



The Food Network for Ethical Trade (FNET)

RAW MATERIALS & SERVICES WORKING GROUP: LOGISTICS THURSDAY 14TH SEPTEMBER 2023



Competition Law Statement

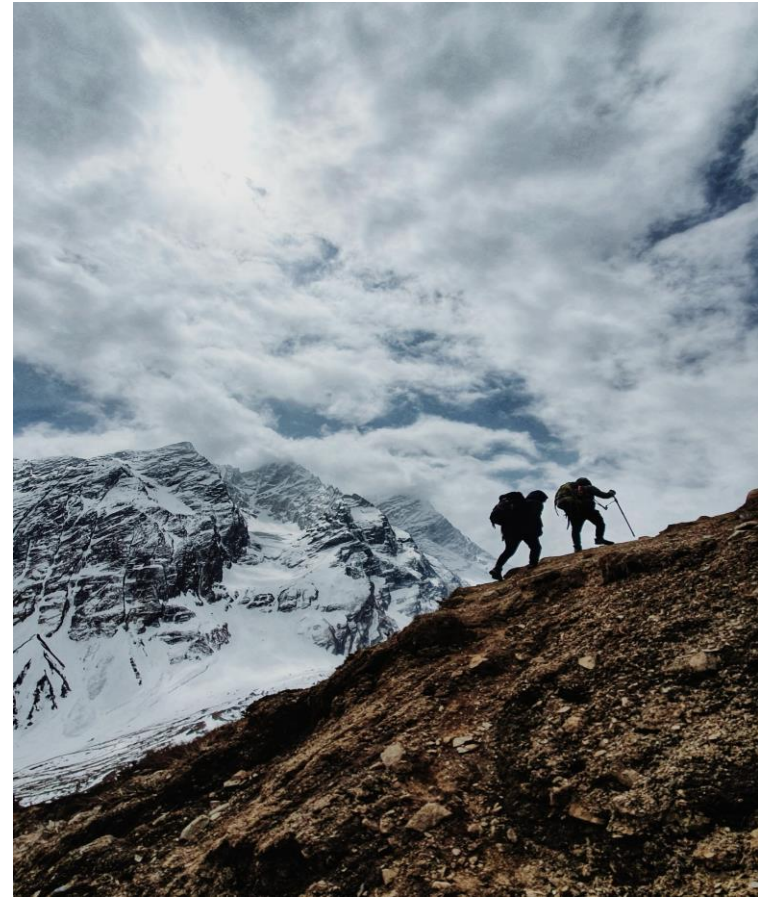
“Today we are meeting to discuss the Food Network for Ethical Trade.

We take competition compliance seriously. Whilst discussions can cover matters of interest to our industry, we cannot discuss or exchange sensitive commercial information.

If at any time during this meeting, you think our discussions may be in breach of competition rules, please inform the Chair. The Chair may close the meeting at any time if she believes that discussions are in breach of competition law”

A recording of the meeting can be found at

Participation



Agenda

Approximate timing	Item
13.00 – 13.05	Arrive and introduction
13.05 – 13.30	Deep dive into the UK seafood sector – Andrew Nicholson, Group Sustainability Manager, 2 Sisters Food Group
13.30 – 13.45	Summary of survey results on road haulage - Suzanne Natelson, Project & Membership Manager, FNET
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14.30 – 15.00	Discussion & identification of outcomes

Deep dive



UK seafood sector

Implementation of the UK Borders and Nationalities Act 2002, Section 43

- The issue
- Potential impacts
- Mitigation

Potential impact of The implementation of section 43 of the Nationality and Borders Act 2002 on catching sector

Initially presented by **SEA Alliance** – 19th April 2023

The Issue...

From 12th of April 2023 the UK government will enforce its laws governing the migration and employment of nationals from non-EEA countries working as fishers in UK territorial waters (UKTTW = 12 miles from shore).

What does it mean..

- Vessels can't use crew that holds transit visa to perform any work within UK waters.
- All vessels that operate within 12nm must move their employees to Skilled Workers Visa route, or other permissible visa routes, e.g. EU settled status, or EU seasonal workers returners.

This change will see potentially thousands of migrant fishers forcibly removed from the UK mid-way through their employment contracts. Migrant fishers from Ghana, India, Indonesia, the Philippines, Sri Lanka and some other non-EEA countries will be affected



Analytical work so far

- In September-November 2022 Seafish created an analysis of potential impacts of the change on catching sector
- In an absence of employee's visa status, they analyzed crew nationality data that was collected in 2021.
- In early March they ran an additional survey on Labour needs in the UK fishing fleet funded by Defra to get better understanding of the situation.



