton Food Group



Anna Pike,
World Wide Fruit



Suzanne Natelson,
FNET Project Manager



Linda Beresford
FNET Project Manager



Louise Nicholls,
FNET Lead



Chris Goodacre,
Association Secretariat



Sue Butler,
Association Secretariat



Pins Brown
Chair



Chris Sutton
Finance INED

Coffee



Ask a question to the board
Go to [slido.com](https://www.slido.com)
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Panel



Getting to grips with understanding the changes in EU regulation and expectation on business



Steve Gibbons,
Director
Ergon Associates



Julia Black
Group Ethics & Social
Sustainability Senior Manager
Hilton Group



Mel Miles
Head of Corporate
Social Responsibility
Westfalia Fruit



Helen Ford
Group Head of Sustainability
Vestey Holdings Ltd.

FNET Conference November 24

Getting to grips with understanding
the changes in EU regulation and
expectation on business

6 November 2024

Steve Gibbons, Director Ergon Associates


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Emerging legislation



Some key mHRDD legislation*

	Disclosure	Due diligence	Trade-based	
General	 CSRD  Counterproposal to RBC Initiative	 CSDDD  Supply Chain Due Diligence Act  Transparency Act  Duty of Vigilance Act		<ul style="list-style-type: none"> • Consolidation of approaches • From issue-specific disclosure to general due diligence • Policy coherence and alignment
	 Fighting Against FL and CL in Supply Chains Act  Modern Slavery Act  Modern Slavery Act  California Transparency in Supply Chains Act	 Deforestation Regulation  Counterproposal to RBC Initiative  Conflict Minerals Regulation	 Forced Labour Product Ban  Uyghur Forced Labour Prevention Act	
Enacted Under discussion				

Making sense of CSRD and human rights

The ESRS comprise **two cross-cutting standards** and **ten topical standards** covering environmental issues, social issues and governance issues.

These are **sector-agnostic standards**.

Cross-cutting standards



General Requirements

Sets out general principles to be applied when reporting according to ESRS

Describes required approach to reporting, including materiality assessment and presentation of information

Defines key terms, such as business relationships, metrics, stakeholders, value chain, etc.



General Disclosures

Specifies essential information to be disclosed by ALL companies, irrespective of material topics, e.g

- Governance
- Strategy
- Stakeholders
- Materiality assessment

Topical standards

E1	Climate
E2	Pollution
E3	Water and Marine Resources
E4	Biodiversity and Ecosystems
E5	Resource Use and Circular Economy
S1	Own Workforce
S2	Workers in the Value Chain
S3	Affected Communities
S4	Consumers and End Users
G1	Business Conduct

Apply for material topics (phase-in approach)

Specify information to be provided for material topics, incl.

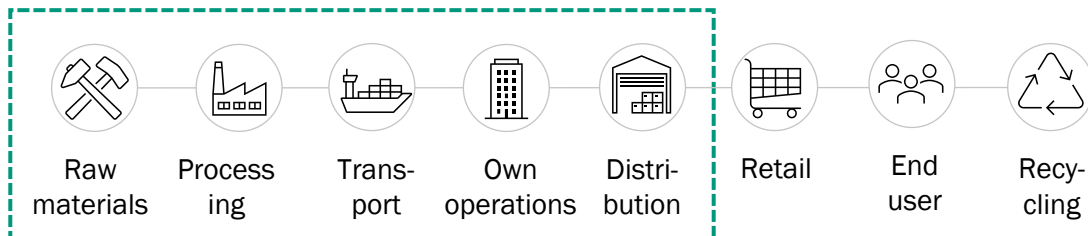
- Impacts, risk and opportunities management
- Metrics and targets

CSDDD – scope and key requirements

Which companies are in scope?

- 2027** >>> Companies with **more than 5,000 employees** and more than **€1.5bn turnover** need to comply
- 2028** >>> Companies with **more than 3,000 employees** and more than **€900m turnover** need to comply
- 2029** >>> Companies with **more than 1,000 employees** and more than **€450m turnover** need to comply

What activities are covered?



CSDDD 'chain of activities' covers supply chain, own operations and parts of downstream value chain

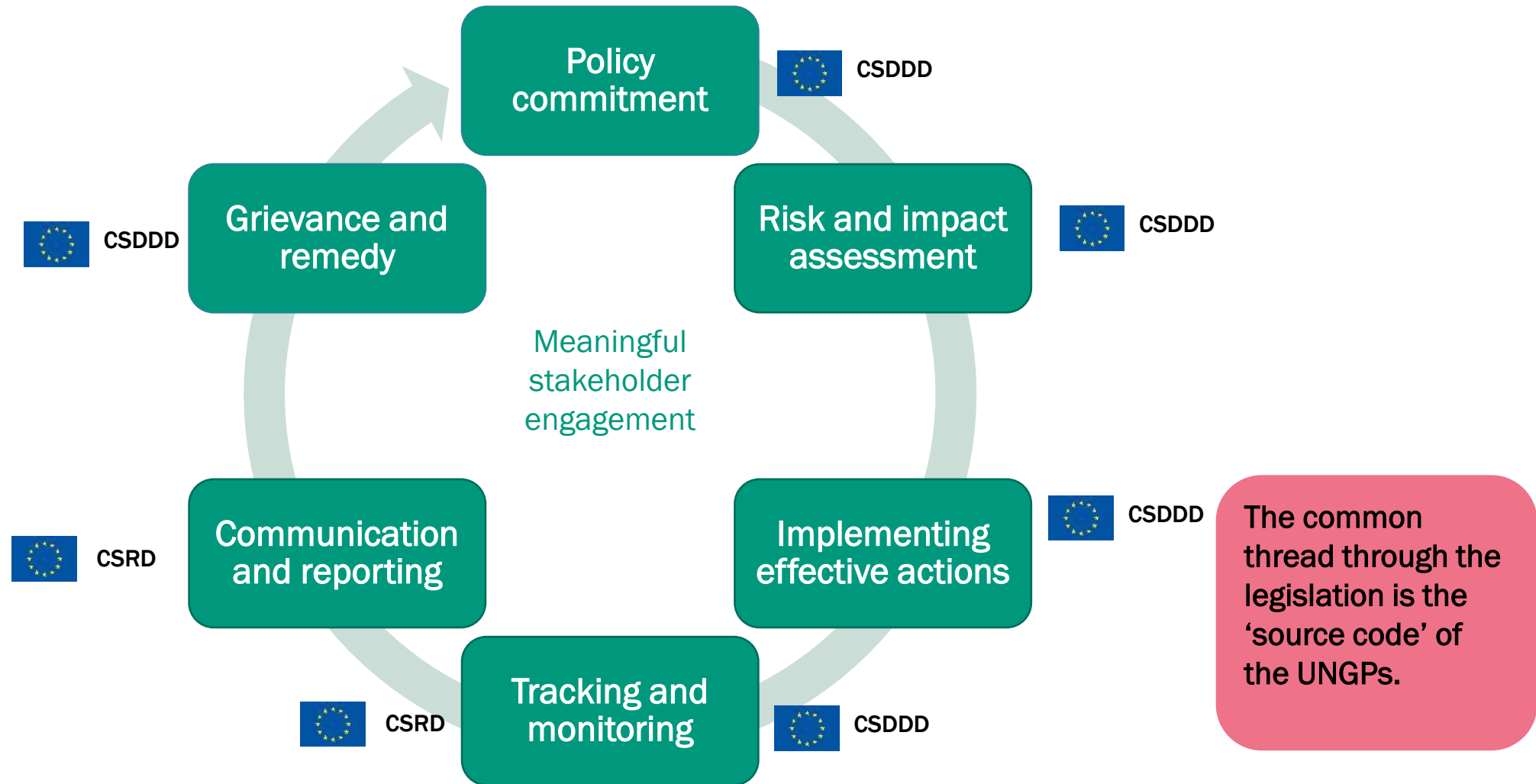
What are the key requirements?

Policies	Policy commitment
Embedding respect	Risk assessment
	Risk management
	Tracking effectiveness
Access to remedy	Grievance mechanisms
	Remedy
Transparency	Disclosure and reporting
	Stakeholder engagement

What about enforcement?

- National **enforcement authorities** to be established
- **Penalties** of up to 5% of global net turnover
- Limited **civil liability** provisions

Human Rights Due Diligence: key elements



Panel discussion



Julia Black
Hilton Foods



Helen Ford
Vestey Holdings Limited



Mel Miles
Westfalia Fruit UK

EU GREEN DEAL

CSRD

Companies need to report on their sustainability risks, impacts, and opportunities, including how to manage these aspects. The reports must be consistent, comparable, and reliable, following the standardized ESRS

Reference
UNGP & OECD
Guidelines

Both
complement
EU Taxonomy
& SFDR

CSDDD

Companies need to establish and implement due diligence processes to identify, prevent, mitigate, and account for adverse human rights and environmental impacts in their supply chains and operations.

Table discussion

What you think the emerging legislative framework will mean for your organization, and you personally?



What can FNET to support?



Identify two things that FNET can do and add them to the Slido

Ask a question
to the Board to
answer at the
end of the day.

