

# FNET strategy for 2023 / 24

24<sup>th</sup> January 2023



FOOD NETWORK FOR ETHICAL TRADE - CONFIDENTIAL

# **Competition Law Statement**

"Today we are meeting for FNET's fortnight all members call where we shall discuss Food Network for Ethical Trade 2023 / 24 Strategy.

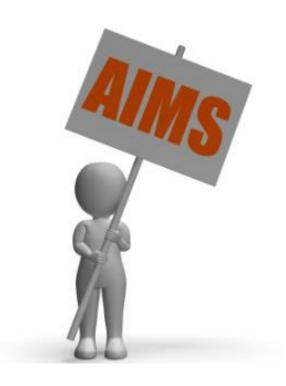
We take competition compliance seriously. Whilst discussions can cover matters of interest to our industry, we cannot discuss or exchange sensitive commercial information.

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"



## Aim of the presentation

- Reflect on 2022 and what FNET achieved
- Refresh on mission and objectives of the Network
- Outline strategy and operational plan for 2023
- Present the work groups for 2023 and the planned outputs
- Outline other areas of focus to deliver for FNET members
- Give members the opportunity to ask questions and raise points for discussion





# A Reflection of FNET last year – Feb 2022-Jan 2023





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Workgroup Outputs delivered 22/23							
PM: Margaret	PM: Margaret	PM: Margaret	PM: Suzanne	PM: Suzanne	PM: Suzanne		
Risk Assessment and Mitigation	Responsible Recruitment (previously R. Fees)	Employee engagement (previously called Worker representation)	Raw materials	Agents	Climate change		
<ul> <li><b>Output</b></li> <li><u>Risk Assessment tool</u> Offline excel version</li> <li><u>Mitigation Guidance</u></li> <li><u>Resolution of ethical audit</u> issues guidance</li> <li><u>Guidance on best practice</u> in approaches to workplace conversations</li> <li><u>Farm level risk metrics</u></li> <li><u>Ethical checklist</u></li> <li>External speakers' sessions held – Risk factors sources by Anthesis &amp; SEDEX Radar</li> </ul>	<ul> <li>Output</li> <li>Supported a pilot of the Just Good Work app for SWS Launched June 2022 - 19 290 jobseekers downloaded App, 2756 entering SWS code in the new countries of Nepal, Central Asia, Indonesia/Vietnam.</li> <li>Focus on greater visibility of what fees are being paid end to end in recruitment supply chain into UK, by whom and why -see <u>latest Mapping</u> Foreign Recruitment Process Flow</li> <li>Improving site-level due diligence on labour providers/ scheme operators</li> <li>Monitoring the ongoing impact of the Ukraine crisis, both for Ukrainian workers in the scheme and those recruited from new countries to fill the gaps.</li> <li>FNET support of 2 SWS roundtables &amp; collating FNET member input</li> <li>FNET preseason SWS guidance for growers for 2023</li> <li>Development of Tuna proposal to focus on recruitment fees with Global tuna alliance, sea alliance and BRC</li> </ul>	<ul> <li>Output</li> <li>Member discussions on how to remove barriers to improve workplace engagement</li> <li>Worker Representation Task &amp; Finish group</li> <li>Worker representation train the trainer manual (for the UK)</li> <li>Worker representation train the trainer training course slides (for the UK)</li> <li>Worker representation and communication supporting materials</li> <li>Recorded train the trainer session available publicly</li> <li>Offered 5 online train the trainer courses open to sponsors' suppliers and their suppliers (FNET and non- FNET members) but no uptake!</li> <li>E-learning modules (short videos) for use during the training of worker representatives</li> </ul>	<ul> <li><b>Output</b></li> <li>Focus on <ul> <li>Palm oil with presentations from Sime Derby &amp; RSPO.</li> <li>Thai Chicken - Greencore shared approach for group discussion. Organise webinar with Issara.</li> <li><b>Spices</b>- Presentation from FLA. Development of horizon scanning document and supplier presentation on risk assessment. Horizon scanning discussion with SSA and SSI</li> </ul> </li> <li>Developed Supplier raw material presentation on risk assessment. Presented in a fortnightly call with proposal for adaptation. Downloaded 200 times. Will become training course in 2023</li> <li>Human Rights Impact assessment survey and summary report analysis – this could be an opportunity to take forward for 23</li> </ul>	<ul> <li><b>Q1 Italy</b> human rights and mitigation presentation from Atlante.</li> <li><b>Q2 Spain</b> human rights and mitigation with presentation from Conexion Social &amp; HRIA M&amp;S &amp; Fresca Group case study</li> <li><b>Q3 UK</b> human rights and mitigation – presentation from Shayne Tyler on seasonal labour and UK-specific risks.</li> <li><b>Q4 Thailand</b> human rights risks and mitigation – member/ external organisation case study and discussion. Realised a potential duplication of raw material working group. So instead organised a joint webinar with Issara.</li> </ul>	<ul> <li>Output</li> <li>Group established in Q1 with input from May All members meeting</li> <li>Member survey to understand level of member interest and areas of focus.</li> <li>Q2 Setting the scene with presentations from DPS on climate risk assessments and Innocent on their climate approach.</li> <li>Q3 understanding Climate change and Human rights Presentation by Bev Hall, ETI on Climate and Human Rights nexus.</li> <li>Q4 understanding Climate change and Human rights Presentation from WWF and Berryworld. Finalising group objectives.</li> </ul>		