Potential impacts (1)

Around 426-476 vessels in UK fishing fleet employ crews residing outside UK:

- almost half of these vessels belong to Nephrops (Prawn/Scampi) trawling fleet,
- the other half belongs to demersal (Whitefish) trawling >10m and static gears >10m using fleets

Seafish estimated that 80% of active Nephrops trawlers, 41% of demersal trawlers and 36% of static gears using >10m fleet employ non UK crew residing outside UK.

Seafish estimate that 1 538 employees, or around 20% of crew employed on UK fishing vessels (fully active) are non-UK nationals residing outside UK & EEA countries.

The most recent survey of Labor market in fishing sector confirmed that majority of non-UK crew is working under transit visa.



Here to give the UK seafood sector
the support it needs to thrive.

seafish

2021 Employment in the UK Fishing Fleet

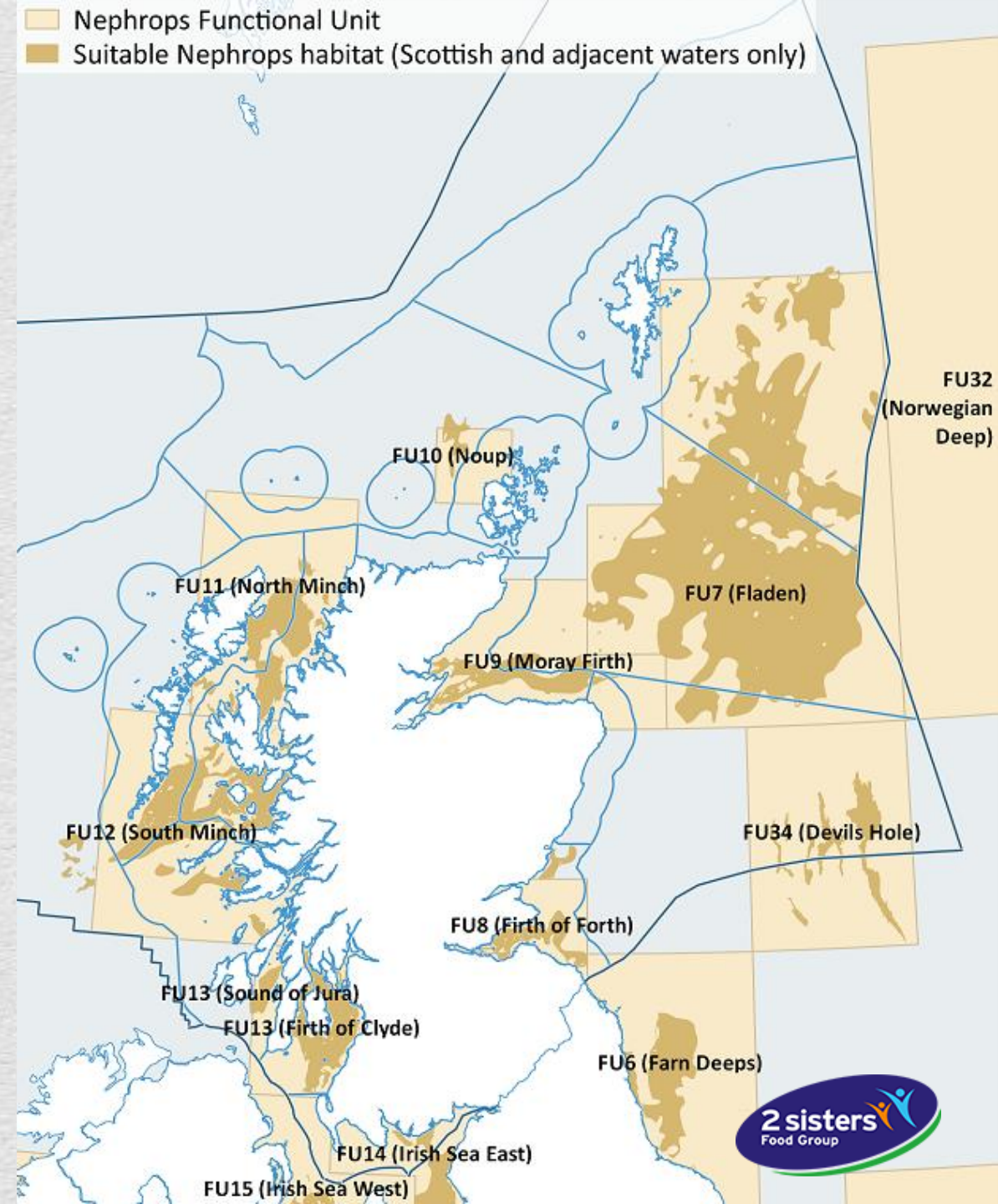
Author: Marta Moran Quintana April 2022

Potential impacts (2)

Vessel owners are making attempts to move their crew from transit visa route to Skilled Workers Route, but there are challenges associated with this route, e.g. administrative challenges, salary requirements and associated additional costs

Analysis of vessels activity using VMS conducted by MMO for Seafish and HO enquiry showed that all vessels are spending certain amount of time within 12nm, however vessels that employ non UK crew within sample tend to spend less time in the territorial waters.

