



Developing Common Due diligence tools Working Group

The Food Network for Ethical Trade – 25th July 2024 – 14.00 -16.00 hrs



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”

This meeting will be recorded so we can capture all the comments and share with those WG members not present today



Agenda - 25th July 2024

Estimated time	Item
14.00 – 14.10	Welcome and introduction to new members
14.10 – 14.40	Human Rights Due Diligence Framework - Naomi to lead <ul style="list-style-type: none"> - Recap on the tool history and where to find it - Feedback on FNET member use - All members to share experience good and bad - Any Issues/challenges to report - How it is helping your business/operations - Other Developments - Raw material Working Group for service providers
14.40 – 15.00	2024 FNET Risk Assessment Tool Update – Linda to lead <ul style="list-style-type: none"> - Recap the overview of the FNET tool - Invite Anthesis Team to present the updated 2024 "Known Human Rights Risks" - Tatum Hodgkinson - Future meetings and volunteers to participate - Q&A
15.00 – 15.05	 Grab a comfort break and return in 5mins
15.05 – 15.10	Guidance Document Update for "Low Leverage and Complex Supply Chains"
15.10 – 15.50	Cost Effective and Enhanced Due Diligence Systems Workshop Planning - David to lead <ul style="list-style-type: none"> - This is the subject of the October workshop - Discussion on why it is needed, what's in scope and members expected output of the workshop - Thoughts on speakers at workshop - How to plan the day
15.50 - 16.00	Actions and Next Steps

Food Network for Ethical Trade

Using the collective leverage of suppliers and retailers to bring about positive change in working conditions in global food, beverage, and horticulture supply chains.




[More about FNET](#) 

About FNET membership



Resources: Guidance

Members Area > Resources > Guidance

Title	Version	Size	Hits	Date added	Download	
FNET Human Rights Due Diligence reporting template updated		82.05 KB	292	17-08-2023	 	

5 Display # 



HRDD Template - Our History

[Download Document](#) Published August 17th 2023 – Updated April 2024 (minor formatting)

How did we get here?– a brief recap

Update Lead by Naomi Kirkwood



HRDD Template - FNET

HOW THE FNET TECHNICAL TEAM ARE WORKING WITH NEW MEMBERS TO DEVELOP THEIR IMPROVEMENT PLANS USING THE TEMPLATE IN FIRST YEAR

FNET New Member Journey



FNET New Member Journey

← In first 2 months of joining →

Getting started: Setting you up for success

- Introductions
- Understanding the new members business and expectations
- Brief FNET Introduction
- Meet your Mentor
- Agree welcome communications
- Next steps

FNET onboarding call: start to meet members and explore FNET

- Icebreaker introductions
- Welcome to FNET (Membership, Board, strategy, working groups, membership expectations)
- Overcoming implementation barriers
- Ways of working
- Planned activities
- Navigating the website & tools

Review: Where are you now?

- Complete the FNET benchmark baseline HRDD**
- Feedback improvement expectations
- Support with developing action plan and identifying where FNET can best help
- Introduction to relevant Working Groups and members who can help

6 month check in: What is working and what are the barriers to your progress?

- Progress update
- Is FNET meeting member expectations?
- Is mentoring working?
- What could help further accelerate members RSJ?

Annual review: How can we use the network to maximise outputs & outcomes?

- Benchmark reassessment and review of action plan**
- Feedback and improvement expectations
- Opportunities for leadership



60 mins Review: Where are you now?

FNET – Human Rights Due Diligence reporting template		
Name		Date of completion Organisation
Name & role of most senior organisational lead for Human Rights/Ethical Trade:		Sustainability Reports/Modern Slavery Statement Links:
What are our human rights priority areas of focus? (by country/ region/ theme or combination)	<i>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.</i>	
Summary of key Progress made in last 12 months implementing HRDD approach, including KPIs		
Assessment of HRDD approach	Below Foundation/ Foundation/ Intermediate/ Advanced*	Summary of the 3-5 identified 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 g. 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

Prework:

- New member self-assesses using FNET DD framework and shares premeeting with FNET team
- FNET team complete transparency baseline assessment

Meeting

- Members reflections on what they learnt from completing the FNET DD framework
- Feedback and improvement expectations
- Support with developing action plan and identifying where FNET can best help
- Introduction to relevant Working Groups and members who can help