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Collective action on managing ethical issues



UK Food Supply Chain Serious Incident Escalation and Management Protocol

The key changes to note in this revised protocol are

- **Definition of serious incident**, recognizing reports/notification of a serious issue can be received via multiple channels
- **Inclusion of 2 SMETA collaborative action (CAR) required** that retailers have agreed are classed as serious incidents
- **Description of 5 stage process** for serious incident investigation
- **Addition of a safeguarding stage (Stage 2)** to address any immediate welfare needs and ensure safe space for the reporting party and any identified impacted individual(s)
- **Introduction in stage 4 for the case manager to determine type of investigation;** 1) Not suitable for collaborative response or 2) Collaborative investigation required. Where collaborative action is chosen the protocol highlights appropriate collaborative bodies who could take a role in facilitating/ supporting with collaborative action.
- **Appendix 1** developed with ETI, BRC, Seafood Ethics Action Alliance (SEAA) and UK Seasonal Worker Scheme Taskforce to help direct supplier as to which body might be best to support.
- **Appendix 2** is an example of how the RACI might work where the issue is identified via the supplier



The image shows the cover page of the 'UK Food Supply Chain Serious Incident Escalation and Management Protocol'. It features logos for FPC, ALP, FNET, BRC, 'stronger together', and MODERN SLAVERY INTELLIGENCE NETWORK (MSIN). The document includes an introduction, a list of serious incidents, a table of issues and reports, and a footer with a disclaimer and date (October 2024).

Issue	Report
Forced labour/modern slavery indicators e.g. appear to be under the control of others, and have ID documents etc. see link for more examples	Workers Rights Helpline
Serious or organised crime	Metropolitan Police
Money laundering suspect activity	Metropolitan Police
National Minimum Wage gross and coordinated underpayment of	Metropolitan Police
Unsustainable labour provider charge rates	Metropolitan Police
Tax evasion or tax avoidance with a serious negative impact on workers	Metropolitan Police
Gross and coordinated payment of work finding fees	Metropolitan Police
Gross and coordinated finding fee fees	Metropolitan Police
Coordinated evasion of person and government obligations	Metropolitan Police
Gross physical and/or mental mistreatment of workers	Metropolitan Police
Gross and coordinated immigration status crime	Metropolitan Police
Significant risk to the health and safety of workers e.g. severe lack of structural integrity, failure of apparatus, excessive demands or conditions etc.	Metropolitan Police
An employers agency from SEAA exploiting the welfare and rights of workers, as listed above	Metropolitan Police
A labour provider (GLAA sector) exploiting the welfare and rights of workers, as listed above	Metropolitan Police



CURRENT STATUS: Soft launch today at FNET All members meeting



Testing the practicality of the guidance (15 Mins)

Case study 1

A manufacturer who supplies multiple retailers and brands has an audit which finds 2 young Moroccan workers working in hazardous conditions

Case study 2

BBC expose highlights widespread illegal payment of recruitment fees and withholding of wages in the Irish fishing sector involving multiple retailers, Brands and Suppliers

Case study 3

Workers contact Just Good Work App highlighting inadequate accommodation and farm not providing 32 hours work on Kent fruit farm supplying multiple retailers

Case study 4

Modern slavery helpline receives a call highlighting logistics firm used by many FNET members is requiring drivers to work extended hours misusing the tachograph for less than minimum wage

Appoint a scribe

- Does the guidance help you determine next steps to investigate serious incident?
- If not, what else is needed?



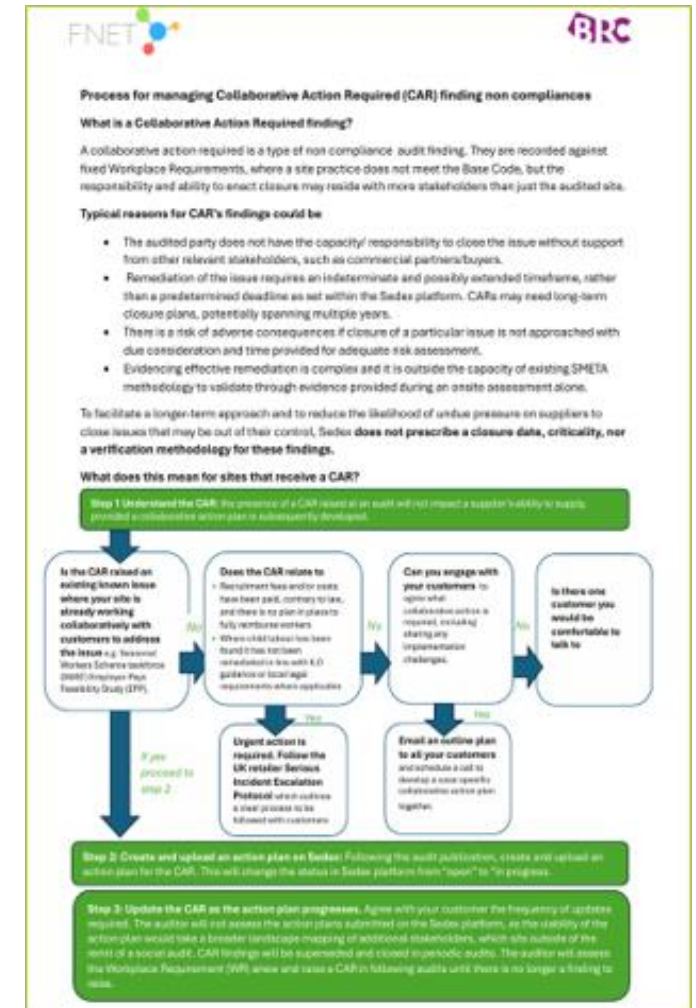
Process for managing Collaborative Action Required (CAR) finding non compliances

This builds on the support over summer 2024 to collaborate with Sedex to ensure FNET members and stakeholders were able to raise concerns and input on CAR issue guidance

This document is to support sites with addressing CARs raised at audit. It includes

- Suggested process flow
- Action plan template to upload on Sedex platform and share with customers to move CAR non compliances from “open” to “in progress.”

CURRENT STATUS: Soft launch today at FNET All members meeting

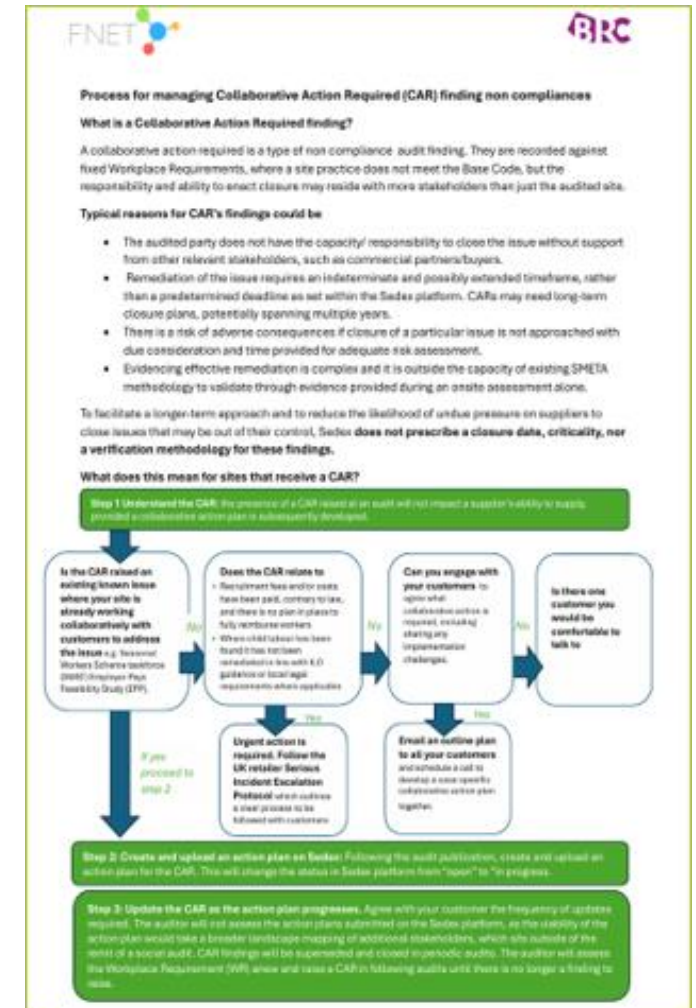




Testing the practicality of the guidance (10 Mins)

Does this reporting template make it easier for businesses to understand how to manage CAR's?

FNET are considering producing a guidance document in Q12025 to further support businesses using the process. Do you think this would be helpful? What might it need to include?





Ask a question
to the Board to
answer at the
end of the day.

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Lunch 12.45 - 13.25



Hello.