Most of Scottish nephrops stocks, especially on the West coast of Scotland are within territorial waters





17th April ITF sent a letter to SEA Alliance members

Home Office forced removal – Immediate action required from UK retailers and seafood businesses

Migrant fishers, people working within your supply chain, are now on the precipice of being forcibly removed from the UK through no fault of their own.

- Sudden Home Office enforcement to curtail the illegal use of Seafarers' Transit Visas to employ crew working in UK waters, will see migrant fishers being thrown into real financial hardship.
- As this chaos has been created in your supply chains, we ask that you meet us to discuss compensating the workers who will be impacted.
- *We are asking you to establish a remediation fund with support from the ITF to pay out the remainder of the contracts of any migrant fishers brought to work in UK waters who are removed prematurely.*



Follow Up Actions...

SEA Alliance Together with BRC responded back to ITC positively, asking for evidence and agreeing to investigate.

SEA Alliance members visited ports in NE Scotland & met with Scottish fishing industry members to better understand the issue.

SEA Alliance UK Action Plan.

Information Gathering...

1. SEA Alliance members work with UK fish suppliers to map all supply chain points upstream inc. catch vessels, landing ports, and crew info (nationalities/use of transit visas).
2. SEA Alliance works with Fishermen's Welfare Alliance, ITF and Stella Maris to map recruitment "supply chain", inc. identifying costs and risks to workers in range of home countries, and involvement of home country agents/sub-agents.
3. SEA Alliance advocates for key information on migrant fishers to be collected at a national level and published in aggregate form (inc. no of migrant workers/nationality/visa status), in line with NGO Global Charter for Transparency.

Worker Support...

1. SEA Alliance scopes out project to support Stella Maris and ITF to undertake worker outreach to improve information for workers on current situation and ensure access to effective grievance mechanisms.

Follow Up Actions (Cont'd)...

Advocacy & Engagement...

1. SEA Alliance works with fishing sector representatives and welfare organisations to advocate to the Home Office and other relevant Government departments.
2. SEA Alliance participates in DEFRA Access to Labour Working Group and any fora that enable us to work with the fishing sector and civil society organisations to improve conditions for all fishers in the UK..
3. SEA Alliance holds a meeting with Maritime and Coastguard Agency (MCA) to better understand approach to verifying compliance with ILO C.188, and level of training/competency of MCA personnel on worker safeguarding.
4. SEA Alliance supports pilot project in Northern Ireland through the Change on the Water Fund. The pilot project will include undertaking vessel level assessments against international standards, ensuring effective grievance mechanisms are in place, and will be externally evaluated to ensure lessons can be learnt across other SEA Alliance supply chains

Outreach / Support...

1. SEA Alliance holds quarterly meeting with Fishermen's Welfare Alliance to discuss developments and review progress. A key objective of this engagement will be discussing/agreeing role of fish producer organisations in ensuring effective grievance mechanisms are in place for all crew.
2. SEA Alliance supports members to engage supply chain actors and communicate expectations in short-term, inc. through the creation of information materials, and the holding of briefings/meetings where required.

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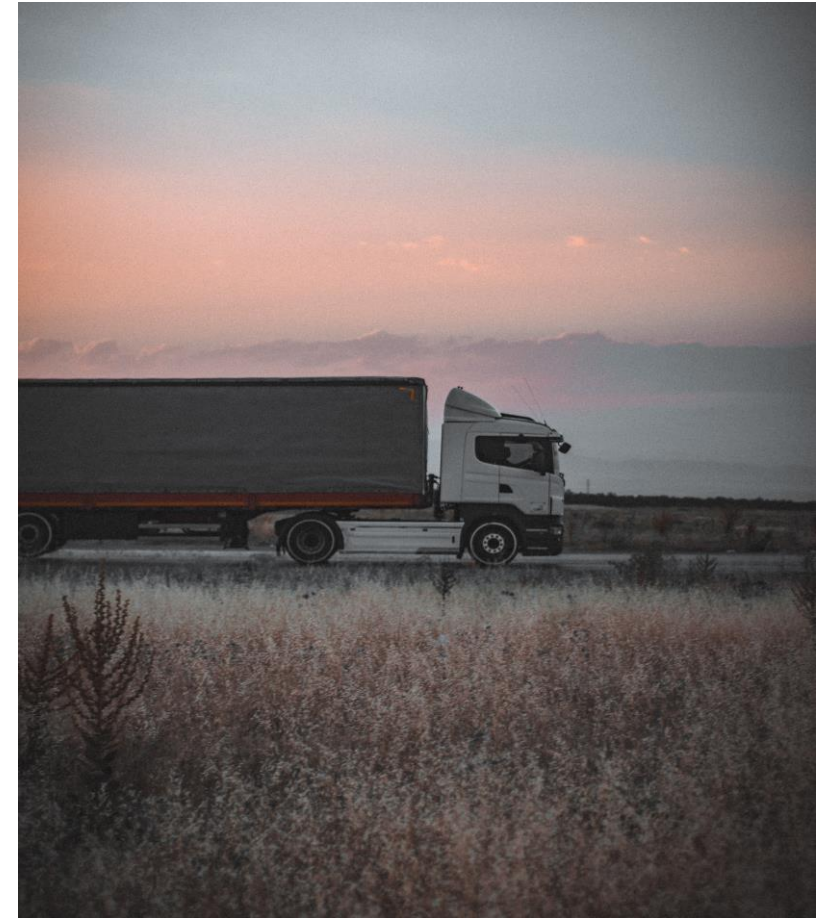
June-July 2023: Survey Results: Road haulage

