



# Developing Common Due Diligence Tools Working Group

The Food Network for Ethical Trade – 20<sup>th</sup> Sept 2023 – 9.00 -10.30 hrs



# Competition Law Statement

*“Today we are meeting to discuss a Food Network for Ethical Trade agenda on subject of Human rights.*

*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”*



# Agenda


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9.00 – 9.15	Introductions -Linda Recap - How we got here to this version of the HRDD Tool – David Alder
9.15 – 10.00	Feedback on draft FNET HRDD tool <ul style="list-style-type: none"><li>• Members feedback of review of the tool – Linda Beresford FNET</li><li>• Feedback from member pilot of the tool – Rick Fletcher and Mel Miles, Greencore</li><li>• Feedback from Technical – Naomi Kirkwood, Samworth Brothers</li></ul> Discussion and Next Steps
10.00 - 10.10	Recap – Summary from last meeting 11th July re comments on Supply Chain Mapping & Risks Prioritisation <ul style="list-style-type: none"><li>• What were our thoughts and outputs? – Naomi, Samworth Brothers</li><li>• What were our objectives for the 2023 workplan? - Linda</li></ul>
10.10 - 10.25	Discussion and Agreement for the Next Actions for the WG for Q4. – All Suggestions for speakers to cover topics
10.25 – 10.30	Next Steps Arrange a poll for the next meeting date – Face to face Proposed Workshop event early Nov (avoid Xmas peak) –Linda Confirm the subject matter for the workshop

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# Recap – How did we get here?

 **FNET – Human Rights Due Diligence reporting template**

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

- At previous meeting 11<sup>th</sup> July, we reviewed the draft FNET HRDD reporting template drawn on the M&S maturity framework & Nestle FLA HREDD Supplier assessment tool in small groups.
- Consensus was preference for the **FNET HRDD** reporting template with some additions.
- The changes were made by LN, with the new version (1<sup>st</sup> Aug) sent to the members of WG for comment.
- We agreed to review at next meeting how we would implement it.
- Today we will share your feedback and some comments from the pilot of the tool.

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# Members Feedback in the 1<sup>st</sup> August Version

Apologies it's late in the day. We're both happy with the content of the framework, we're planning to use it as an assessment tool completed whilst on site visits to gain a good and clear understanding of their progress.

Would be hesitant to add more content at this point to ensure it's not too lengthy but still robust enough. I think it would be effective for our tier 1's but unsure about tier 2 onwards, I would like to ask how other members are planning to use it please ?

- Could this be designed in excel? Although Excel is not as user friendly, it does have the option to include a scoring system, each response could be weighted allowing for immediate feedback of a business position / perception. It will also help to identify what will make the greatest impact to a business's overall rating and what their opportunities are.
- Is there scope to include links to third party guidance?

# Members Feedback in the 1<sup>st</sup> August Version

It would be good to see examples for remedy. For companies that haven't had a human rights violation this is complex as there is no precedent for action that has been taken, for example.

Who is the template for?  
Internal circulation? or reporting to stakeholders?

2 respondent's feedback :  
*I really like the "Suggested improvement actions to advance".*

In the "Staff Training and Accountability" section it's important to list the business resources towards human right management. It will help cut out a realistic plan when addressing out the risks, prevention and mitigation.



# Members Feedback in the 1<sup>st</sup> August Version

In front page we can attach copies of Modern slavery statement or other non-UK reports/Sustainability reports

Can we add a glossary to the template to explain the scoring system along with other definitions?

What do the different colour changes mean in Prevention and Mitigation section?

**Prevention & Mitigation** – wording may not work for producers who do not have tier 1 suppliers.

Could add wording about entering into contracts with service providers i.e. on site cleaning, logistics, packaging etc.

Is there anything we can add for own operations here? If sending to small producers who do not have tier 1 suppliers how can they achieve the higher ratings through own operations?