## How did we do against the measurable outcomes we set?

#### Risk assessment & mitigation

# of members rolling out farm-level due diligence tools – no data

# of members sharing beyond audit approaches to mitigating human rights risks – no data

% of members satisfied with activities of working group – can't give exact % but from conversations those attending the 2 in person meetings mostly satisfied

#### **Recruitment fees**

# of members sharing recruitment fee mapping approaches and results - no data

Increased # of members reporting responsible recruitment/ EPP commitments – no data on increase but 13% report they have EPP commitment

% of members satisfied with activities of working group – no exact data but estimate 50:50

#### Worker representation

# of members reporting effective worker representation on site - no data

# of members sharing effectiveness of worker voice tool rollouts – no data

% of members satisfied with activities of working group – low people disagreed on direction of travel of WG

#### Raw materials

# of members
engaging raw material
suppliers in human
rights risk assessment
activities - We do
have some info on
members who are
conducting HRIA but
from the whole
membership not
through this group.

# of suppliers whose engagement in human rights has increased - no data

% of members satisfied with activities of working group - no data

#### Agents

# of members reporting improved understanding of human rights risks in key countries – no data

# of members reporting increased ability to mitigate human rights risks – no data

# of members reporting improvement in relationships with retailers– no data

#### Ethical Engagement

# of members sharing consequence management approaches – no data

# of members with remediation policies – no data

Increased # of members with HRDD KPIs/ impact indicators - we collected this separately but not through this group

Currently we don't have a mechanism to measure FNET members improving performance over a 12 month period – this is a discussion point for the February board meeting – Do you think we should have?

# **Mission and objectives**

SAFE SPACE COLLABORATION Create a safe, non-competitive, space for collaboration on ethical trade issues

### CAPABILITY & CAPACITY BUILDING Support and strengthen members' capacity & capabilities to manage and resolve ethical trade issues in supply chains

### **MISSION**

To use the collective leverage of suppliers and retailers to bring about positive change in working conditions in global food, beverage and horticulture supply chains by providing guidance, resources, training and opportunities for collaboration

### INSIGHTS & HORIZON SCANNING Provide credible, timely and

relevant insights and horizon scanning on ethical trade issues that impact our supply chains

#### SUPPLY CHAIN LEVERAGE

Work with and influence other ethical trade initiatives and stakeholders to avoid duplication and increase leverage and alignment

FNET

# **Background of 2023/24 Strategy development steps**

- In 2022 FNET had 6 working groups Risk Assessment & Mitigation, Responsible recruitment, Employee Engagement, Raw materials, Agents, Climate change etc. We asked if these were the right strategic topics to support FNET members in 2023/24.
- •FNET communicate content via weekly news, fortnightly calls, webinars and the website. Looked into if we are using these channels most effectively.
- •Some of the working groups have become member networking occasions with limited output and lost strategic direction. We explored if there was a need to redefine the purpose and focus areas of the working groups.
- •Today's presentation is the outcome of this review activity review through members consultations.