9 respondents

Haulage companies in common across the network: Gist, Spiers & Hartwell and Fowler Welch

Many other companies including; Culina, Gs Fresh, Huntapac Produce Ltd, Good Logistics, DTW Lineage, Langdons, JHP Transport, Menzies Distribution, EV Cargo, 2Excel Logistics,, Moran Logistics, Reed Boardall, Americold, DFDS, AIM logistics

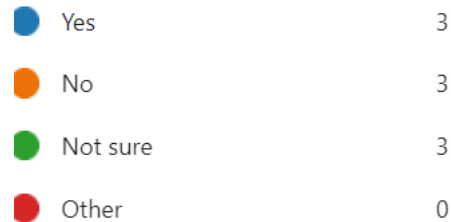
Also secondary transport (from warehouses/depots to stores): Wincanton Containerised transport (from port to warehouses): Maritime



Haulier engagement

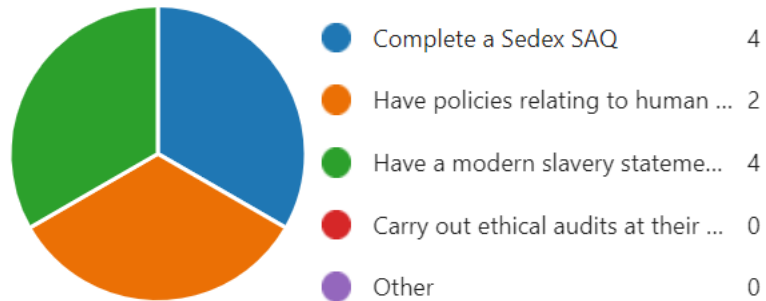
Do any of the companies engage on ethical trade issues?

[More Details](#)



Do any of the companies do the following:

[More Details](#)



More detail on haulier engagement

Some companies produce modern slavery statements, some are linked to Sedex and complete a SAQ, some comply with Members Ethical sourcing policy, some have union members in their workforce.

Member engagement with hauliers

3 respondees have tried to engage with haulage companies

“Not interested due to other requirements and we are a small fish in a big pond.”

“We have sent details of ethical standards - including our Supplier code of conduct but not had any response”,

“Current climate protecting drivers from illegal immigrants entering trucks on breaks. Trying to sort driver shortage crisis”

What are your ethical concerns about road haulage?

“They fall outside of our scope of labour standards currently meaning there is no requirement for them to be registered on SEDEX, to complete the SAQ or undertake audits. There is no visibility of their awareness of human rights or what strategy they may have.”

Security

Modern
slavery

Non-
compliance
with RTW

Safety and
well-being

Driver
safety

People
trafficking

Responsible
recruitment
of drivers

Abuse and
intimidation

Low pay

Poor
working
conditions

Long
working
hours

Sub-
contracting so
lack of
transparency

FNET contact with haulage companies to prepare for this meeting

- FNET reached out to the following companies (because they were used by multiple members) to engage and had no response: Gist, Spiers & Hartwell and Fowler Welch
- FNET reached out to the Road Haulage Association and had no response.
- Experience was that there is a lack of transparency in the sector, some companies have no website, RHA not passing on when calling.
- However – no personal contacts, so may be different if approached via members.