FNET Communications Review

Board Meeting 5/11

Amy Meadows

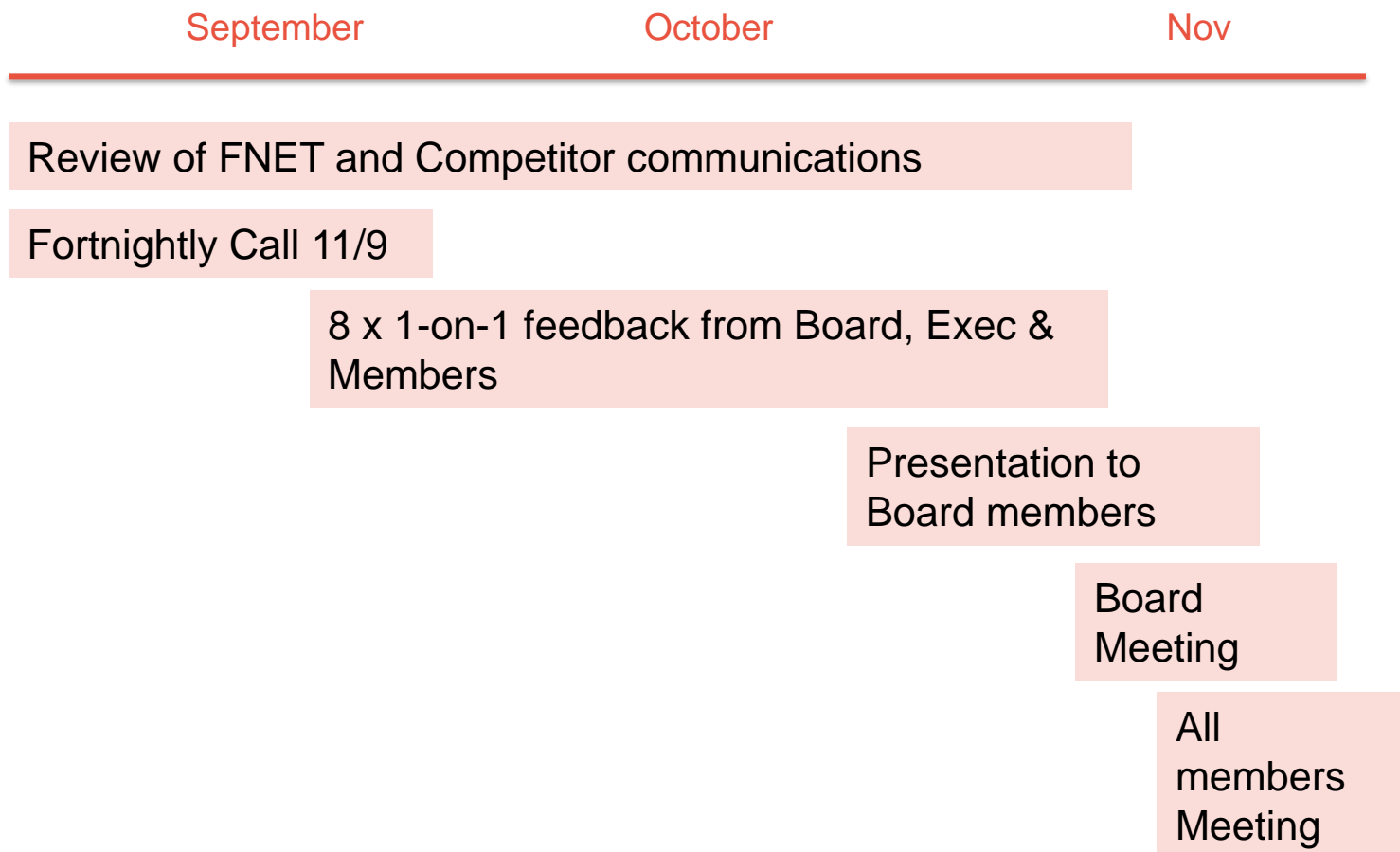
What and How?

Objective: to strengthen communications to support delivery of FNET's 3-year strategy and theory of change

Does FNET's communications support FNET and its members to produce the desired impacts and outcomes?

What are the communication skills and resources FNET needs to support it to deliver its activities more effectively?

What are the communication priorities for 2025 and beyond?



Strengths and improvement opportunities

Considerable Strengths

- ✓ Knowledge, insights, passion and commitment of **experienced team**
- ✓ High quality, credible, relevant and **valued content**
- ✓ Established **range of communications products** including weekly news, fortnightly calls, quarterly reports, webinars
- ✓ **Clear overall strategic objectives** and theory of change that can be used to guide your communications priorities
- ✓ Diversity of members and level of engagement offers a rich source for communication
- ✓ Highly productive given the limitations in capacity – you **‘punch above your weight’**

.... a strong platform to build from

Improvement opportunities

- ‘Pedestrian’ brand identity and **inconsistent brand application**
- **Absence of impact-focused messaging** that explains what how being a FNET member has helped to deliver change
- Current team **lack capacity to take on additional communications work**
- **No agreed thought leadership/sector influencing/advocacy strategy**
- **No transparency on monitoring and evaluation measures**

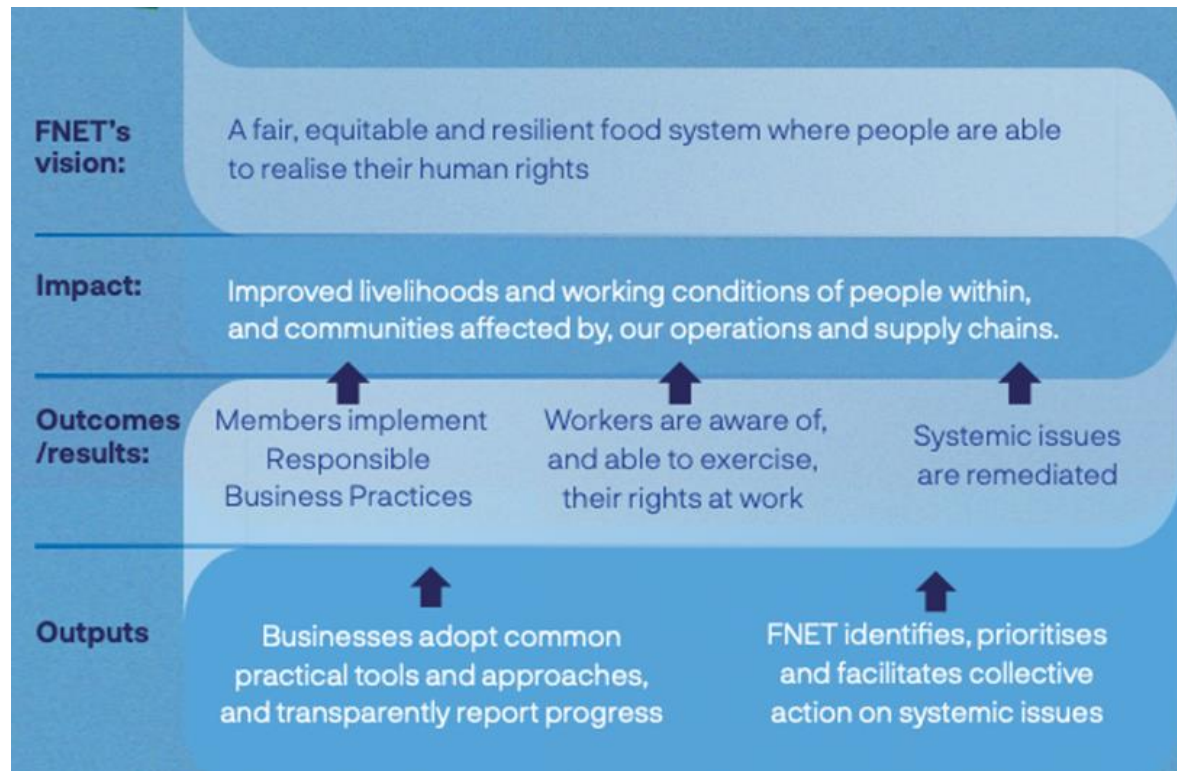
Member concerns

- **‘Density’ of information**, with limited hierarchy of messaging
- **Member website area not intuitive**, inconsistent use of tags, not in date order
- **Members’ experiences and journeys not being used for story telling**

External communications

- **Sporadic LinkedIn and website blogs**, minimal external event attendance, no guest authoring of articles
- **Public facing website limited-** No explanation of membership benefits and no publicly accessible information about costs
- **Limited examples of ‘lite’ versions** of guidance and toolkit to non-members to help increase knowledge and skills in wider sector

It's fundamental that FNET's communications serves the FNET strategic plan and Theory of Change



With clearly defined:

- Communication objectives
- Target audiences
- Key messages
- Key activity
- Communications products (to support the activity)
- Monitoring and evaluation

Underpinned by a clear, consistent, compelling brand

Recommended communication activities for 2024, 2025, 2026+

3-6 months 'quick-wins'

- Encourage **members to tag FNET** as part of posts at November's meeting
- Develop new **branded templates for PowerPoint, word and reports**
- Website public facing **update copy to describe FNET value and impact, food and beverage sector focus, add photography, member offer**
- Migrate weekly news to email management system** (e.g. Campaign Monitor) to enable professional drag-and-drop newsletters
- Determine key terms and categories for organising cross-channel content**
- Improve tagging** of newly uploaded documents, and existing priority resources
- Produce style writing guide** and protocol for no/low risk externally facing content
- Repackage weekly news content** to deliver fortnightly schedule of LinkedIn posts/blogs
- Separate quarterly report from weekly news**

6-18 months (to March 2026)

- Develop **annual communications plan:** objective setting, stakeholder/audience mapping exercise, refine key messages, activity, monitoring and evaluation
- Produce 'macro' summary of quarterly update for non ESG member audiences**
- Commission **re-design of website public facing pages**
- Commission **re-build of members' area of website**
- Produce more **'how to' guides**, particularly for new members/human rights practitioners to help guide through initial priorities
- Explore and **agree advocacy approach**, including risk assessment to determine scope and required policies
- Produce **new communication tools: 'This is FNET' video and infographics** for website and vignettes can be used on social media,

18 months + (beyond March 2026)

- Develop **annual communications plan:** objective setting, stakeholder/audience mapping exercise, refine key messages, activity, monitoring and evaluation
- Brand refinement/re-brand project**
- Revised website build takes place and **updated website launches (using refined brand)**
- Activate advocacy strategy**
- Explore appetite for workers' right campaign**

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to the Board to
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A 5-minute update per working group **to** share what's been achieved so far in 2024 and what will be developed for the remainder of 2024/25

This will help frame the next session which is a workshop on what FNET should prioritise next year for the Technical Team and Working Groups.

