



Climate Change & Human Rights Working Group Meeting

The Food Network for Ethical Trade – Thursday 26th January 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

<https://us02web.zoom.us/rec/share/OW7K3I1LQTc2pxGcHxq-8feNP93x8iQZud3RJtRrP63qw9vBSHZrkqWUtyosmdUZ.-hd4GVIZ2Q-6dxJd> Passcode: &+0E!PsB



Agenda

Approximate timing	Item
11.00 – 11.05	Introduction
11.05 – 11.30	Paul Marsh, Climate Change Specialist, WWF-UK
11.30 – 11.35	Insights into Climate & Human Rights Risk Assessments: Harriet Cole, Responsible Sourcing Manager, Berryworld
11.35 – 11.45	Q&A & Discussion
11.45 – 12.00	Presentation on proposed working group plan for 2023
12.00 – 12.30	Discussion & Close

Climate & Human Rights Working Group Objectives

To increase member understanding of climate change through a human rights lens.

To increase FNET members ability to map and create action plans to mitigate climate and human rights risks in their companies.

To support cross-departmental collaboration on human and climate risk approaches.





Climate Change Risk

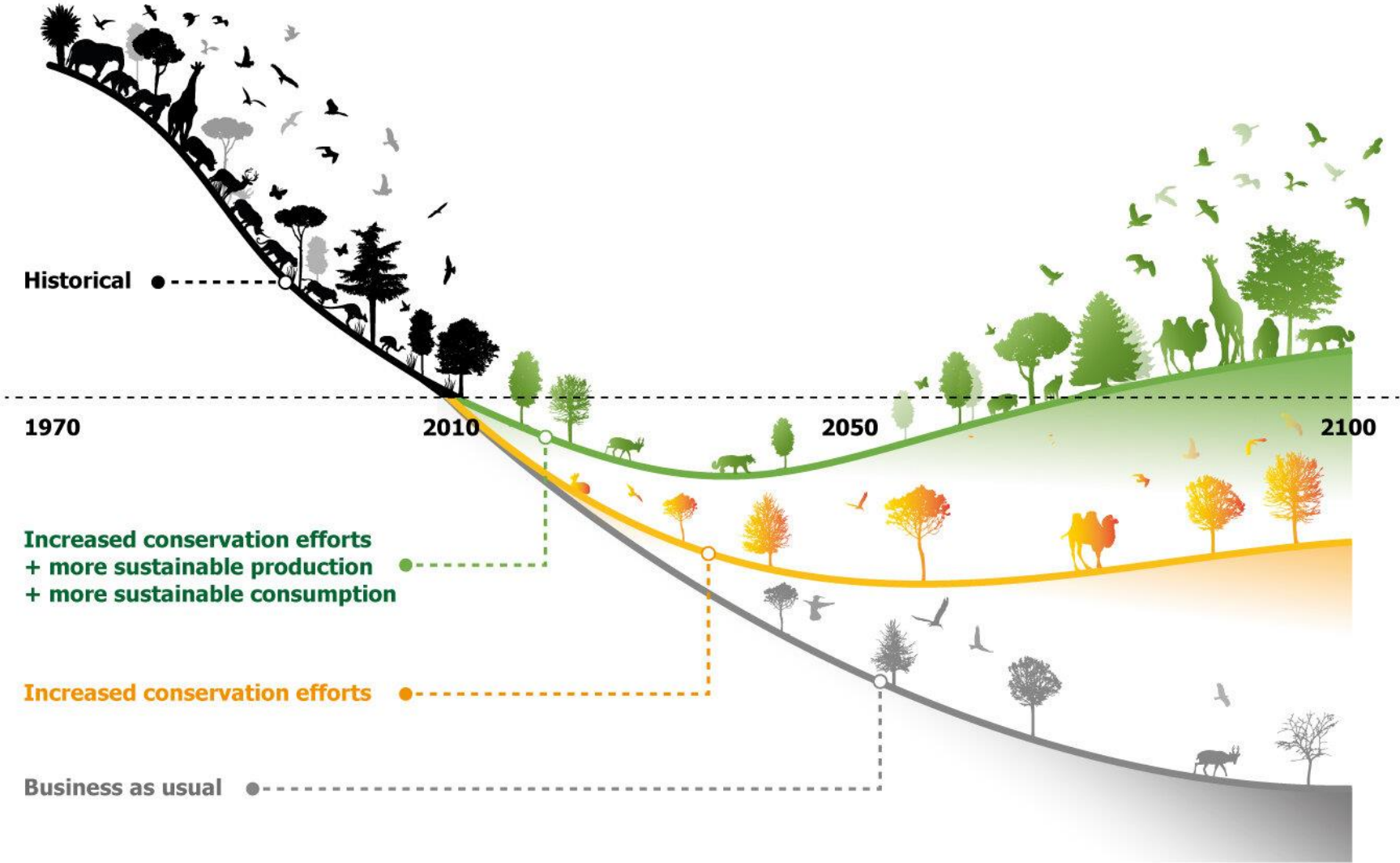
Paul Marsh
Climate Change Specialist
(WWF)