# FNET HRDD Reporting Template – Greencore supplier review

**Review undertaken on two suppliers Greencore have had active engagement with. Both suppliers are at quite low levels of maturity in the HRDD space**

## Overall findings:

- Template is easy to use
- Not too long – therefore not onerous to complete
- Questions feel appropriate to gain a good overview of supplier progress
- Guidance in establishing rating for each criteria is helpful
- Will be useful tool to compare suppliers who are already at a level of maturity in this space and identify next steps for them to move towards best practice
- Less effective for assessing suppliers who may be at an earlier stage in their human rights journey, or smaller suppliers who do not have the resource to dedicate to this subject
- The tool is a good way of assessing management systems around HRDD but favourable performance on the tool should not be considered to indicate an absence of risk

# Considerations

## Use, context and crossover

- Would the intention be to ask suppliers to self-assess?
  - Uses specialist language where some suppliers may not have in house dedicated human rights resource or knowledge
- Would there be an intention to apply a scoring element to the tool?
- How much crossover is there with the content in the Stronger Together Progress Reporting Tool?

## How would we potentially use it (or not)?

- Would not attempt to use for full supply chain (of the scale of Greencore's)
- Would be useful as a standardised approach for comparing a subset of suppliers (e.g. those identified as high risk or strategically significant) as part of a business review / tender process

# Naomi Kirkwood Feedback

- Likes how colour coded / look of document,
- Queries on how we'd track the data and monitor
- Needs an intro / scene setting and some brief instructions i.e. how front page is to be completed after worked through it.
- Some words that likely would need to Google – e.g. we mention HRDD but don't explain what it is.

# Discussion and Next Steps FNET HRDD Tool





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# Recap of Priorities from 11<sup>th</sup> July Meeting

Summary from last meeting 11th July re comments on **Supply Chain Mapping & Risks Prioritisation** -

- How do we identify areas of focus?
- How are other members doing it?
- What does **Good** Supply Chain Mapping and Risk Prioritisation Look Like?
- Who can demonstrate best practice?
- Discussions on if we should we develop a best practice paper ?
- How can FNET support members to define best practice in supply chain mapping?



### 3. Developing common due diligence WG 2023 roadmapV2

Q1- 28 Feb  
Online meeting

- Complete the review of the FNET Mitigation guidance & the Resolution of Ethical Audit issues guidance
- Sustainable procurement pledge & Engaging suppliers
- Ground work for Q2 work – discuss areas of supply chain people find complex.

We are  
here

Q2 (2)

Online – April 5th  
In-person workshop  
– July 11th

- **Developing FNET maturity framework** – start by reviewing the draft FNET ethical journey
- 2 Member case studies – on maturity framework – Retailer & supplier
- External speaker on example of how they measure suppliers
- Group / plenary discussions on what metrics to use for measurement.

Q3 (2)

Online – 20th Sep  
In-person workshop  
– end Oct /Nov tbc

- Deep dive into **engaging complex parts of supply chains with low leverage** (use of certification / use of small holder guidance / purchasing practices / training & awareness raising)  
Group discussions on approaches using the member identified 'difficult areas'
- External presenter suggestions needed?

Q4 (2)

In-person workshop  
– End Nov?  
Online – Jan 24?

- Cost effective enhanced due diligence approaches** – participants work in groups to make a list. Consider application of each against specific HR issues (adv/dis)
- Expert speaker on - what is emerging good practice in supply chain due diligence (risk assessment) & what technologies are available for supply chain due diligence?

# 3. Developing common due diligence WG 2023 roadmapV2

We need to agree what next for our WG?

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# Discussion and Next Steps for Q3/4 2023/4

1. Discuss the content for next phase of WG activity.
2. Discussions for expert speakers on the selected topic.
3. Options for style of meeting F2F or On Line .
4. Agree date for meeting on understanding that Christmas peak should be avoided.
5. Volunteer members able to hosting the next meeting – send to Linda with any date restrictions
6. Open discussion to the floor

and finally.....