OUTPUT – Bespoke Proposed action plan

Assessment of HRDD Approach		Summary of the 3-5 actions to close the gaps towards next level in next 12 months
Policy and Accountability	Foundation	<p>Develop and implement a group wide new Human Rights Policy</p> <p>Review the existing Supplier Code of Conduct and Ethical Trading policy, ensure that Responsible Sourcing refers to Human Rights</p> <p>Determine the appropriate Human Rights Due Diligence framework and propose risks for further review</p> <p>Complete the Human Rights Due Diligence programme with risks reduction plans and KPIs monitoring.</p>
Traceability	Foundation	Use existing data such as product specifications and supplier questionnaires, SAQ
Risk Assessment	Below Foundation	Use the data sources you have already to develop your risk assessment plan. This could be from technical, audit results, transparency on Sedex platform, fairtrade and other resources. Where these are being effectively monitored this helps with your mitigation plan, allowing you for prioritise areas where there is little or no resource
Taking Action	Below foundation	Think about how you cascade the policies across the company (Talking heads) and supply chains (supplier conference, workshop)
Tracking Performance	Below Foundation/ Foundation	Obtain the reports from the Ethics line related to Human rights and feed the results into your action plans. Keep monitoring and reporting to see if progress has been made
Remedy	Foundation	Ensure remedy is included in your policy under the Protect, Respect, Remedy Framework
Communication	Below Foundation	<p>New policy added to the 2024 ESG disclosures</p> <p>Share progress on Human Rights Due Diligence in the 2025 ESG disclosures</p>

Comments from FNET

- The HRDD template adds structure and consistency of approach to the benchmarking exercise
- It allows the member/supplier to self assess against the maturity levels and set own priorities for action
- This self-assessment is validated by reviewing company documents provided by organisation -
 - Modern Slavery Statement
 - ESG Reports
 - Review of the Company Website
 - Policies
- A 2–3-hour review by FNET of all information helps identify any gaps and areas for improvement
- FNET team then share feedback which shapes the action plan to support the member/supplier to make positive progress using the FNET tools and resources and any WG which could support- Call is approx 1 hour
- After 12months, a further review against the agreed action plan takes place – 1hour
- Helping members on their improvement journey




FNET Member Use of the HRDD Tool

- Ease of Use
- Value to the Business
- Have you made any adaptations of so why?
- How are you using it?
- Other comments



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Risk Assessment Tool Update 2024

25th July 2024



MEMBERS' UPDATE on Task 1 - Ingredient
Known Human Rights Risks.

Project overview

Key findings

Next steps



MEMBERS' UPDATE ON TASK 1

PROJECT OVERVIEW



Support the Food Network of Ethical Trade (FNET) with the update of their FNET Risk Assessment Tool (RAT).

The update for the current methodology comprises of two elements:

- Ingredient Known Human Rights Risks; and**
- FNET Country Risk Score and Ratings**



Project stages and outputs

JULY

AUGUST

AUGUST -
SEPTEMBER

STAGE 1



Scoping / kick off & Update Known HR Risk matrix

Set the scene for the project and focus on the completion of the Known Human Rights Risks matrix.

- **Kick-off meeting**
- Ways of working
- Agree on timelines and potential date for call with FNET members.
- **Update Known HR Risk matrix** drawing on the data from the US Department of Labour and Verité Responsible Sourcing Tool and Forced Labour Commodity Atlas, incorporating any updates to these sources since September 2021. Should FNET wish to add in additional data sources to this matrix (e.g. from member reports), we will provide our updates in an excel file for the FNET team to add to (incorporating hyperlinks).

Output:

- Kick off meeting
- Updated Ingredient Known Human Rights Risks Matrix

STAGE 2



Updated Country Risk Score and Rating

Update the Country Risk Score and Rating.

Tool Data Update will include:

- Update the scoring indicators that underpin the FNET Country Risk Score and Ratings.
- Combine these to generate the aggregate FNET Country Risk Index.
- Review to understand any significant changes in FNET Country Risk Score, or Rating as a result of this new data.

Any significant changes (change in Rating or change in score greater than 10) will be validated before being presented to the FNET membership, with an accompanying explanation for the move.

Output:

- Updated Country Risk Score and Rating

STAGE 3



FNET member engagement

Engage with FNET members on the updated tool.