Working Group Updates

Climate & Human Rights working group



Natalie McWilliam
Group Head of Sustainable Sourcing
Dps (currently on maternity leave)



Ed Brent
Sustainability Manager - Carbon
M&S



Iwona Janik
Head of Technical & Ethical Sourcing
Ethical Food Company



Shannon Hilton
Sustainability Co-ordinator
dps



Hannah Radvan
Human Rights Manager
M&S



Board Sponsor
Pins Brown
Chair, FNET

Co-ordinated by Suzanne Natelson, Project & Membership Manager, FNET



Climate & Human Rights working group 2024-2025

Objectives

1. Increase understanding of climate change related impacts through a human rights lens.
2. Increase FNET members ability to map human rights and climate change related risks and create targeted adaptation, mitigation and/or diversification action plans.
3. Support cross-departmental collaboration, accelerating progress towards de-risking.

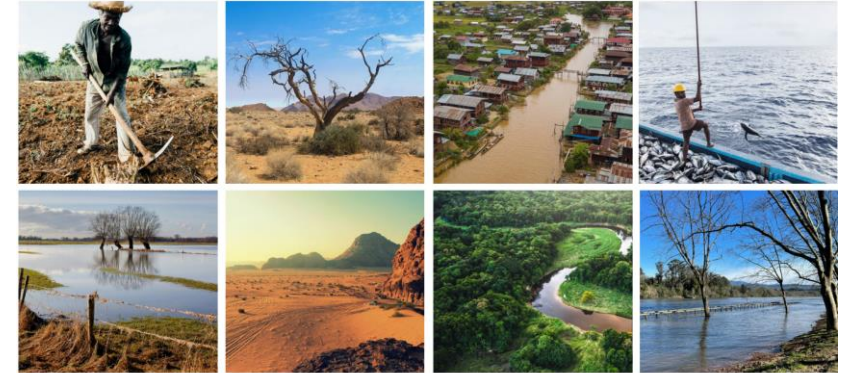
Summary workplan

- 2 WG sessions on de-risking and implementation; what are members doing and sharing case studies from non-members (June '24 and January '25)
- 3 WG sessions on high priority areas for members; extreme heat (June '24), water (April '24), biodiversity (October '24)



Highlights – well done everybody!

- Framework **“How to guide” on Climate & Human Rights Due Diligence** – launched August 2024
- Guide – 260 downloads, case studies 219 downloads, risk tool analysis summary 202 downloads
- **Practical guidance on specific weather-related action** x 2
- heat being designed, water draft been shared and will circulate to members
- In-person event – in-person workshop at AM Fresh.
- In addition – some collaboration with Aim Progress – i.e. invitations to their climate meetings and some participation from their membership at heat stress workshop
- **Not delivered and in the workplan** – newsletter x2 and data-impact monitoring low engagement



CLIMATE AND HUMAN RIGHTS DUE DILIGENCE GUIDE



Briefing on heat stress and impact on people working in food supply chains

[Briefing objectives](#)

What do members want to build on for 2025?

What can we do to further these outputs?

- Businesses understand human rights climate change & environment related impacts and implement targeted adaptation, mitigation and/or diversification action plans
- High Risk sectors adopt collective action and share best practice learning

Some initial thoughts from the team based on discussions with members:

- ☀ Sessions to work more closely with sustainability colleagues
- ☀ More external collaboration with similar business networks such as Aim Progress & ETI
- ☀ Workshop on how to communicate human rights and climate change with senior colleagues
- ☀ Collaboration on a particular supply chain/commodity.



What's next?

What would you like the Climate working group to work on in 2025?



Developing Common Due Diligence Tools WG: update



David Alder
Technical Director
Minor, Weir and Willis
Limited



Naomi Kirkwood
Group Responsible
Sourcing
Manager
Samworth Brothers Group



Mel Miles
Head of Corporate Social
Responsibility
Westfalia Fruit



FNET Project Manager
Linda Beresford

Developing Common Due Diligence Tools Working Group

Summary of aims:

1. To review & update identified FNET resources:
 - FNET Resolution of Ethical audit issues guidance
 - FNET Mitigation guidance
 - Input into the regular updating of the FNET Risk Assessment Tool
2. To develop a maturity framework' that FNET members can use with suppliers & to gain a common understanding of how FNET members measure supplier performance.
3. To develop guidance on how to engage complex parts of the supply chain where low leverage e.g., smallholders, commodity supply chains. Explore how responsible sourcing and procurement practices can be adapted to enhance leverage.
4. To identify Cost effective enhanced due diligence options (HRIA, others) to address salient issues and & identify how members can collaborate to implement these.



Outputs

- Mitigation Guidance document - Live
- Resolution of Ethical audit issues guidance – Live
- *HRIA spreadsheet updated*
- FNET HRDD tool approved - Live
- Specialist directory & consultants – under review
- Mutual recognition review and output
- Low leverage guidance document – In draft pending updates following group review

Developing Common Due Diligence Tools Working Group

17th January - in person

- Case studies - complex supply chains:
- Legislative update
- External presentations – IDH, Body Shop, Provenance
- Group discussions:
 - How to prioritise complex supply chains and how and when to collaborate

2nd May - online

- Guidance Document for low leverage and complex supply chains
- Mutual Recognition
- Specialist Directory
- Collaboration Case Study Examples

25th July - online

- FNET Human Rights Due Diligence Framework
- FNET Risk Assessment Tool Update
- Guidance Document Update for "Low Leverage and Complex Supply Chains"

24th October - in person – Enhanced Due Diligence

- What do we mean by Enhanced Due Diligence Systems?
- Case studies:
 - Ongoing Monitoring and Reporting - Clearvue
 - In-Depth Assessment of Ethical Risk - 2 Sisters Food Group
 - Verification of Ethical Standards - ESC International
 - Stakeholder Engagement - Westfalia Fruit



Developing Common Due Diligence Tools Working Group

Future plans for working group 2024/25:

- What Next – SMETA 7 - Collaborative Action Required
- EUDDD Legislation
- Responsible Exit
- EU Forced Labour Regulations

Tool release:

- Risk assessment tool updated in Excel document – end of November
- HRDD framework to be put in Excel including breakdown to own operations and supply chain – end of December



Introduction - FNET Supplier Risk Assessment November 2024

Between May and October 2024, a group of 30 suppliers and five retailers developed a common supplier framework for assessing and addressing ethical trade risks. The FNET Risk Assessment was developed with input from these two groups to prevent duplication and encourage the adoption of standard approaches that met retailers' needs whilst supporting supplier efforts to manage ethical trade in their supply chains.

Between October and December 2018, FNET appointed Anthesis to conduct the update of the Country Risk Scores and Known HR Issues. Anthesis have developed a change to the methodology of calculating the composite country risk score index, based on weighting several labour and social rights indicators (with appropriate weightings fixed to each indicator), which meant that the 2018 Country Risk Scores were more normally distributed and not solely based on the highest indicator score available for a country. As a result of this change in methodology, Anthesis (with the support of Carntone) adjusted the risk rating thresholds to avoid unnecessary changes in ratings compared to 2017 tool. More information on the change of methodology is available on request. The same methodology has been used for the 2021 update of the tool.

How to Use the Risk Assessment tool:

The FNET Risk Assessment tool provides *guidance* for companies on the *relative* risks of products/ ingredients/ sub-components/ raw materials in their supply chain. It uses publicly available information on country risks and known-human rights risk in combination with risks associated with labour types and industries drawn from public sources and best practice. Combined, these risks produce a low, medium or high risk score which is intended to inform a company's ethical trade risk assessment. The tool encourages companies to enter commercial information against which to assess their ethical trade risks in order to be able to prioritise the resources they have for managing ethical trade.