Suggestions for FNET work on haulage

Suggestion	Comments	Action
Develop/Share standards or best practice		
Work with Road Haulage Association and other industry bodies		
Best practice from the sector		
Pilot projects with haulage companies		
Work with haulage companies via FNET		
Visit premises and spend “a day in the life” to assess concerns		
Consider more than road transport		
Share best practice with supply chain		
Understand what can be used to monitor outside of audits		
Checklist for companies to complete		
Work with RHA to develop code of practice		

Discussion questions: Road haulage

1. What would be the most useful (and achievable output)?
2. How do we do this?
3. How can we better engage with haulage companies/RHA. Will some members contact their companies directly to invite them to a follow-up meeting? Or to discuss some possible standards?
4. There is a budget of £3000 to spend in the next 5 months - do we need external support? How do members want to allocate this? (We can allocate on waste as well).

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Managing human rights risks in GNFR

Sarah Picasso, Human Rights Manager
FNET Raw Materials and Services
working group meeting

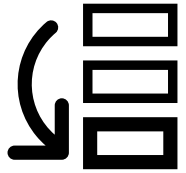
September 2023

Sainsbury's
Helping everyone eat better

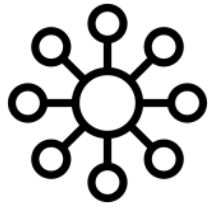


Managing human rights risks in goods and services not for resale (GNFR) requires a different approach

Challenges



Prioritisation



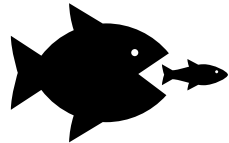
Variety



Knowledge



Transparency



Influence

Approach



Training



Policies

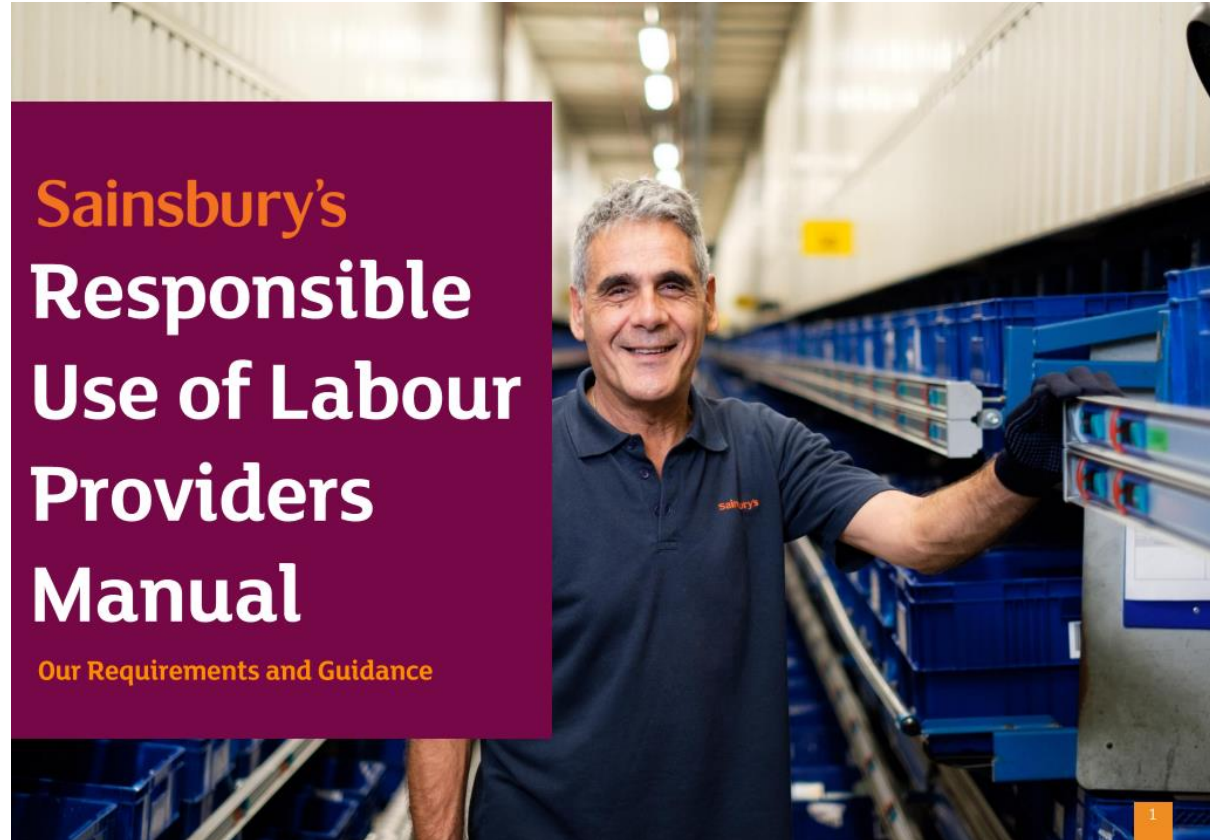


Risk assessment



Collaboration

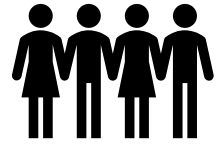
Agency labour in warehousing



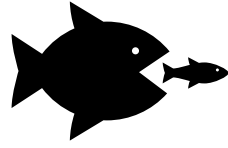
Opportunities for the FNET Raw Materials and Services working group



Risk assessment



Collaboration



Influence



Knowledge



Transparency

Vestey Foods UK

Ethical Trade in Logistics

Company Overview

Vestey Foods UK is part of Vestey Holdings - a family run business which has been trading for over 125 years and comprised of a number of different companies covering the mainstay of the food industry.