#### Strategic review process

- 1. Working group's review
- 2. Working group leads consulted
- 3. Highlights from the Member survey
- 4. Insights from Deep dive Member interviews
- 5. Peer strategies
- 6. Summary discussed and developed by the Board



# Working group leads discussion

#### Working groups role

- 1. To provide a <u>safe space</u> for members to discuss relevant topics;
- 2. To facilitate guest speakers to upskill members on best practice in a specific area
- 3. To develop tools and collaborative projects to support members to advance ethical trade

A safe space (1) doesn't necessarily need a working group or PM support but could be via the new website self-organised to align approach e.g., Agents.

#### Ways of working

Better performing working groups had managed to find a balance of all 3 but to do so had

- Half of meetings all day in person
- The workstream/working group leads, and PM had met a couple of times ahead of the meeting to prepare pre-reads and develop the agenda, so it was a balance of inform and action
- The leads also each lead a task and finish group to drive deliverables between meetings.

#### **Discussion verses output/action**

In the last 12 months, workstream/working groups have delivered less tools and outputs but had some very useful capacity building discussions. There is some recognition we need to alter the balance for 2023 to deliver more output and action

#### Member expectation to improve performance?

Tricky balance between being inclusive and allowing members to freeload. Danger for FNET reputation that working groups like responsible recruitment -don't require members to improve their modern slavery performance/ sign up to the employer pays principles - not really driving any meaningful change

**<u>Recommendation</u>:** Evolve so FNET offers self organising network groups as well as working groups

- Using teams?
- WhatsApp?
- Interactive function on webpage e.g., Agent

#### **Recommendation:** Defined accountability

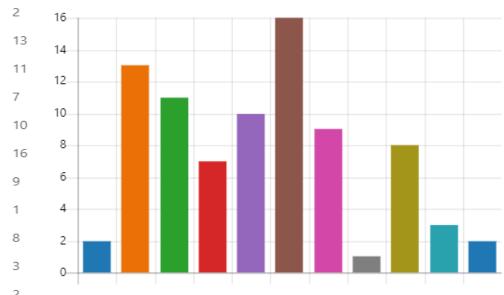
- <u>Workstream/working group leads</u>, and <u>PM</u> are jointly responsible for driving the agenda, finding the balance of inform/action and delivery of the roadmap.
- <u>The Board</u> is accountable for setting the ultimate FNET strategy and deciding on allocation of FNET resources to best meet the majority of our members needs and deliver against the FNET mission.
- The <u>Board sponsor</u> is accountable for ensuring the workstream/working group is informed, represented, delivers against the annual plan and budget.

**Recommendation:** Members should make a minimum commitment to be a member of a workstream/working group

### Member survey highlights:

# Supply chain risks





#### **3** Top rated risks

- 1. Managing lower tiers of the supply chain
- 2. Forced Labour/modern slavery
- 3. Accessing sufficient labour/seasonal workers

#### **Emerging Risks**

- 1. Climate change
- 2. Recruitment fees (Repayment)

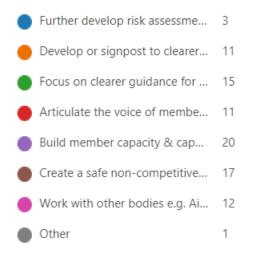
Are there specific geographies or industry sectors that are high risk which you would like more information on?