How this tool fits into the FNET guidance for managing ethical trade in supply chains & how it fits with the UN Guiding Principles

The FNET Risk Assessment tool should be used once companies have established their commitment to ethical trade and determined their strategic goals for managing ethical trade in their supply chains. It is then recommended that companies follow the FNET guidance for managing ethical trade in supply chains which includes the following steps:

- 1) Assess – The FNET framework and risk assessment allows companies to identify high risk products/ ingredients/ sub-components/ raw materials
- 2) Prioritise – The tool allows companies to prioritise their ethical trade risks
- 3) Remediate – The tool allows companies to remediate their ethical trade risks
- 4) Monitor – The tool allows companies to monitor their ethical trade risks

FNET – Human Rights Due Diligence reporting template

Stru	FNET – Human Rights Due Diligence reporting template	
	Name	Date of completion
Tab	Organisation	
The F	Name & role of most senior organisational lead for Human Rights/Ethical Trade:	Sustainability Reports/Modern Slavery Statement Links:
Tab	What are our human rights priority areas of focus? (by country/ region/ theme or combination)	e.g. we have identified x raw materials, or operations or countries as higher risk. Please simply describe the process you used to do this.
The F	Summary of key Progress made in last 12 months implementing HRDD approach, including KPIs	
Tab	Assessment of HRDD approach	Summary of the 3-5 identified actions to close the gaps towards next level in next 12 months*
The F	Below Foundation/ Foundation/ Intermediate/ Advanced*	
Tab	Policy and Accountability	
The F	Traceability	
Tab	Risk Assessment	
The F	Taking Action	
Tab	Tracking performance	
The F	Remedy	
Tab	Communication	

* Some members may wish to score this applying 1- Below Foundation, 2- Foundation, 3- Immediate, 4-advanced. This needs to be balanced with encouraging @ honest conversation on supplier maturity as they will be at different stages of their journey and what will work to drive internal integration in FNET members businesses. What we would encourage though is a focus on encouraging and rewarding suppliers to take action. Our suggestion is to encourage 3-5 actions in total – suppliers do not need to have an action in every box

Responsible Recruitment Working Group



Courtenay Forbes
Human Rights Manager
Tesco



Rachel Munns
Head of Sustainability
World Wise Foods



Sam Ludlow Taylor
Senior Manager Human Rights
John Lewis Partnership



Linda Beresford
Project & Member Manager
FNET



What We've Covered so far in 2024

29th February In person

Impactt – Why it matters? – Victim Impact

What do we mean by alignment of EPP?

Woolworths Australia – Case

IHRB – What does commitment mean?

Results of EPP Survey

21st May online

Developed Phased Approach for EPP for WG members

Created the Roadmap

Discussion on SMETA 7 implementation and retailer approach for CAR's for Recruitment fees

4th September in person

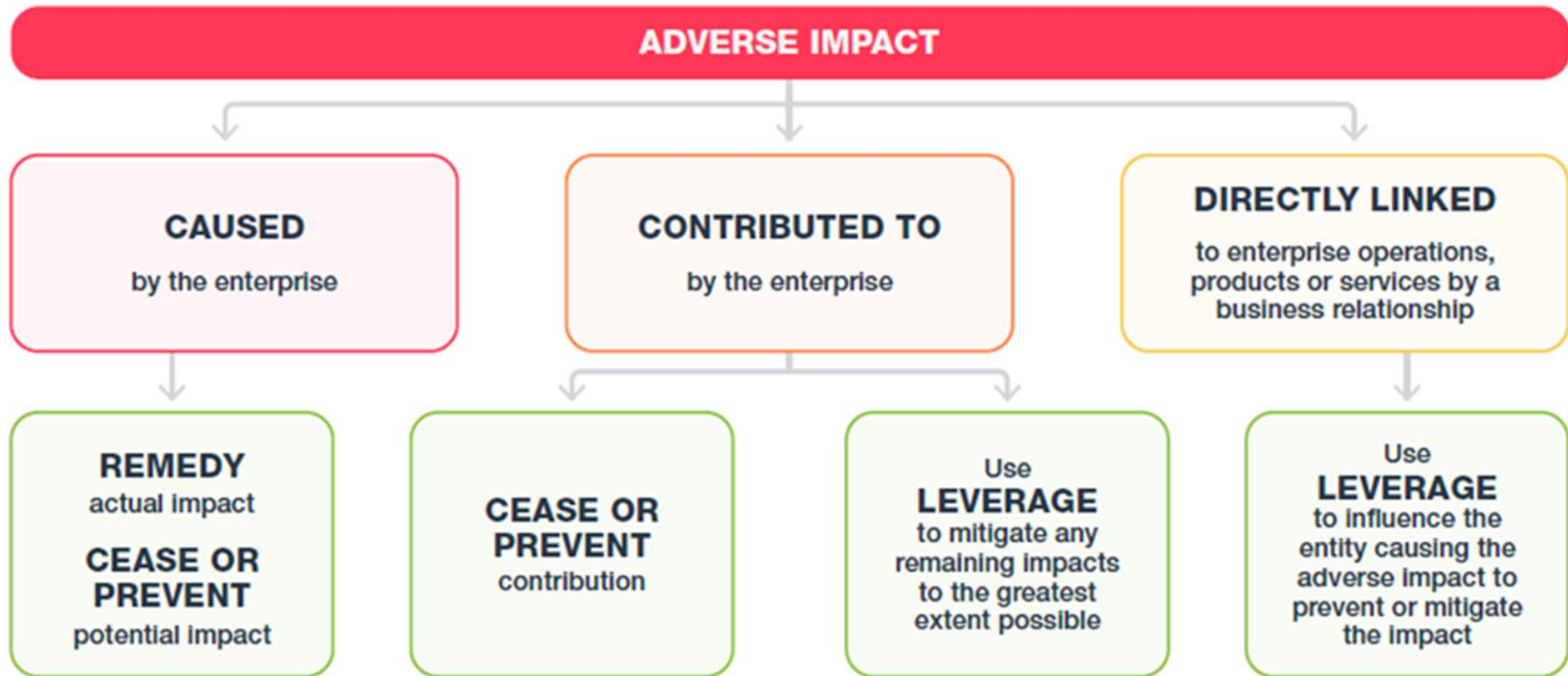
Using UNGC framework for remedy

Monaghan - Shared Due Diligence approach to Ethical recruitment in High Risk Geography

Verite- Implementing & Verifying ethical recruitment

Workshopped Prioritisation of Fees



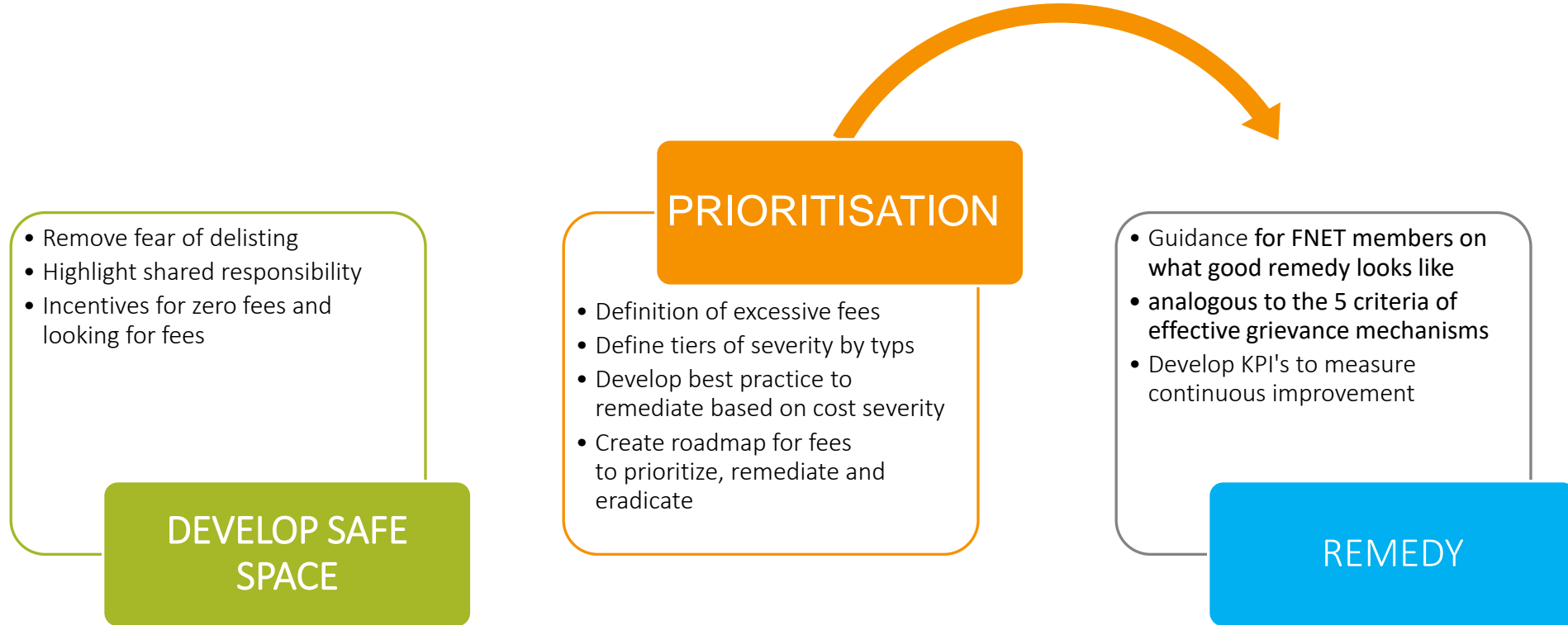


Remediation:

Where business enterprises identify that they have **caused** or **contributed to** adverse impacts, they should provide for or cooperate in their remediation through legitimate processes



Responsible Recruitment Roadmap 2024/5



Considerations

- Key labour sourcing countries
- What is a reasonable recruitment fee in each country Impactt 2022 analysis!!
- Verité cost calculator (SE Asia)
- Use existing resources!