Our Values

Honesty

We are honest in what we do, the decisions we make, and how we communicate with colleagues, customers, and suppliers.

Integrity

We do the right thing every time, even if it doesn't necessarily benefit us. Retaining our integrity is critical for our business and our future.

Unity

We work together. We have a strong bond of alliance between colleagues. Our leadership and ownership enable us to face our challenges and opportunities as one.

Efficiency

We look for efficiencies in everything we do. We continuously strive to be efficient in order to continue to be market-leading suppliers.

Drive to Succeed

We are driven to be successful and share in that success. A constant drive for improvements to enable this success exists in all of our business areas.

Accreditation & Assurance

- BRC Storage & Distribution.
- ISO 9001 Quality Management System.
- ISO 14001 Environmental Management System.
- ISO 45001 Occupational Health & Safety Management.
- MSC chain of custody approved.
- Members of Campden BRI.
- All members of SEDEX.
- Red Tractor Licence Certified.



Sustainability Strategy



Our Vision	Developing a sustainable foundation for the next generation			
Strategic Pillars	Our Sourcing	Our Planet	Our Family	Our Community
Strategic Objectives	Delivering products sourced to high standards from transparent supply chains	Reducing the environmental impact of our end to end business operations	Empowering our people to reach their full potential in a safe, diverse and inclusive workplace.	Create meaningful partnerships to share our success.
Areas of Focus	Product Standards Human Rights Food Safety Animal Welfare	Carbon Emissions Operational Efficiency Food Waste Packaging Reduction & Conversion	Diversity, Equality & Inclusion Mental Health Personal Development Workplace Health & Safety	Employee Wellbeing Charitable Partnerships
Supported By	Upholding strong business values, ethics & integrity Honesty and Transparency Authentic Communication			

Ethical Trade & Logistics

Forward Plan & Progress

Who: All suppliers – not just product.

How: Through robust supplier management software.



- Continue to share best practice – what are we doing collectively to understand our supply chains more, what is working & what is challenging.
- Share non-competitive information with each other about trends & risks within the logistics & haulage space.
- Use the working group as a forum to raise issues that we see, whether that be companies not responding to requests for information, through to non-compliance



SUPPLY CHAIN ACCOUNTABILITY AND ROAD TRANSPORT

Building safe, fair and sustainable supply chains

International Transport Workers' Federation (ITF)

14 September 2023





WHAT'S WRONG WITH SUPPLY CHAIN TRANSPORT?

WHAT ARE THE RISKS?

WHAT IS ITF'S VISION?

WHAT CAN COMPANIES DO?



WHAT'S WRONG IN SUPPLY CHAIN TRANSPORT?

SHIPPING MOVES

80%

OF INTERNATIONAL
TRADE



2021

= FIRST GLOBAL
SHORTAGE OF
SEAFARERS

\$36m

SEAFARERS' BACKPAY
RECOVERED 2022

TRUCKING SHARE OF
INLAND FREIGHT:

95% LATAM
75% EURASIAN
67% US



20%

UNFILLED TRUCKING
JOBS IN EUROPE & ASIA

9.4%

AIR CARGO
GROWTH
2020-21



769,000

NEW AIRCRAFT
MAINTENANCE
PROFESSIONALS
NEEDED BY 2040

7.5%

CAGR
FOR LAST-MILE
DELIVERY UNTIL 2024



>6%

AVERAGE PAY FALL IN
AMAZON MARKETS

80%

INCREASE AVG
TRAIN TONNAGE
SINCE 2010

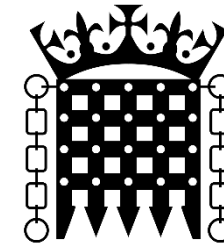
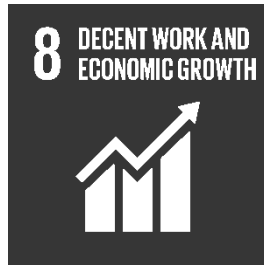


2/3

OF RAIL WORKERS REPORT
OUTSOURCING AS
SAFETY / LABOUR ISSUE



SUPPLY CHAIN RULES ARE **CHANGING**



RESPONSIBILITIES



OBLIGATIONS

GROWING SUPPLY CHAIN RISKS



ACCOUNTABILITY



Coca-Cola

amazon



H&M

CUSTOMERS /
CHARTERERS

DHL

Bolloré

XPO
Logistics

Uber
Freight

LOGISTICS /
PLATFORMS



MÆRSK



International
Container Terminal
Services, Inc.