FNET RAT Working Group members will have one round of feedback, to comment on any changes. We will then lead a call to discuss any significant changes in scores or relative rankings of individual countries or ingredients and seek further feedback from the group. This feedback will allow us to respond to countries of concern in more detail, and where necessary add information into the tool for specific countries.

The final FNET Country Risk Scores, Ratings, Known Human Rights Risks and supporting text will be imported into the excel FNET RAT. Methodology documents will be updated to reflect the new data sources.

Output:

- Meeting with FNET working group to review updates
- Updated excel risk assessment tool



Project stages and outputs

Today's session focus

JULY

STAGE 1



Scoping / kick off & Update Known HR Risk matrix

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Output:

- Kick off meeting
- Updated Ingredient Known Human Rights Risks Matrix



MEMBERS' UPDATE ON TASK 1

TASK 1 FINDINGS

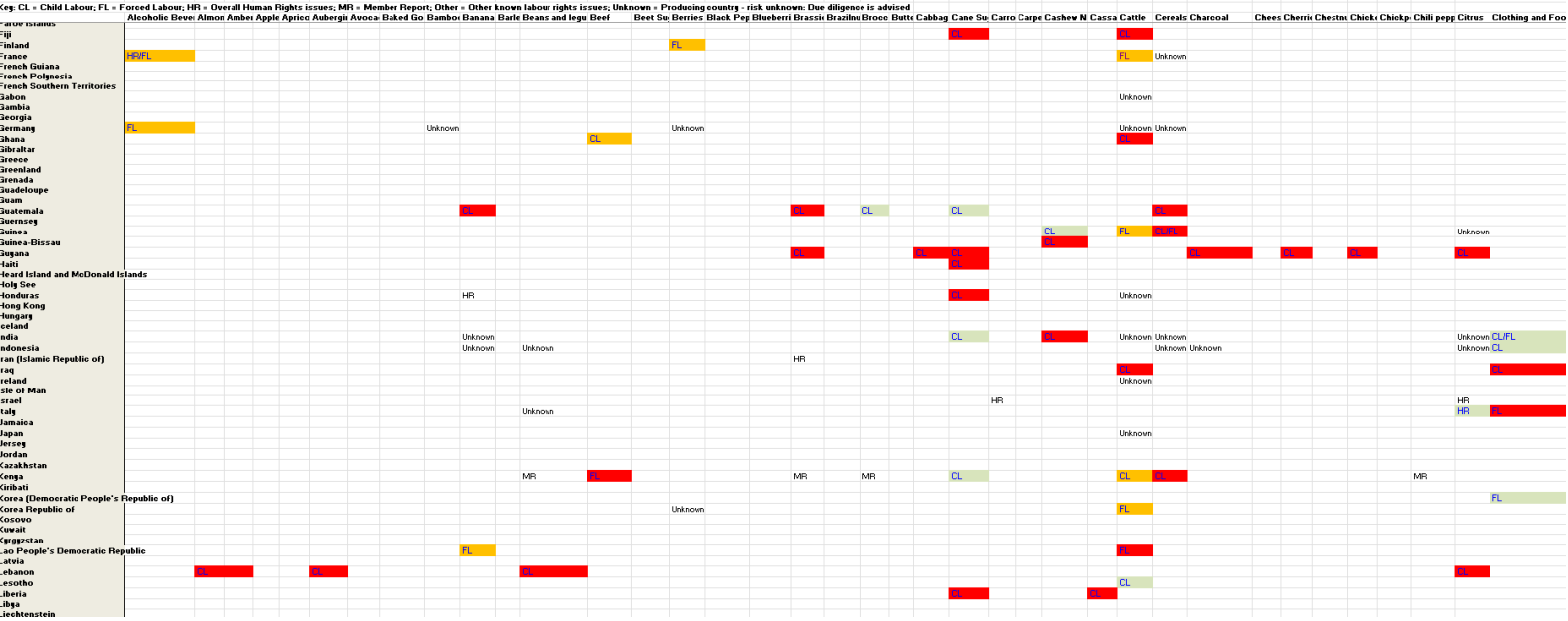


Known Severe Human Rights Risks



Current report	Update
Verité Responsible Sourcing Tool and Verité Forced Labour Commodity Atlas	Depending on commodity
US Department of Labour’s List of Goods Produced by Child Labour and Forced Labour - 2022	September 2022
US Department of State, Country Reports on Human Rights Practices, 2023	Updated 2023
Member reports - tbc	Require sufficient evidence
Verité Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chain	No updates available for 2024
Seafood Slavery Risk Tool	
Anti-Slavery International Products of Slavery and child labour	
WRAP Sustainability risk index (no further updates at this stage)	