The Projected Achievements to end of Q4

1. Creating safety for suppliers to raise fee issues to customers:

- reassurance around protection from de-listing
- fear of ownership and 'opening pandora's box'- shared responsibility
- incentives for looking for fees/implementing zero fees

2. Creating a phased approach proposal:

- Definition of 'excessive fees' overlaying with vulnerability of workers
- Defining tiers of the severity of types of fees and costs from the ILO list - amount, type, legality, impact on worker, average length of debt, level of vulnerability
- Developing best practice around how members can approach identifying and remediating costs based on severity
- members can then agree on this tiering which would create roadmap for which fees to prioritising finding, remediating and eradicating

3. Remedy

- **Develop guidance for FNET members on what good remedy looks like, analogous to the 5 criteria of effective grievance mechanisms**
- **i.e. theme of not letting perfect prevent good: e.g. % of most serious fees remediated**
- **% of workers provided with financial support to pay off 'most serious fees**

4. Consider:

- key labour sourcing countries
- what is a reasonable recruitment fee in each country - Impactt 2022 analysis!!
- Verité cost calculator (SE Asia)
- use existing resources!

Empowering Work Working Group: update



Clare Donovan
Ethical Lead
Worldwide Fruit



Kealey Burbidge
Group HR Manager,
Hilton Group



Julia Black
Group Ethics & Social
Sustainability Senior Manager
Hilton Group



FNET Project Manager
Linda Beresford

Empowering Work Working Group - Update

11th April - in person – 20 attendees

- Worker Voice Alignment to reduce duplication
- Presentations from
 - NGage
 - Ulula
 - Just Good Work
 - &Wilder
- Group discussions:
 - How has using these tools impacted workers?

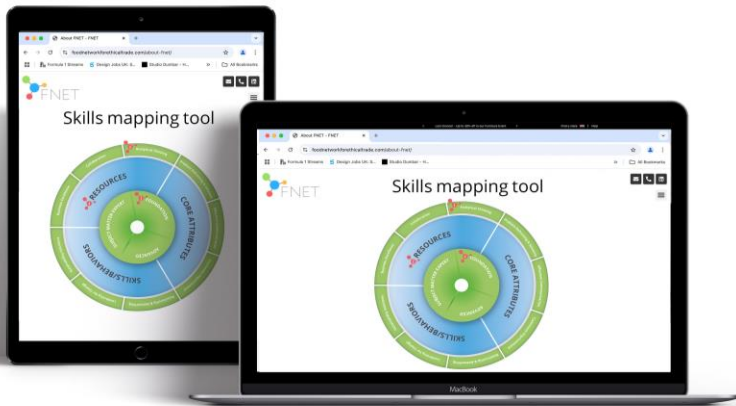


16th July - on line – 14 attendees

- Presentations from WG members on how they introduced effective worker voice in own operations
 - Keelings
 - Hilton
 - Worldwide Fruit
- Subgroup teams work on Human Rights Skills Map and Resource Plan

3rd October – 21 Attendees

- Presentation of Skills Map
- Presentation on worker voice maturity framework concept note
- Planning for Q4 – Advanced Gender Due Diligence Approaches



Working Group OUTPUTS

KEY DELIVERABLES 2025–

1. Progress on **Human Rights Skills Map development** supported by a sub-group project team.
 - o Working on design with team for interactive wheel.
 - o Team to develop Self-assessment document

2. Development of **Employee Engagement Maturity Framework**

- o **In progress – due for end 2024**
- o Document helps businesses move through maturity
- o Foundation ----> Consulted ----> Involved ----> Partnership ----> **EMPOWERED**
- o Develop KPI's and Top Tips

SKILLS MAP

Who is covered in this category?	Core Attributes	Skills/Behaviors	Resources	Training			
Those working in or with small enterprises. Trade Unions, Human Rights, Supply Chain, Procurement, Finance, Managing Director, Directors listed on Companies House	<ul style="list-style-type: none"> High knowledge on Human rights and standards why they are important. able to demonstrate knowledge and examples of human rights awareness. Set up leading initiative into new code able to demonstrate knowledge of environmental impacts on HR, and HR, biodiversity etc. 	<p>Foundation</p> <ul style="list-style-type: none"> Understands the international human rights conventions and standards and knowledge able to demonstrate responsible practices, issues for people teams Understands the importance of responsible HR practices and knowledge of high risk countries. Know reputation concerns Legislative requirements Anti-discrimination / DEI awareness training 	<ul style="list-style-type: none"> Stronger together HR Code - resources on base code point Just Code on HR app Anti-discrimination membership resource Subject matter experts HRMS 	<p>Question: Do we want to add the links in here?</p> <ul style="list-style-type: none"> HRMS HRMS HRMS HRMS 			
Those contributing to the strategy and Human Rights strategy of the company	<ul style="list-style-type: none"> Understands industry standards, includes the different social codes of practice, ISO 26000, CA, ISO 26000, Global Code of Ethics, etc. able to benchmark across different markets to create best practice Understands the importance of human rights 	<p>Advanced</p> <ul style="list-style-type: none"> Policy Development and Decision Investment for best practice able to empower individuals to speak and raise awareness able to manage team projects able to produce and follow a risk management response plan Compliance knowledge 	<ul style="list-style-type: none"> Stronger together HRMS HRMS HRMS HRMS 	<ul style="list-style-type: none"> HRMS HRMS HRMS HRMS 			
Those who have direct influence or interaction in the supply chain / partners. Those that will be directly responsible for Compliance and may advise a business	<ul style="list-style-type: none"> Understanding of changes to processes in compliance standards. How to communicate with the area Understanding of industry governance and legislation, e.g. WASH, SEPP, PMPT GHGTA requirements, EITI, base code legislation and Government strategies, CRD3D. 	<p>Subject Matter Expert</p> <ul style="list-style-type: none"> High level of analytical High level of emotional intelligence able to interact with professional bodies able to build trading relationships 	<ul style="list-style-type: none"> Stronger together HRMS HRMS HRMS HRMS 	<ul style="list-style-type: none"> HRMS HRMS HRMS HRMS 			
Analyst/Strategy	Human Resources and Labour	Business Communication	Global HR Practices	Business and HR Technology	Leadership for Change	HRMS	HRMS

Raw Materials & Services working group: update



Louise McCafferty
Head of CSR



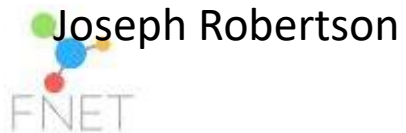
Peter Fletcher
Indirects Procurement
Manager
Yeo Valley



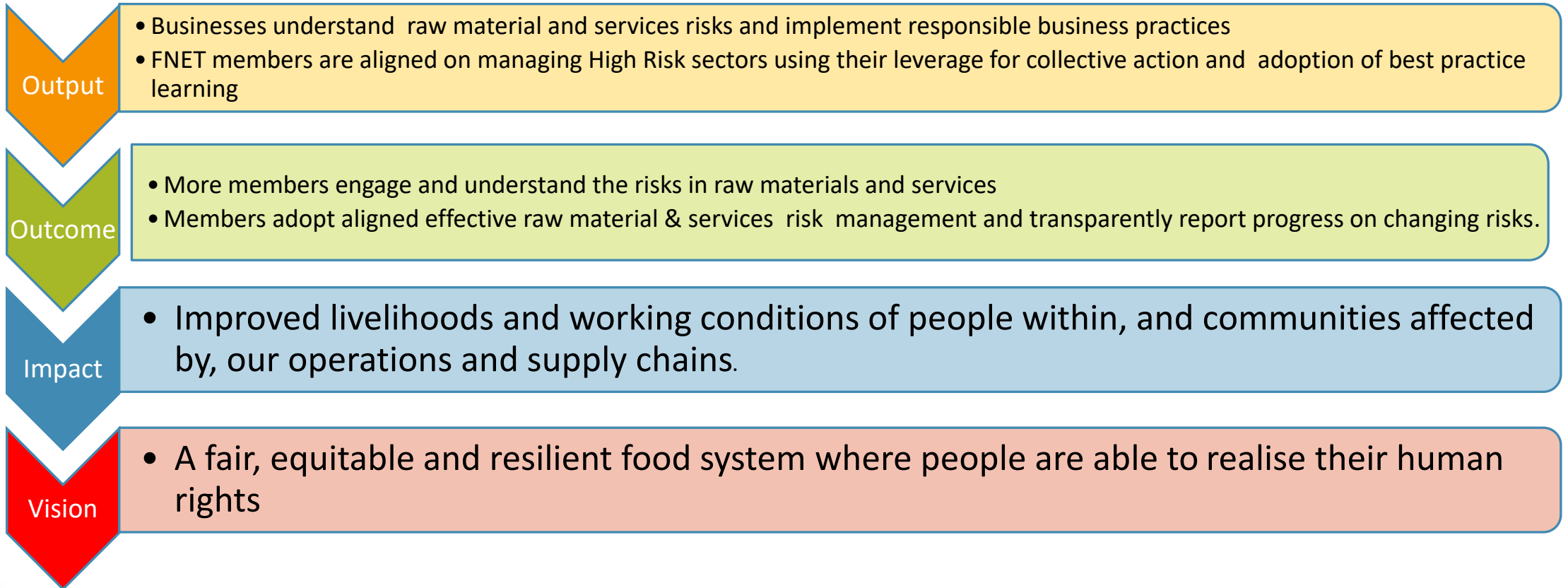
Board Sponsor
Andy York
Human Rights Manager
Pilgrims Pride Ltd.