Agenda

- Introduction to WWF
- What is climate change risk?
- Identifying risk within supply chains
- Climate related human rights risks
- What next?

NATURE REMAINS IN FREE FALL



69%

decline in average population size in global wildlife populations since 1970.

This artwork illustrates the main findings of the article, but does not intend to accurately represent its results (<https://doi.org/10.1038/s41586-020-2705-y>)



THE FOOD SYSTEMS IMPACT



Working together

TESCO



Aim: Deliver affordable, sustainable and healthy food for all

Goal: Halving the Environmental Impact of the Average UK Shopping Basket



Helping Customers to eat more sustainably



Restoring Nature in Food Production

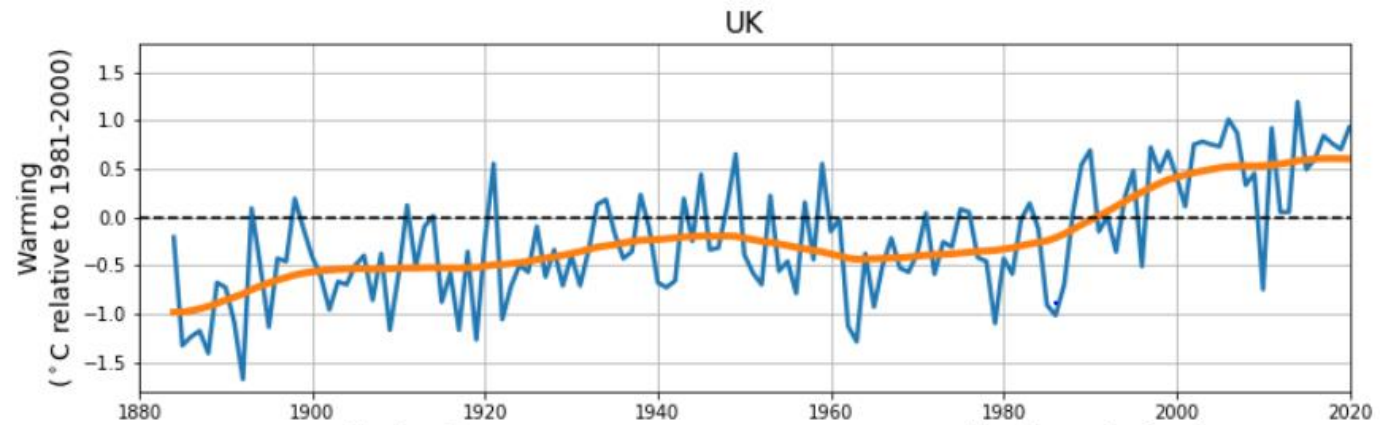


Eliminating Waste

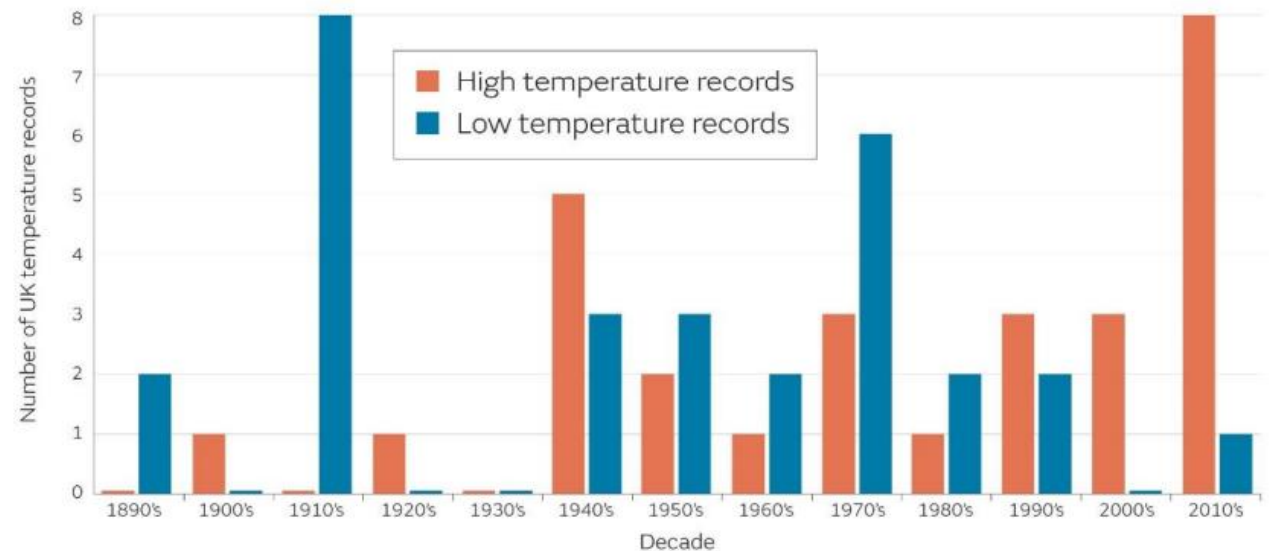
What is climate change risk?

Our Current Climate

- **2009-2018 ~ 0.9 °C warmer than the 1961-1990 average**
- **All the top ten warmest years for the UK have occurred since 2002**
- **Chances of experiencing hot summers like 2018 have doubled in recent decades**
- **Sea level increase of around 17cm compared to 1900**



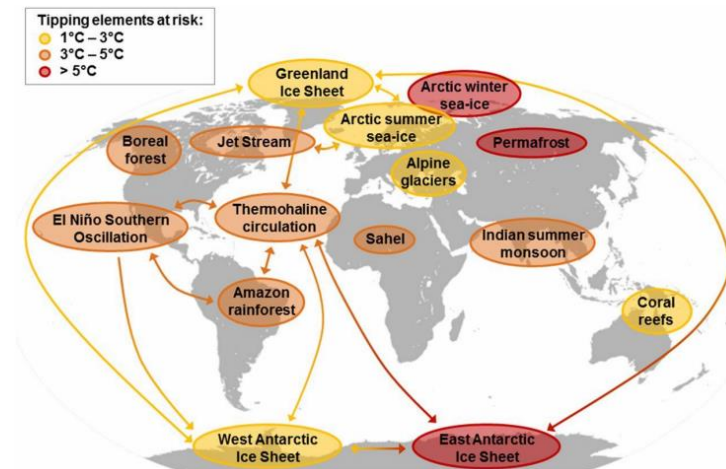
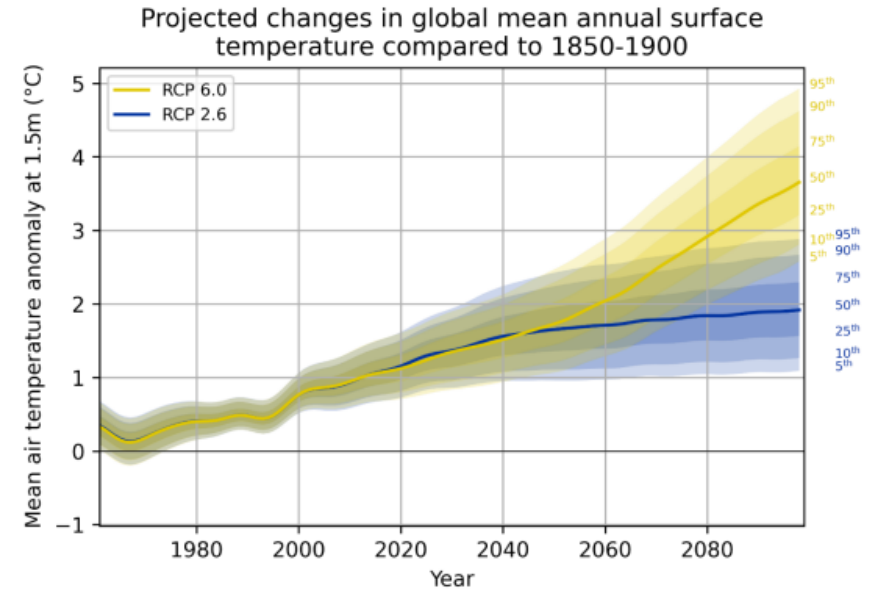
UK temperature records by decade