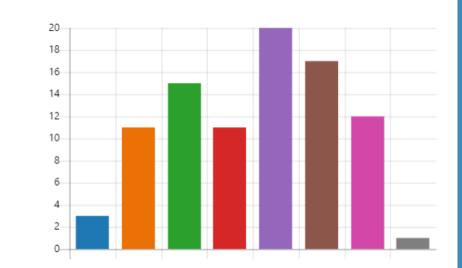
- 1. Logistics (44%)
- 2. China
- 3. South America



Member survey highlights:

# What FNET can do to help manage supply chain risks





#### 3 Highest votes

- Build member capacity & capability through training & knowledge sharing
- Create a safe non-competitive space to share challenging issues and experiences
- Focus on clearer guidance for lower tiers of the supply chain particularly growers

FNET

# What Tools/resources would you like FNET to develop in 2023

- Human Rights Impact Assessment framework. Collaboration on & implementing results of Human Rights Impact Assessments
- Guidance on recruitment fees
- Specific guidance on climate justice, soya, carbon offsetting
- Improved website with better search function
- GNFRS i.e., more info on how we can conduct due diligence on logistics, packaging suppliers, etc.
- Remediation policy and impact measuring resource
- Best practice guidance on providing worker accommodation
- Procurement Principles
- Employee engagement guidance. Industry advocacy.
- FNET

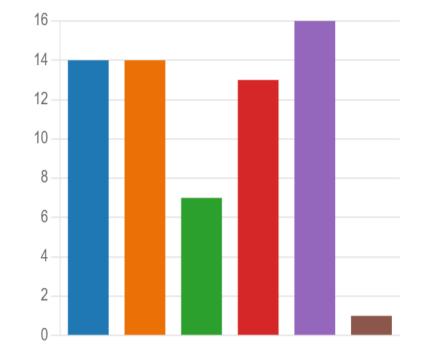
 Induction guidance to include all elements to consider - Best practice pro-forma where elements can be picked out and dropped straight into growers / suppliers' own inductions

- Horizon scanning changes to labour legislation that could impact our business such as the UK government's stance on immigration and impact on tools such as migrant worker transit visa in the fishing industry.
- Audit tools and resources for suppliers/farmers
- Risk assessment with mitigation weighting
- Remediation on recruitment fees
- Climate change guidance
- Self assessment tool to understand FNET member journey and strategy implementation
- Guidance on recruitment through visa schemes including SWS and skilled worker.
- A human rights maturity framework that can work with suppliers on.
- Make it easier to find existing resources.

### Member survey highlights:

# What is your expectation of FNET working groups?

	To provide a safe space for members to discuss relevant topics	14
•	To develop tools and collaborative projects to support members to advance ethical trade	14
•	To facilitate guest speakers to upskill members on best practice in a specific area	7
•	A taskforce where all members commit to progression on a common action over a set timeframe	13
	All of the above	16
	Other	1





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### Insights from Deep dive Member interviews:

# 2022- year to date

We have seen improved governance but new member process and working groups highlight more work to do. Too much duplication , lack of deliverables and accountability.

Need more action between working group meetings and clearer direction

Working groups work well – useful insight and networking. Particularly Responsible Recruitment and Climate very helpful in formulating our thinking

> Find the fortnightly call and weekly news very helpful. Particularly FNET's work to align manufacturer/retailer expectation

We think FNET has done a great job in transitioning from founder to technical team. The team are a great support – without the work they do to gel members FNET would struggle to function.

Breakouts in the Fortnightly calls don't work

Appreciated the 2 All member meetings both in terms of content and networking Fortnightly calls came with covid but still here – feels a lot of agenda to manage. Can FNET provide visibility of the agenda so we can plan what to attend and have more in person meetings so we can get know those in the network.

We were very concerned when Louise H left FNET But the new team has brought in a different perspective that is great and taken the network to the next level. Membership is going the right way. The board is in a stronger position. Keep doing what you are doing

### Insights from Deep dive Member interviews:

# What does the member need from FNET

Less working groups with better project management so FNET member time is well utilised. Move from working group facilitation to driving strategic direction

Use fortnightly calls to keep members updated on common issues e.g. GLAA rather than another working group Be clear on FNET USP...ETI more about tripartite discussions and advocacy . We see FNET as more practical guidance and support

Make work groups relevant and ensure that there is enough for everyone and keep more people engaged.