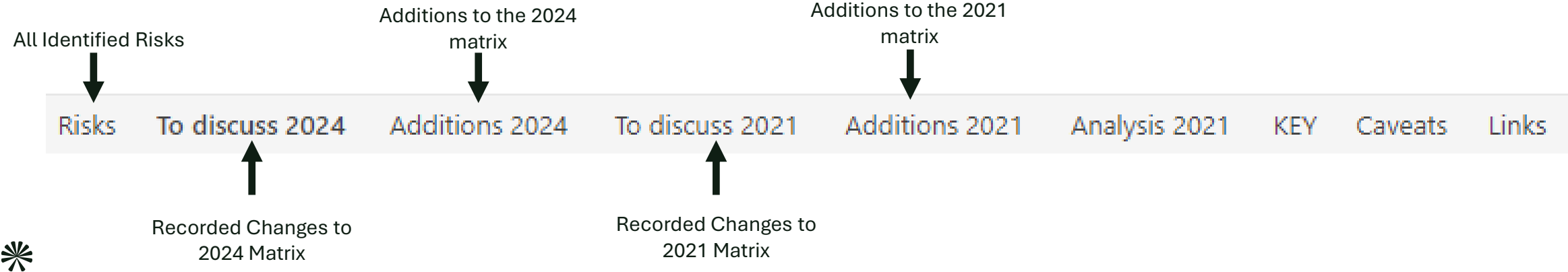
Known Human Rights Risk Matrix – Guide



The image on the left provides an overview of how the risk are presented in the matrix. The colours and phrases indicate:

- Red:** Indicates where a risk has disappeared from reviewed reports.
- Green:** Indicates where a risk is confirmed for 2024
- Yellow:** Indicates where a risk is new to 2024.
- Unknown:** Indicates little to no data is available but risk may be high due to known production.
- HR:** Indicates Human Rights issues are historically associated with this ingredient in this country.

There are a series of tab at the bottom of the matrix that provide further insights. 2021 data is included for reference:



Known Severe Human Rights Risks – Summary

The 2024 Human Rights Risk Matrix currently has 135 new additions. The updated information for this year drew on data recorded mostly in the United States Department of Labour (USDOL) 2022 report, and the Responsible Sourcing Tool (Managed by USDOL and Verite). These sources provided comprehensive insights into current human rights risks.

The fishing industry accounts for just over 30 new additions to the 2024 risk matrix. Countries across the globe have reported or observed incidents of child labour and forced labour on fishing vessels and fish farms. Forced labour is more prevalent in this industry compared to child labour. However, both forced, and child labour have been reported or observed in specific countries such as South Africa and the United Kingdom concerning fishing vessels.

Countries such as South Africa, France, and Pakistan had the highest number of additions for the 2024 matrix for commodities such as fruit, wine, and textiles.

NGOs have expressed concerns about the Seasonal Workers Scheme in the UK. Operators oversee the recruitment and placement of workers on farms, but NGOs are urging its reform as they have noted that migrant workers are at risk of exploitation. According to an NGO study many workers have accrued large debts and were not able to change employers. When it comes to labour trafficking, according to the TIP 2024 report, agricultural workers especially seasonal workers in countries such as Italy are at risk of labour trafficking.

Known Severe Human Rights Risks – New Additions for 2024

Below are some key insights on some of the changes that were observed in the 2024 matrix:

Notable Country Updates

- **France** has seen some additions within the alcoholic beverage industry, with forced labour reported among seasonal grapes and vineyards workers. Reference was made to livestock and agriculture, but no additional data is evident.
- **South Africa** has seen additions in commodities such as Diamonds, Textiles, Vegetables and Fruit. Only references were made to fruit and vegetables, and no data was provided on the types of vegetables and fruit where forced and child labour occurs. Both South African nationals and foreign migrants are exploited in gold, diamond and coal mining.
- Child labour increased across commodities such as beef, dairy and baked goods in **Pakistan**. Additionally, garments and textiles were also added to this year's human rights risks matrix.
- Child labour has been added to the 2024 matrix in Ecuador for ingredients such as Chicken, Fish, Farmed Shrimp and Meat.