FNET Project Manager
Suzanne Natelson



2024-2027 FNET Strategy: Raw Materials & Services working group



Raw Materials & Services Working Group: Workplan 2024

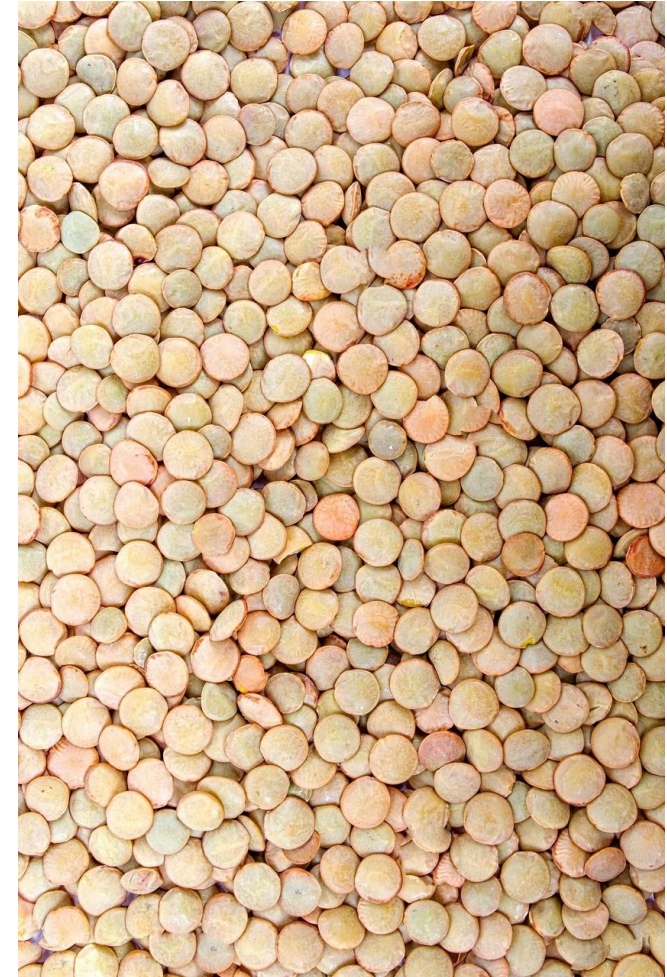
Potential member commitment: For each member to engage with service provider or do a deep-dive.

Working group objectives

- Increased supplier understanding about human rights risks in FNET RMS supply chains
- Increased number of RMS suppliers to FNET members actively managing human rights risks
- Improved understanding of raw material human rights risks for members

Outputs

- Summaries of deep-dive subjects & resources.
- 2024-25 focus on 2 topics; road transport & packaging
- Each working group meeting will include a deep-dive by a member on one **raw material** or **specific supply chain**.



2024 highlights from RMS working group

- Deep dives on including **human rights in services/goods not for resale (GSNFR)** tendering (Pilgrims) & solar panels (Tesco)
- Presentation from **Responsible Trucking Initiative**
- Presentations from Amfori, Ecovadis and Achilles on how they approach GSNFR and collect data on worker/human rights.
- Presentation by Gist and discussion on next steps for the working group on work with haulage companies.
- In-person meeting exploring GSNFR and sharing member approaches

Outputs

- Template on deep dives (54 downloads)
- Summary on including human rights in GSNFR tendering process: some best practice examples and practical insights (215 downloads)
- Workshop on DD Checklist for haulage companies – complete then trial January 2025
- Packaging meeting – covering range of materials and aspects – discussed next steps & summary document for network



Top tips on including human rights in Goods & Services Not For Resale (GSNFR) tendering processes

Some best practice examples and practical insights



16th January meeting deep dive on security

Proposed ETI/FNET joint webinar in November on security, then follow-up with a focus on security in working group meeting on 16th January 1-3pm.

Are there particular issues you would like covered in the webinar/FNET session?

Deep dive on pea protein from China (tbc)



What next for 2025?

Outputs

Businesses understand raw material and services risks and implement responsible business practices

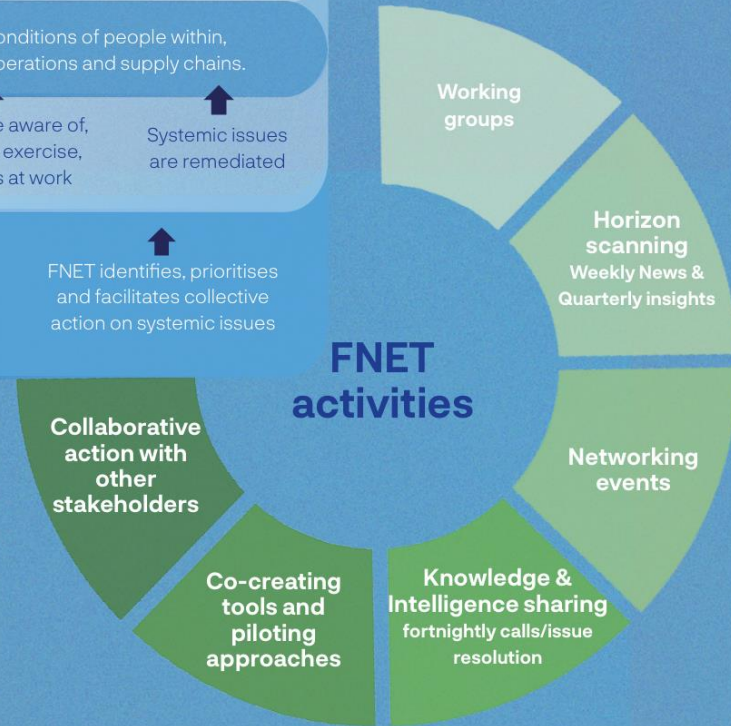
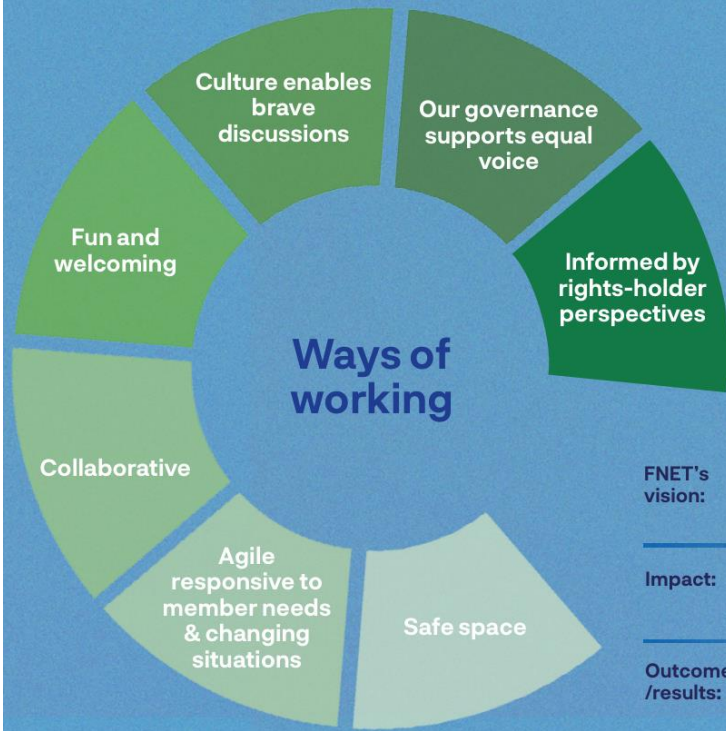
FNET members are aligned on managing High Risk sectors using their leverage for collective action and adoption of best practice learning

- ❖ To meet the outputs – what should our priorities be for 2025?
- ❖ How to best continue with deep dives?
- ❖ Carry on with haulage – one year plan for implementing checklist



FNET 2025 Workplan

WHAT ARE YOUR PRIORITIES?