**Grow supplier membership** – we need to encourage the less mature suppliers to join, to level up understanding and have everyone who is relevant Open and honest forum. Level of transparency is fantastic **Really focus** on aligning manufacturer/retailer expectations. Go from strategic to tactical. How does this deliver immediate value for our member sites and key suppliers today. Needs to be much lighter lifting on collaboration and input. How do we manage disparity in retailer verses supplier resource and voice ? A better website for easy access of resources / greater clarity / visibility on the activity of all the workstreams / groups

> Continue on the same track. Represents industry very well Great knowledge sharing and safe space

Clarity on what FNET resources members can share with suppliers. Can the Risk assessment tool be shared with suppliers? Lots of documents have confidential written on them

Great to see FNET recent stronger communications via Linked-in please keep this up

Be more influential. Amplify members voices on issues of concern

Stop being so UK centric!

Can we have greater clarity of roles / contacts so we know who addresses various areas. We would like real clarification of what is in scope for FNET? So we know what asks to send to FNET and what should be addressed by other organisations (ETI, Sedex etc.)

### Insights from Deep dive Member interviews:

# What Activity should we prioritise?

#### **Responsible recruitment**

- Focus on capacity building for growers ahead of SWS working with FPC and ALP
- Joint audit of scheme operators and in country recruitment agency starting with highest risks first
- mapping recruitment fees in key commodities
- Skilled worker scheme
- Remediation Directing action –Helping to galvanise understanding of Realtime issues and practical what to do

#### Empowering Work

Living wage/living income: Growing advocacy on this issue –what is good practice? What is the roadmap to adoption?

**In-Work poverty for own operations** – free food, colleague discount, pay rises, financial services, wellbeing package – non salary options – What could FNET do with food manufacturers s?

**Worker engagement**: lots of tools that could be signposted or adapted e.g., ALP mental health guidance for employees, ALP aging workforce guidance, Review Prison labour guidance (Tesco, ALP and waitrose/Ruttle case study). Signpost guidance on inclusion – lots available re Disability. Grievance and whistleblowing. New tech to increase worker participation – voting, rewards, survey, targeted training

Gender how can FNET help members advance their gender strategies

**Retaining talent**: More work and focus on Employee engagement from HR and human rights perspective. With the current worker shortage, immigration issues, cost of living crisis keeping employees on board is key. **What can we do to make the food industry attractive?** 

**Grievance mechanisms**- How do we make these effective? How do we reduce duplication between retailers and have more impact ?

**Worker voice** – Why and where should it be used? How to avoid duplication? What is role of social dialogue? How do we increase worker engagement? Fatigue on surveys?