Projected Climate

Projected UK climate

- Warmer, wetter winters & hotter, drier summers
- Reduced rain in summer, but intensity of rain is projected to increase by up to 25%
- In a 4 °C world, frequency of exceeding 40 °C is similar to current frequency of exceeding 32 °C
- By 2100, sea levels projected to rise between 0.29m – 1.15m
- Risk of tipping points being reached at certain levels of temperature rise



Climate Risk

**“Risks that arise from the potential impacts of climate change, as well as human responses to climate change”
IPCC**



Physical Risks & Impacts

Risk	Impact
Risks to agricultural productivity (e.g. yields) from extreme events and changing climatic conditions	Lower productivity - in the summer of 2018, carrot yields reportedly down by up to 30% and onion yields down 40%
Risks to agriculture from pests, pathogens and invasive non-native species.	Outbreaks and invasions may impact farmers, manufacturers and food security
Risk to soils from changing climatic conditions, including seasonal aridity and wetness.	Increasing intensity of rainfall and frequency of droughts may exacerbate loss of soil resources.
Risks to food safety and food security from UK climate impacts.	Occurrence of bacteria, viruses, parasites, harmful algae, fungi and their vectors in crops and livestock produced in the UK.
Risks to UK food availability, safety, and quality from climate change overseas.	Increased risks of disruptions associated with multiple production areas, with 80% of fruit and 50% of vegetables currently imported.

Transition Risks & Impacts

Risk	Impact
Shifts in consumer preferences	Reduced demand for products
Substitution of existing products with lower emission options	Reduced demand for products
Increased cost of raw materials	Abrupt and unexpected shifts in energy costs
Enhanced emissions reporting obligations	Higher compliance costs and as such increased cost of products and services
Unsuccessful investment in new technologies	Write-offs and early retirement of existing assets

Identifying risk within supply chains?