FNET THEORY OF CHANGE

FNET 2024-27 strategy: Working Groups

FNET activities

Outputs

Outcomes/results:

Impact:

FNET's vision:



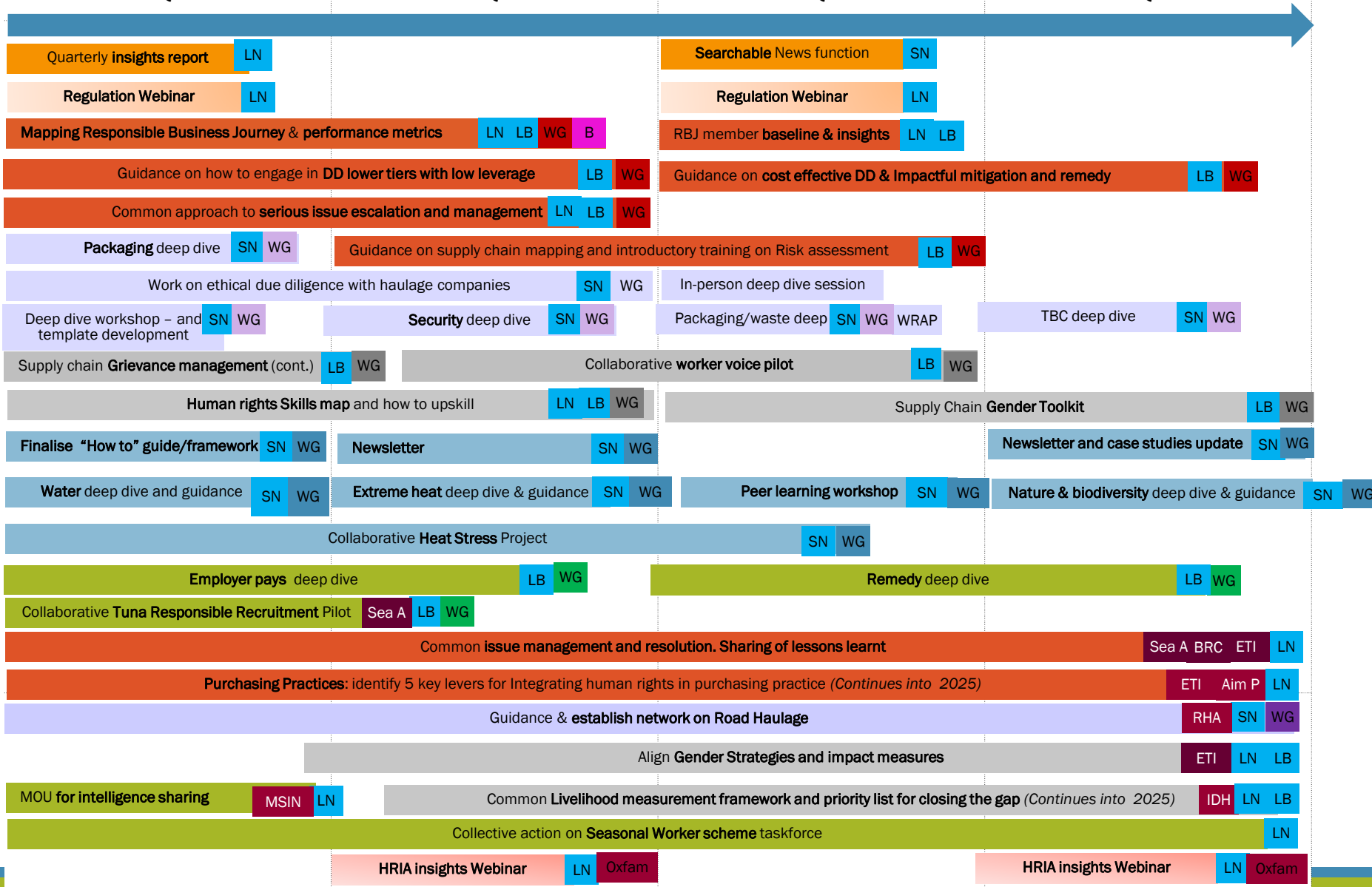
FNET Roadmap 2024

Q1

Q2

Q3

Q4



- Proactive Horizon scanning
- Due diligence WG
- RM & Services WG
- Empowering Work WG
- Climate & HR WG
- Responsible recruitment
- Technical Team
- Board
- Collaboration

Businesses adopt common practical tools and approaches and transparently report progress

FNET identifies, prioritises and facilitates collective action on systemic issues



FNET Roadmap February 2025 – January 2026



- Proactive Horizon scanning
- Due diligence WG
- RM & Services WG
- Empowering Work WG
- Climate & HR WG
- Responsible recruitment
- Webinars
- Collaboration

Businesses adopt common practical tools and approaches and transparently report progress

FNET identifies, prioritises and facilitates collective action on systemic issues



2025 workplan

The 3 outcomes that FNET has identified for focus in the 2023-27 strategy are

- Members implement Responsible Business Practices
- Workers are aware of and able to exercise their rights at work
- Systemic issues are remediated

Holding these outputs in mind, please consider

- Your table's top 3 priorities for each of the five 5 working groups
- Any priority issues that don't fall into the working groups e.g. for webinars/training etc.
- Is there anything else you would like FNET to deliver to support your business on its human rights' due diligence journey?

How can FNET support greater impact in your business?

Collaboration: What would you like to collaborate more on? How do you see this happening?

Top 5 suggestions for how can FNET work with you to have greater impact? (working groups, in-person, information-only sessions, building safe space, relevant people)

How FNET can work with members: Suggestions

- ❖ Photos and buttons in emails - more exciting and readable.
- ❖ Merging working groups
- ❖ Coordination within membership to work on common issues
- ❖ How said hot topics in a suggested newsletter will impact a business in terms of legality or profit/revenue.
- ❖ More practical projects which make a direct difference in our supply chain and make this balance with tools and resource development
- ❖ A summary of retailer requirements
- ❖ Exec/CEO newsletter than can be used to surface hot topics and help get buy in from the senior team
- ❖ Case studies
- ❖ Quarterly overview of CARs once in operation to see if there are learnings etc
- ❖ Do more worked example sessions
- ❖ More blue sky sessions that are not working groups
- ❖ More communication from the working groups
- ❖ The communication strategy is key and will help hugely
- ❖ Share issues, risks and the how of uncovering them
- ❖ Horizon scanning - highlight the salient issues/ media issues that have had the most attention
- ❖ Share due-diligence practices
- ❖ "More structured emails
- ❖ You don't have the resources to have more impact
- ❖ Volume of content for fortnightly calls is incredible, do we need less & deeper ? With updates from WGs?
- ❖ Potential mentorship or buddy scheme
- ❖ Ask for members salient risks in specific countries and collaborate to improve worker welfare.... Projects/webinars etc
- ❖ Cross body collaboration with aligned bodies such as msin



Questions to the Board



Fiona Wheatley,
Bakkavor



Mel Miles,
Westfalia



Courtney Forbes
Tesco



Sam Ludlow Taylor,
Waitrose



Aisha Aswani,
Co-op



Andy York,
Pilgrims



Julia Black,
Hilton Food Group



Anna Pike,
World Wide Fruit



Pins Brown
Chair



Chris Sutton
Finance INED

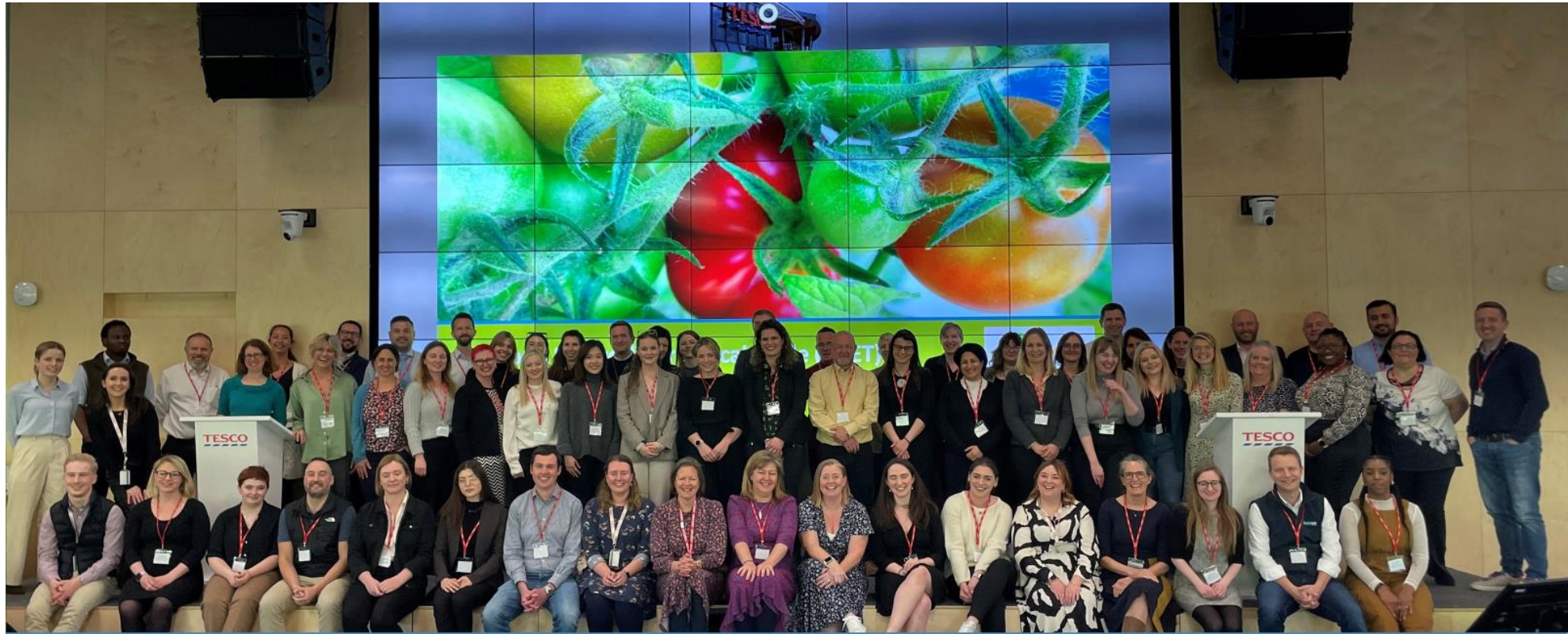
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Audience Q&A

① Start presenting to display the audience questions on this slide.



Thank you

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