#### **Developing Common Due diligence tools**

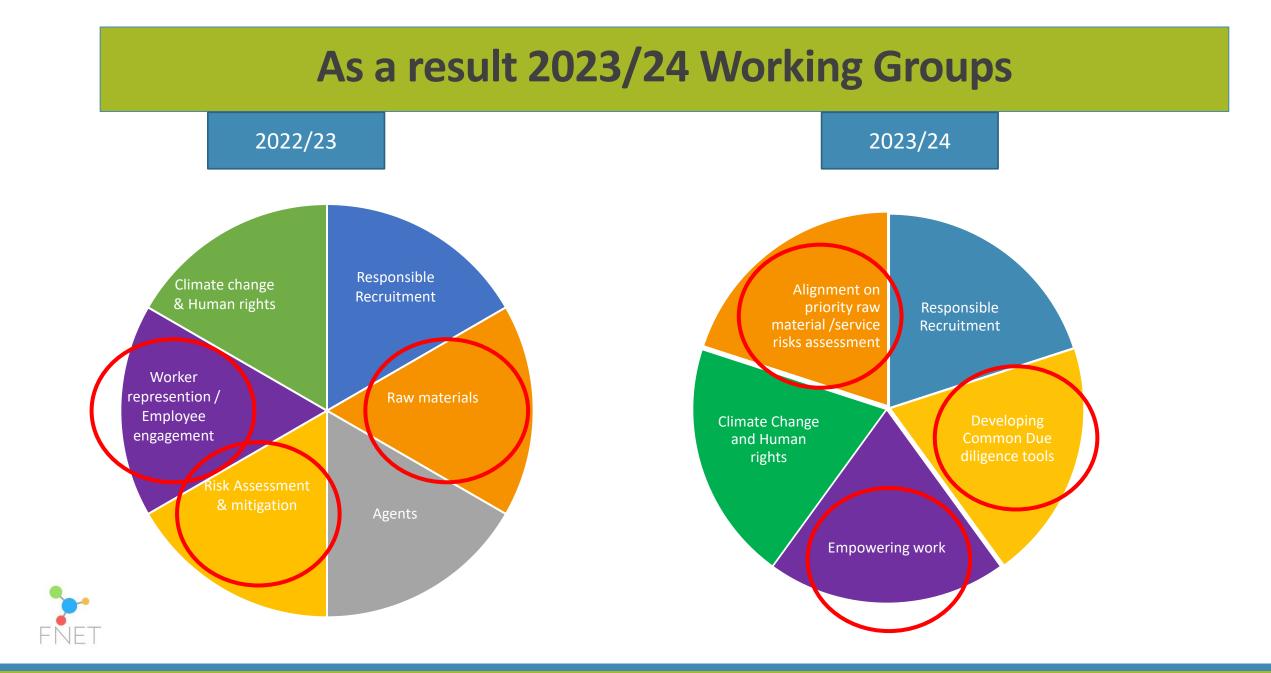
- Alignment of code requirements e.g. ETI working hour rules on 60 hours. Recruitment fees. etc
- How to engage in complex parts of the supply chain where low leverage e.g., smallholders, commodity supply chains – what tools are needed? Can we revisit how to engage vulnerable workers in supply chain and update it?
- **Common understanding of how we measure supplier performance.** Can we minimise duplication- Could FNET work with sedex and aim progress?
- Introduce Member commitment/pledge to scale tools usage e.g. worker representation CEO commitment to implement it themselves but also engage x no of suppliers. e.g.,
- What is the next step change on risk assessment methodology?
- More support to grow lower tier capacity not just UK growers!
- **Human rights training** matrix for key roles mapped to available courses. Guidance on responsible procurement
- B corp -Understanding value of Bcorp certification How to sell into the business

**<u>Raw materials/services</u>**: Which raw materials /services to prioritise? - High risk from Human rights perspective and a lack of alignment in customer requirements? What is the commitment from members ? What happens as a consequence of looking at Thai chicken? What is FNET's role? Facilitation members to collaborate in projects in specific supply chains.

Climate change and human rights – Guidance, risk assessment, call to action

#### **FNET Technical team membership actions**

- Fortnightly calls: publicised agenda should these just focus on topical / hot news e.g. Ukraine, covid / Are fortnightly calls the best forum for sharing case studies?
- Proactive Marketing pack and publicised Quarterly introductory webinar
- Reinvigorate Food farm help nearly 1000 growers linked
- Upgrade website and clarity on what resources can be shared
- Develop Training and associate member offering



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# **Responsible Recruitment Working Group**

**Potential member commitment:** Public commitment to employer pays and to roll out the learning with at

#### least 10 suppliers?

### Summary

- ➢Continue with the ambition to enable members to take '1 step forward' in their responsible recruitment principles.
- ➢The workgroup will continue to have a UK sub-group with focus area on SWS, skilled workers, other UK centric issues.