Notable Ingredient Updates

- Beef, Cattle, Fish, Garments, Textiles and Stones and Gems had the highest frequency of additions in the 2024 matrix.
- **Fish** has been added to over 33 countries as a risk for 2024. Child labour and/or Forced labour have been reported in countries such as Angola, Burundi, Chad, Finland, France, New Zealand, Norway, South Africa, the UK and many more.
- Eight countries have had **textiles** added to their risks for 2024. Whereas six countries have added Garments to its risks.
- **Stones and Gems** has also had 11 additions to the 2024 risk matrix in countries such as Afghanistan, Cambodia, India, South Africa and Ukraine. Some of the main commodities where exploitation is reported or observed are bricks, granite and gold.

Current Data from the 2024 Matrix:

Total number of new risks : 135 new

- 66 new additions for Child Labour
- 57 new additions for Forced Labour
- 12 new additions for Forced and Child Labour

MEMBERS' UPDATE ON TASK 1

NEXT STEPS



Known Severe Human Rights Risks – Next steps & review of the matrix

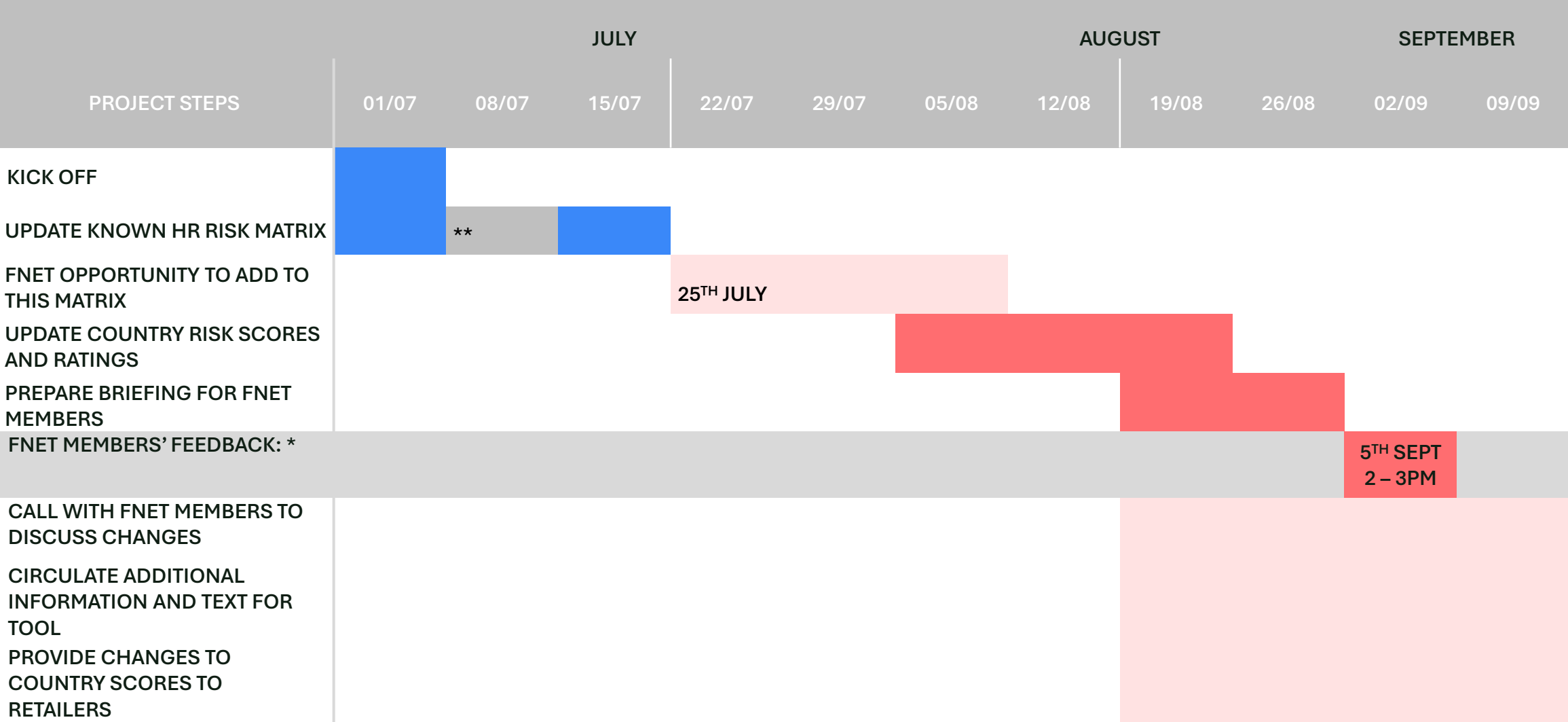
After the session, we will send you the raw matrix for your review. To help with your review, please use the below questions as guidance:

- Out of those highlighted in Red (no longer in reports) – are there any risks which you think should remain? If not, should we switch it to Unknown or get rid of the risk altogether? Are there any risks which you think are now redundant?
- Are there any risks that you think are missing? Please justify any risk with strong documentation such as media reports, investigative reports, internal research.
- Are there any other sources that you think should be consulted as part of this review – either now or in future years?
- Any other commodity risks that are not flagged?



Project timeline

■ Completed
■ To be completed



*specific timeframes to be confirmed with FNET and its members.

** Anthesis consultant will be on leave.





For further information email:

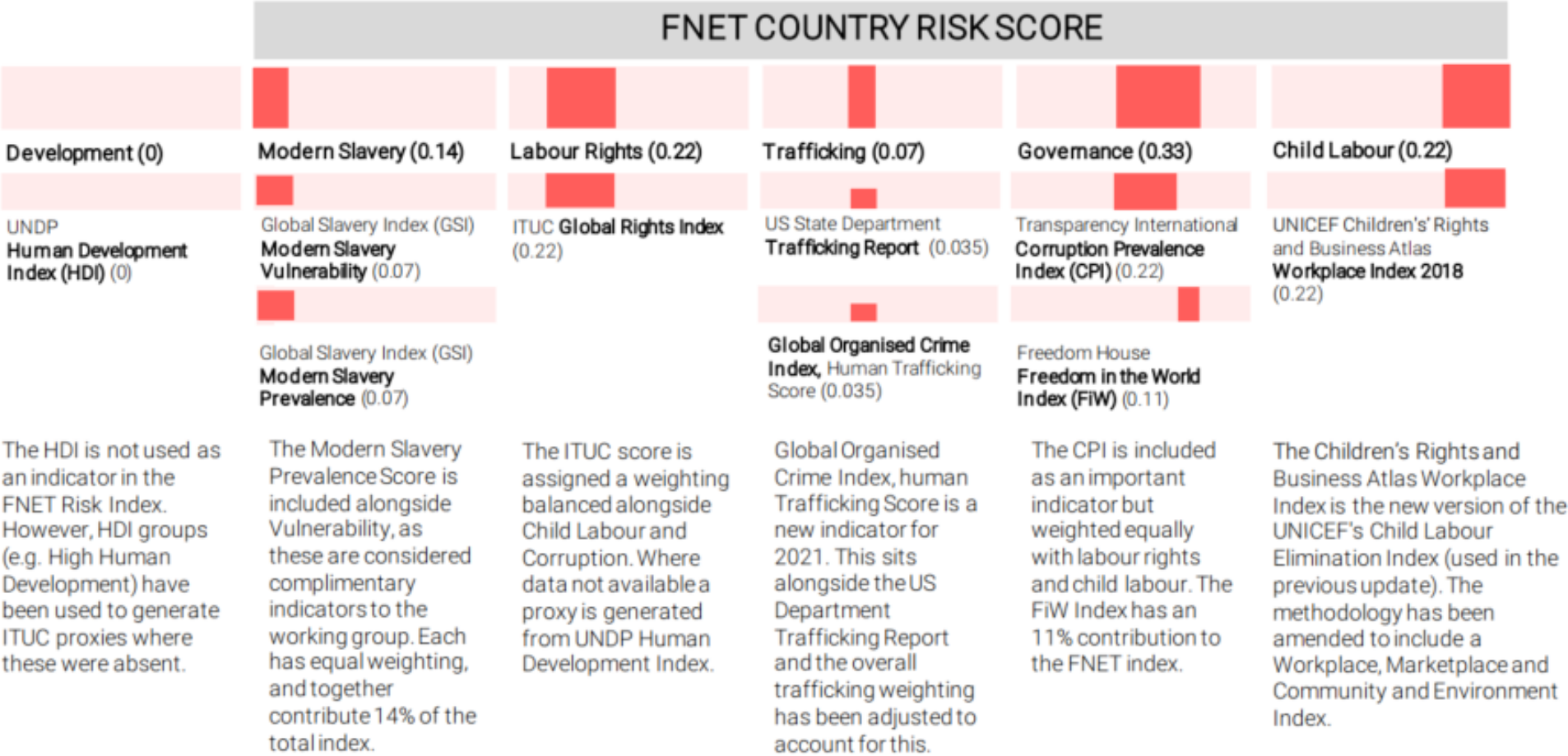
→ Tatum.hodgkinson:@anthesisgroup.com

MEMBERS' UPDATE ON TASK 1

APPENDICES



Methodology for the country risk score in 2021 / 2022.



Ingredient known human rights risks

The reports currently included in the ingredient known human rights risks are listed here. We have provided the date of the current data set in the tool, as well as the updated data that is available.

Two of the reports have been updated in the last 12/24 months, the other reports require further review for updates and ***the member reports will require evidence to be included in the tool update.***

Current report	Update
Verité Responsible Sourcing Tool and Verité Forced Labour Commodity Atlas	Depending on commodity
US Department of Labour's List of Goods Produced by Child Labour and Forced Labour - 2022	September 2022
US Department of State, Country Reports on Human Rights Practices, 2023	Updated 2023
U.S Department of State, Country Reports on Trafficking in Persons	Updated 2024
Member reports - tbc	Require sufficient evidence
Verité Strengthening Protections Against Trafficking in Persons in Federal and Corporate Supply Chain Seafood Slavery Risk Tool Anti-Slavery International Products of Slavery and child labour WRAP Sustainability risk index (no further updates at this stage)	No updates available for 2024



Country risk score and ratings

The reports currently included in the Country Risk Score and Ratings are listed here. We have provided the date of the current data set in the tool, as well as the updated data that is available.

Most reports have been updated within the last 12 months, and therefore require an update on the FNET tool.