Recommendations from

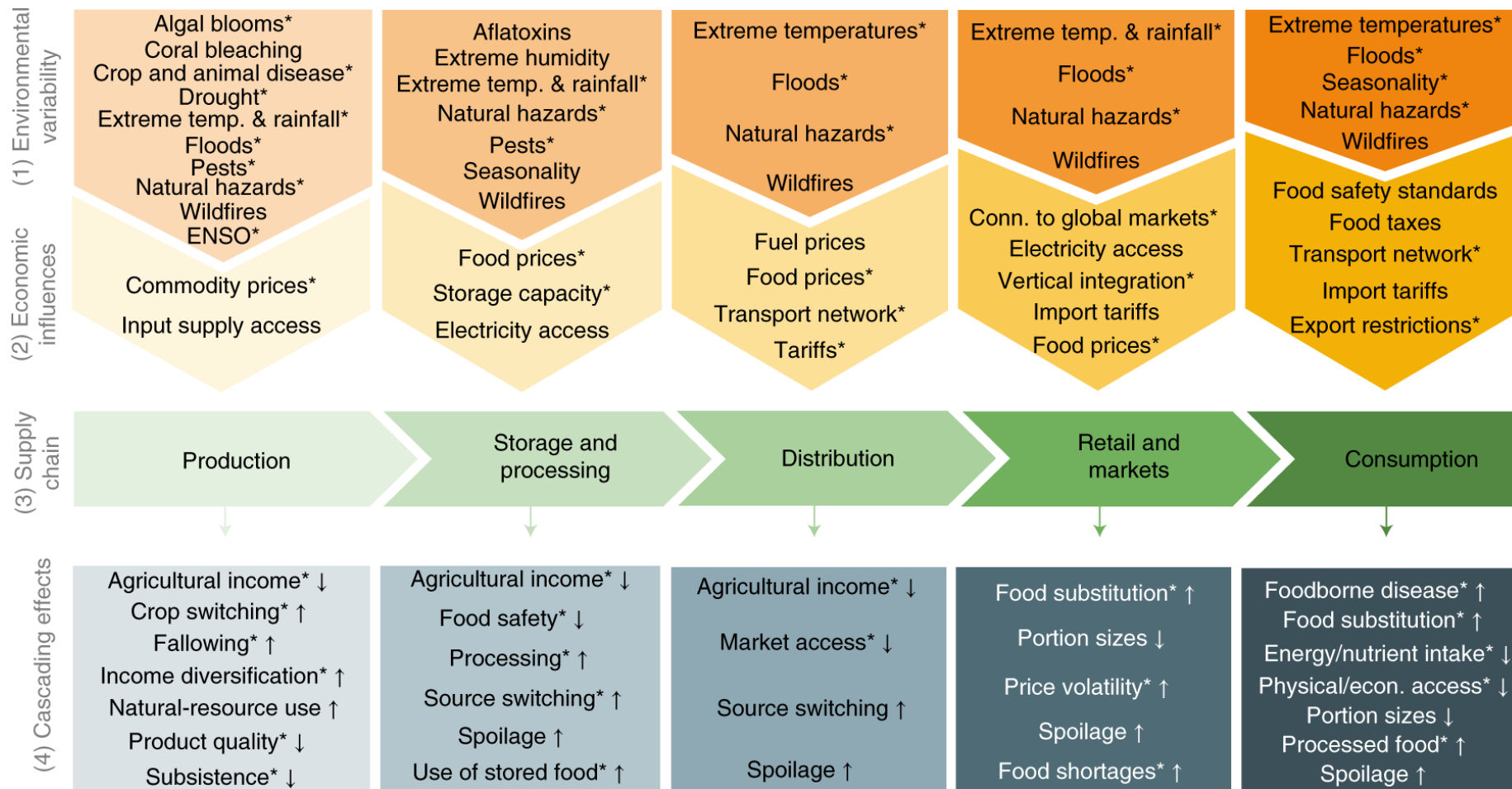
Initial steps for integrating climate risks:

1. Ensure general understanding of climate change across company
2. Identify specific risk management processes that may need to be adjusted
3. Incorporate climate risks into the existing risk inventory within the company
4. Adapt existing risk management processes and elements based on previous steps