### **Outputs:**

- Delivery of capacity building on SWS scheme for growers working with FPC and ALP and define what is effective and transparent supply chain due diligence of growers using the scheme for scheme operators, FNET members and asks of government
   Joint audit of SWS scheme operators and in country recruitment agency
- ➤To develop greater understanding of the UK Skilled worker visa models used, reduce risks to workers & FNET members and define SWV route good practice
- ➢ Recruitment fees risks mapping guidance tool and collaboration on the project to assess recruitment fees and practices in the Tuna processing sector
- Increase members with Responsible Recruitment Policy & a commitment to EPP

#### Working Group Leads



Rachel Munns, World Wise Foods



Courtenay Forbes, Tesco

Board representative



<u>Sam Ludlow-Taylor,</u> <u>Waitrose</u>

PM: Margaret

# **Developing Common Due diligence tools Working Group**

Potential member commitment: Using FNET maturity matrix demonstrate progress on human rights due

#### diligence?

### Summary

➢Continued development on Risk assessment and mitigation tools and expand to other due diligence tools.

### **Outputs:**

- Guidance on how to engage in complex parts of the supply chain where low leverage
  - e.g., smallholders & commodity supply chains
- Develop a maturity framework that FNET members can use with suppliers down supply chain and gain a common understanding of how FNET members measure supplier performance.
- Workshop on cost effective enhanced due diligence and summary on what are possible options to address specific issues.
- ➢Guidance on Human Rights Impact Assessments. Collaboration on & implementing results of Human Rights Impact Assessments





Naomi Kirkwood, Samworth Bros



David Alder MWW

#### Board representative



Mel Miles, Greencore

PM: Margaret

# **Empowering Work Working Group**

**Potential member commitment:** For each member to scale an activity that empowers people at work and share the learning in a case study?

### Summary

>Build on the outputs of the worker representation project and advance to new

areas

### **Outputs:**

- Pilot worker representation tools in 2 source countries (S. Africa and other)
- > Define best practice on in-work poverty alleviation for own operations. Support the
- business case for living wages
- >Aligning member requirements on grievance and worker voice to reduce
- duplication and improve impact
- Advance gender due diligence approaches



PMM – Margaret Nderitu

# **Raw Materials & Services Working Group**

**Potential member commitment:** For each member to share insight into one raw material or specific supply chain?

### Summary

>2023-24 focus on 2 topics; waste management and logistics

> Each working group meeting will include one short deep-dive by a member to

provide insight into one raw material or specific supply chain.

### Outputs

➤ Guidance/Best practice note on waste management

➢Guidance/Best practice note on logistics

>Member webpages updated with past resources developed by the group

➤Summaries of deep-dive presentations



Working Group Leads



Rachel Hackett 2SG

Board representative



Andy York Pilgrim Pride

PMM – Suzanne Natelson

# **Climate Change & Human Rights Working Group**

Potential member commitment: Complete Climate change risk assessment and sharing learning

### Summary

➢Increased awareness of the human rights angle in climate change through presentations from external speakers in working group meetings.

Facilitate member work on climate/human rights risk mapping for their business

via workshops and the development of a guidance/best practice document.

### Outputs

Suidance note on climate change and human rights

Guidance document on climate and human rights risk assessment with case studies from members on how they have used the tools.

>Joint supplier conference with partner organisation (tbc)



Paul Williams Princes

PMM – Suzanne Natelson

# Other to be delivered for members 23/24



### Knowledge sharing

- Easy to navigate website so easier to find resources
- Calendar of webinars to include; B Corp, Indigenous rights, Land rights, Regulatory update, Logistics.
- Offer paid online training courses starting with
  - Risk assessment (Q1)
  - Worker representation (Q1)
  - Developing a human rights strategy (Q1)



#### Communications

- > Signpost fortnightly call agenda. Stop breakouts.
- Better use of weekly news to highlight new additions on the website.
- Amplify member voices on issues that matter to them – raise on fortnightly calls and use board approval for signatory on key letters.
- Targeted use of LinkedIn to build FNET awareness and attract new members. Add member testimonials to website and use as posts on LinkedIn.
- Introduce member blogs to include on website and LinkedIn.



#### Networking

- Improved Website will provide page for each working group and for member informal groups. PM will support with setting up WhatsApp group or Teams groups or adhoc calls where wanted
- Increase number of In person meetings; 2 All member meetings and at least 1 in person meeting/working group