ATLAS AIR
WORLDWIDE



DSV

TRANSPORT
COMPANIES



TRANSPORT
WORKERS



HOW CAN WE WORK TOGETHER?

SUPPLY CHAIN HUMAN RIGHTS PRINCIPLES



COLLECTIVE BARGAINING
ACTUAL & POTENTIAL IMPACTS
BUILD INDUSTRY-WIDE STANDARDS

HEALTH & SAFETY
SANITATION RIGHTS
EDUCATION & TRAINING ACCESS

RESPECT HUMAN RIGHTS
PROMOTE DECENT WORK
ACCESS TO EQUIVALENT STANDARDS

WORKER-CENTRED HRDD WITH ITF
ADVOCATE FOR MANDATORY HRDD LAWS
LABOUR & GENDER IMPACT ASSESSMENTS

COOPERATE TO REMEDY ACTUAL & POTENTIAL RISKS
CEASE, PREVENT & MITIGATE ROOT CAUSES OF RISK
DEVELOP REMEDY PLANS WITH ITF

COOPERATE

PROTECT

RESPECT

MONITOR

REMEDY



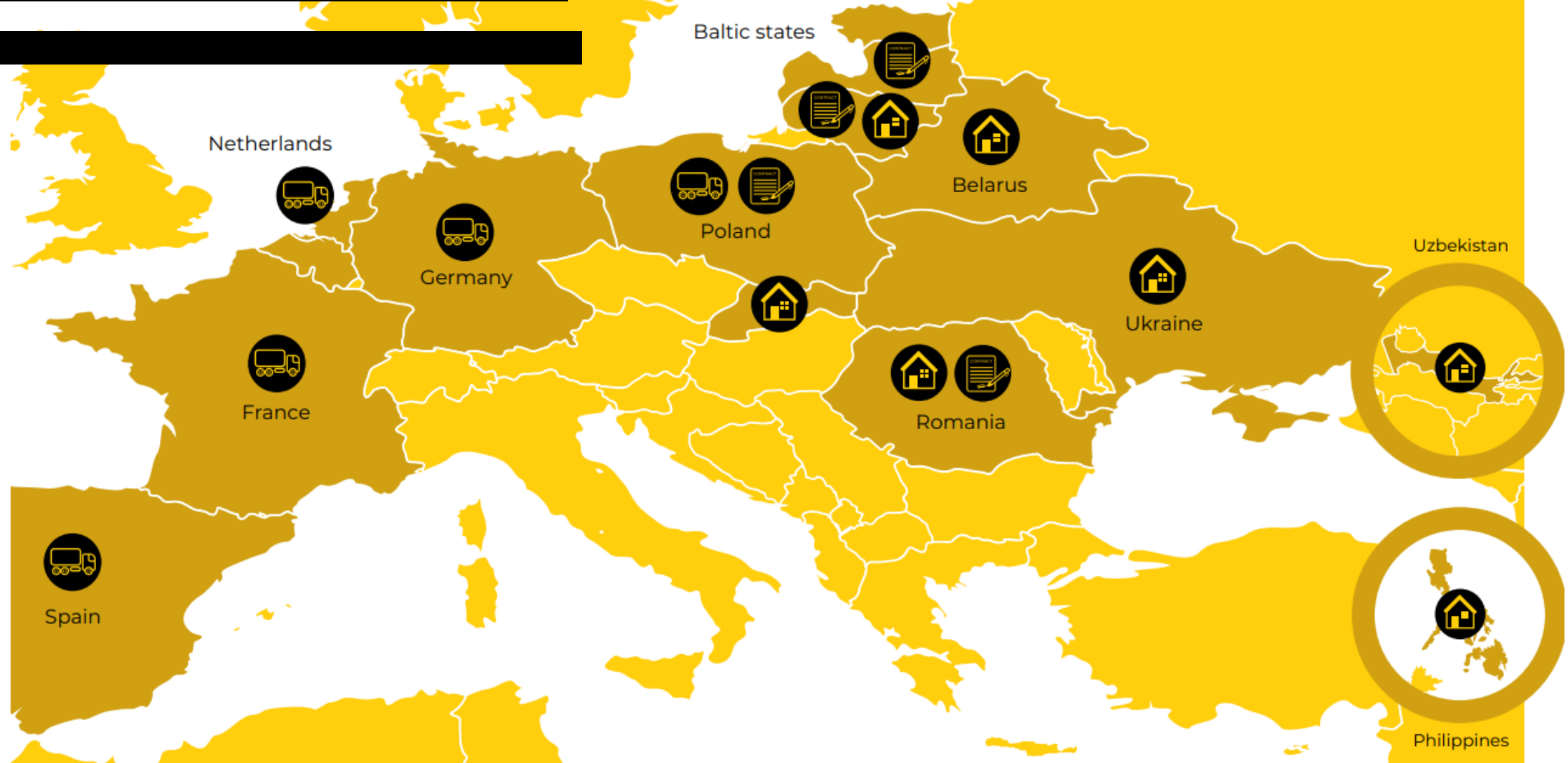
DECENT WORK AND ROAD SAFETY



International
Labour
Organization



EUROPEAN TRUCKING



Home countries

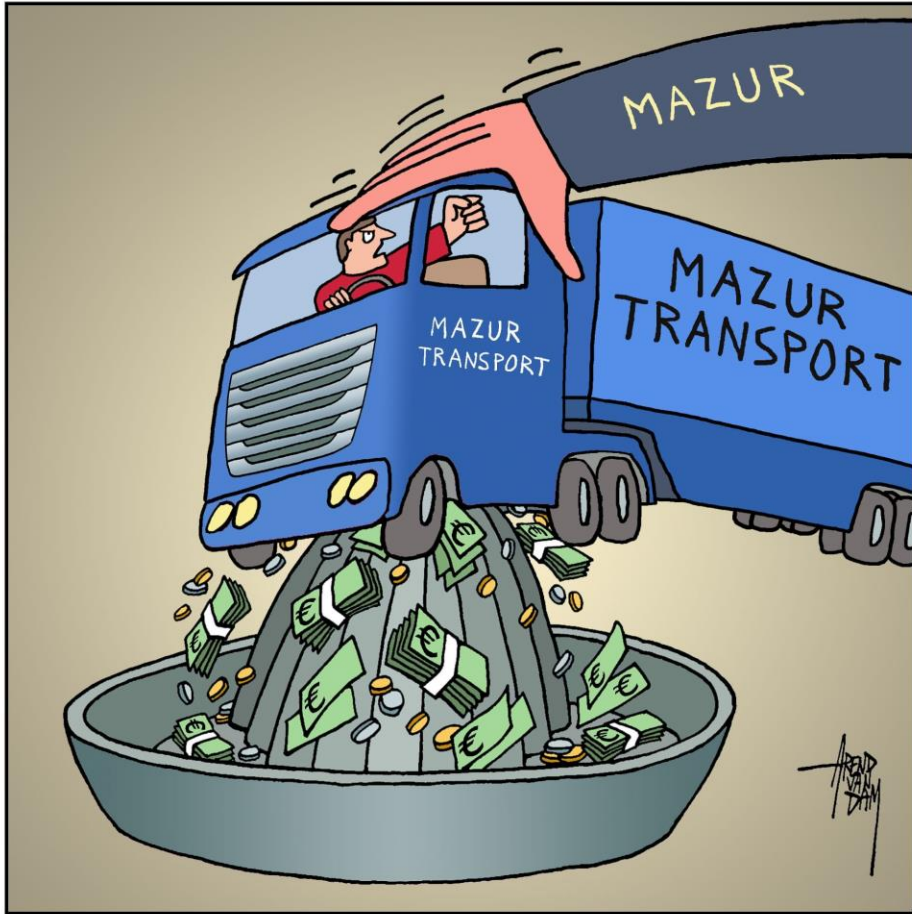


Countries where contracted



Countries where they work

GRAFENHAUSEN



ROAD TRANSPORT DUE DILIGENCE

RTDD

ROAD TRANSPORT
DUE DILIGENCE

1. MINIMUM STANDARDS

2. MONITORING

3. REMEDIATION



TRANSPORT AND LOGISTICS

A photograph of a multi-lane highway filled with a long line of semi-trucks, likely in a truck stop or during a traffic jam. The truck in the immediate foreground is blue and white, with yellow accents, characteristic of DHL. It is carrying a blue palletized load. Other trucks of various colors (white, red, blue) are visible in the distance, stretching along the road. The sky is overcast, and there are tall light poles along the right side of the highway.

DHL PROTOCOL, 2016

**FREEDOM OF ASSOCIATION &
COLLECTIVE BARGAINING**

QUARTERLY MEETINGS

**IDENTIFY, PREVENT, MITIGATE
LABOUR AND HUMAN RIGHTS
VIOLATIONS**

**WORKING CONDITIONS 'DEEP
DIVE'**

FOR MORE INFORMATION:

InlandTransport@itf.org.uk

WE MOVE THE WORLD

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