Table D3
Physical Risks and Identification and Assessment Approaches

Type	Characteristics	Approaches	Possible Metrics
Acute	<ul style="list-style-type: none"> • Uncertain timing, scope, and severity of impacts of extreme weather events • Different effects based on events (e.g., cyclones, hurricanes, floods, drought) and geography • Changing magnitude and nonlinear impacts associated with events • Complex relationships and interconnections between factors and variables that influence weather events 	<ul style="list-style-type: none"> • Use of expert input from meteorologists, oceanographers, and climate and atmospheric scientists • Stress testing to assess sensitivity and resilience of key business units and activities • Forecasting using historical data and lookback studies • Scenario analysis focused on frequency, intensity, and location of extreme weather events • Hazard mapping and catastrophe modeling 	<ul style="list-style-type: none"> • Number of locations, facilities, business lines, etc. exposed or affected • Duration of event • Projected or identified loss or damage to business facility, supply chain, etc. • Projected or identified cost of business interruption, repairs, etc. • Projected or identified impact on sales and consumer behavior • Insurance costs
Chronic	<ul style="list-style-type: none"> • Longer time horizons associated with certain climate changes (e.g., sea level rise) • Changing magnitude and nonlinear impacts associated with tipping points and thresholds • Different effects based on events and geography 	<ul style="list-style-type: none"> • Use of expert input from meteorologists, oceanographers, and climate and atmospheric scientists • Scenario analysis focused on potential impacts and implications of chronic physical climate change • Hazard mapping and catastrophe modeling 	<ul style="list-style-type: none"> • Projected or identified impact on revenues and expenditures • Changes in operating and capital costs • Changes in market behavior • Projected or identified impact on sales and consumer behavior • Insurance costs

Food System View



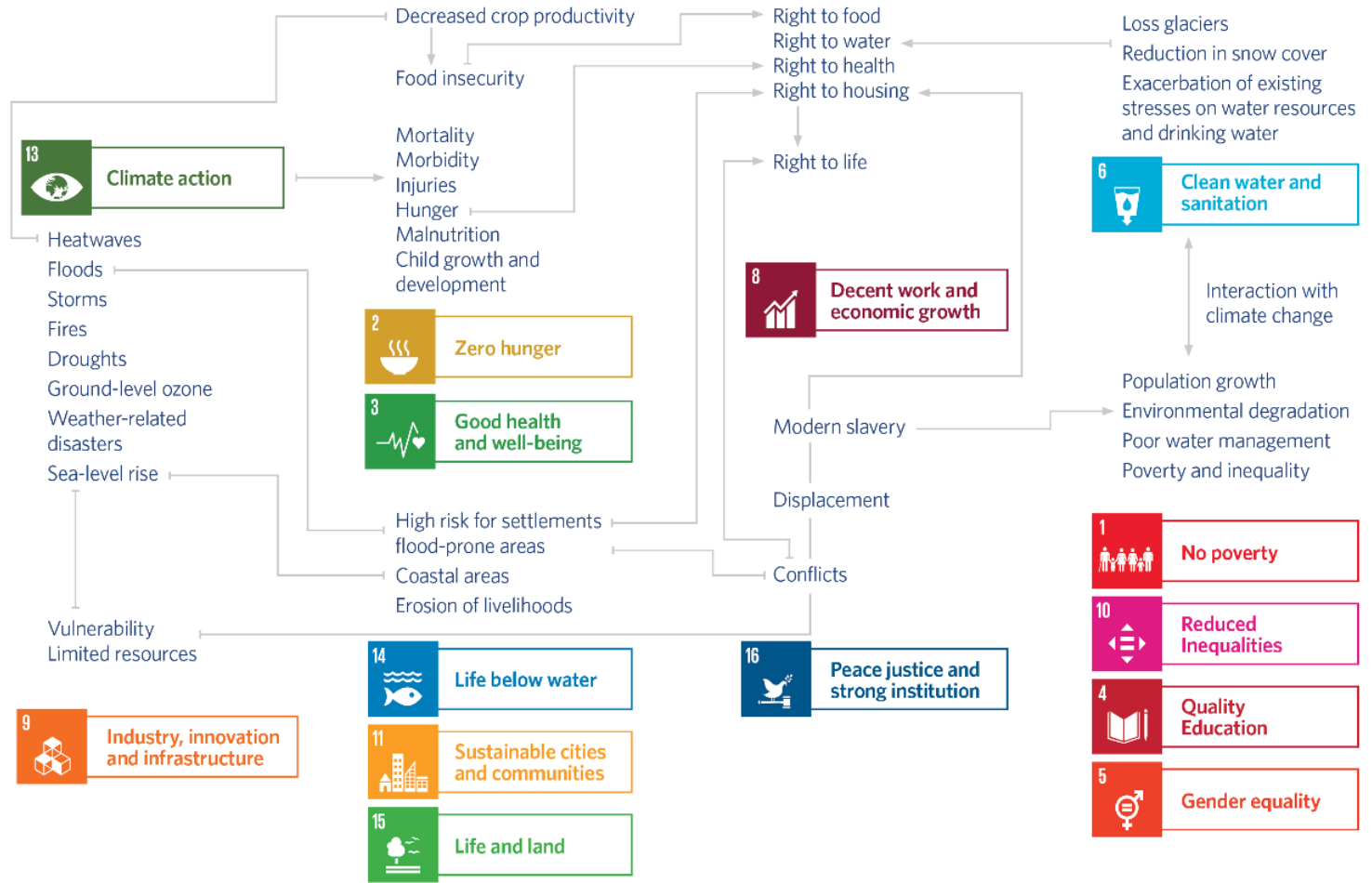
Source: Davis, K.F., Downs, S. & Gephart, J.A. Towards food supply chain resilience to environmental shocks. Nat Food 2, 54–65 (2021)