Current report	Latest update
UNDP 2023/2024 HDI Report	Update 2023/2024
Modern Slavery Vulnerability Index, GSI 2023	Update 2023
Modern Slavery Prevalence Index, GSI, 2023	Update 2023
Global Rights Index, ITUC, 2024	Update 2024
Trafficking in Persons Report, US State Dept, 2024	Updated 2024
GOC Human Trafficking Score, 2023	Update 2023
Transparency International 2023 Corruption Perception Index	Update 2023
Freedom in the World, Freedom House, 2024	Update 2024
UNICEF Children's Rights & Business Atlas (Outcome Workplace)	Update 2023



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Mondelēz International

REPUBLIC SERVICES

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Cost Effective Enhanced Due Diligence Systems

Discussion for Planning and Ideas to structure the workshop on 24th October at Samworth's Craft and Innovation Centre

Lead – David Alder



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Cost Effective and Enhanced Due Diligence Systems

Do you agree this is the next objective the Working Group members should focus on?

① Start presenting to display the poll results on this slide.

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Please download and install the Slido app on all computers you use



If No, what should we be working on in 2024/25 Q4

① Start presenting to display the poll results on this slide.

Planning Slide – Next Meeting

	Topic	Action
Date	Thursday 24th October 10am - 4pm	
Venue	Samworth's Craft & Innovation Centre -SMB COLLEGE, ASFORDBY ROAD, MELTON MOWBRAY, LE13 0HJ	Naomi - booked venue Capacity of attendees???
Agenda	To identify Cost Effective Enhanced Due Diligence Options to address Salient issues and Remedy	
Cost Effective DD	<p>Why is this important - What is in scope HRIA? SMETA? Adding value to current methods? Discussion on topics What is the expected output from the objective Are there any relevant Subject matter experts Speakers internal and external to cover the elements</p>	David to lead and develop the planned discussion. Research tools
Speakers	<p>Invite Ahold Delhaize to share their experience on cost effectiveness DD Invite non food businesses such as global brands to share the HRIA they have completed, Nestle, L'Oreal, Mars, or ???? How are others focusing action in the salient areas?</p>	Linda to do

Actions and Next Steps/Who

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.