Climate Related Human Rights Risks

Climate Risk & Human Rights

- Companies are increasingly being **held accountable** to the expectations of **governments** and **civil society**
- Failure to tackle **human impacts of climate change** can lead to the following risks:
 - **Regulatory risk**
 - **Litigation risk**
 - **Reputational risks**

Impact of climate change on human rights



Source: Herbert Smith Freehills

Regulatory Risk

- **Governments across the world have adopted net zero commitments by 2050 and are introducing human rights legislation**
- **Right to a healthy environment**
- **Currently being operationalized in many countries, requiring companies to identify and mitigate risks in their supply chain**
- **For example , the EU Mandatory Environment and Human Rights Due Diligence Law which requires:**
 - **Respect human rights, the environment, and good governance**
 - **Prevent and mitigate adverse impacts**
 - **Be accountable for these impacts**

Litigation Risk

- **Increasing number of climate and human rights related lawsuits**
- **Not just restricted to governments – more corporate emitters being held to account now**
- **In 2021, a Dutch court ruled against a natural resources company requiring emissions reduction of 45% by 2030**
- **Reasoning invoked the human rights to life**

Reputational Risk

- **Consumers are becoming increasingly aware of climate change, human rights and their connections**
- **Potential for campaigns pushing for supply chain action**
- **Requirement on value chains for the management and mitigation of climate related impacts on human rights**
- **Potential examples:**
 - **Sourcing of materials required for the energy transition**
 - **Over-reliance on offsetting schemes requiring vast resources of land to plant trees**
 - **Agricultural workers health risks due to working in extreme temperatures, walking further for depleted water supplies**

What next?

1. Embedding climate related human rights risk management into governance
2. Explore potential mitigation strategies
3. Monitor & evaluate the effectiveness of these actions
4. Remedy & adapt existing management processes

Thanks – any questions?

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Who is in the Climate Change & Human Rights Working Group?

Aisha Aswani	Coop New England	Emma Daly	Pilgrims (Kerry)	Maddie Thresh	Worldwise foods
Amber Madley	Seafood	Fiona McKerrow	Total World Fresh	Victoria Browne	Westbridge Foods
Amy Morris	Waitrose	Georgia Worrell	Caterers Choice Ltd	Natalie Mcwilliam	DPS
Candida Barbato	Driscols	Harriet Cole	Berryworld	Paul Williams	Princes
Carl Cooper	Westbridge Foods	Heather Cadden	Marks and Spencer	Rachel Dickens	Asda
Catherine Russell	Angus Soft Fruits The Compleat Food	Helen Smith	The Compleat Food Group	Rachel Munns	Worldwise foods
David Moore	Group	Iwona Janik	Ethical Food Co	Rebecca Webb	Coop
Lydia Tunnard	Fresca	Joe Maddy	Fresca	Joanne Goulbourne	Princes New England
Deborah Carlin	Muller	Louise McCafferty	Joseph Robertson The British Pepper	Rosie Chapleo	Seafood
Emily White	Marks and Spencer	Lucy Faulkner	& Spice Company	Sarah Wadelin	MWW
Milly Shelley	Hilton Food Group	Suzanne Natelson	FNET	Louise Nicholls	FNET

Climate & Human Rights Working Group Objectives

To increase member understanding of climate change through a human rights lens.

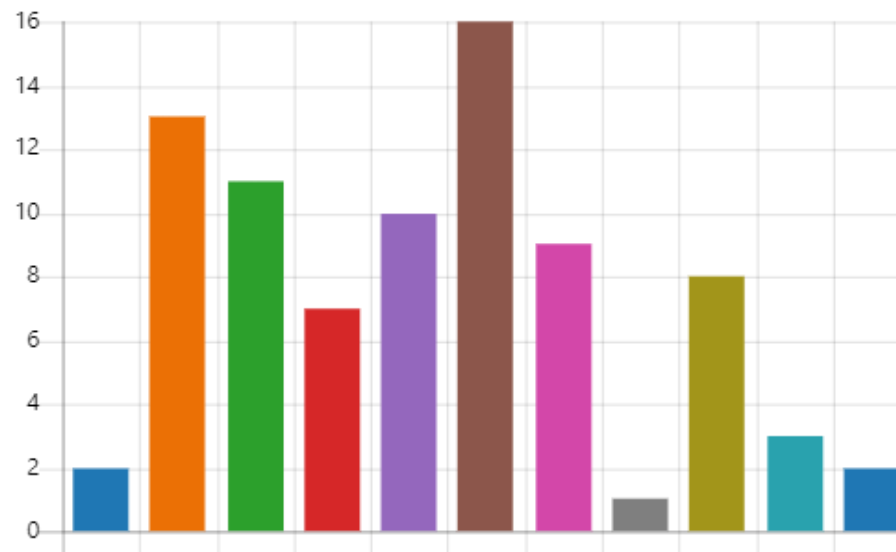
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Supply chain risks

- Child labour 2
- Forced Labour/modern slavery 13
- Accessing sufficient labour/seasonal workers 11
- Living Wages/living income 7
- Recruitment fees 10
- Managing lower tiers of the supply chain 16
- Climate change and human rights 9
- Discrimination and harassment 1
- Long working hours 8
- Health & Safety (including accidents) 3
- Other 2



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

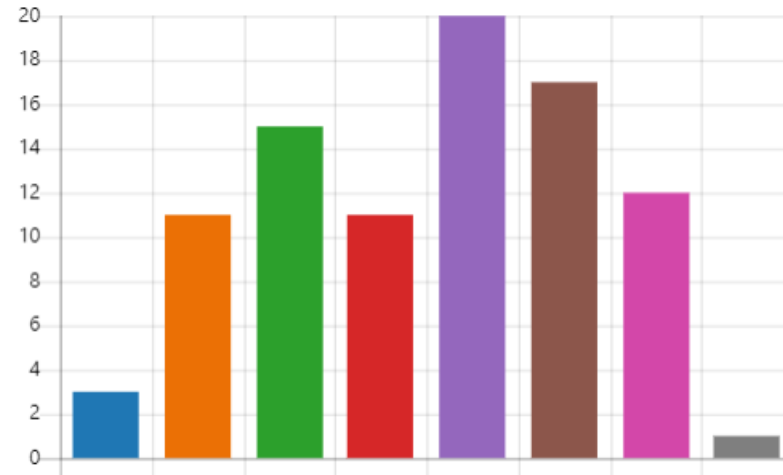
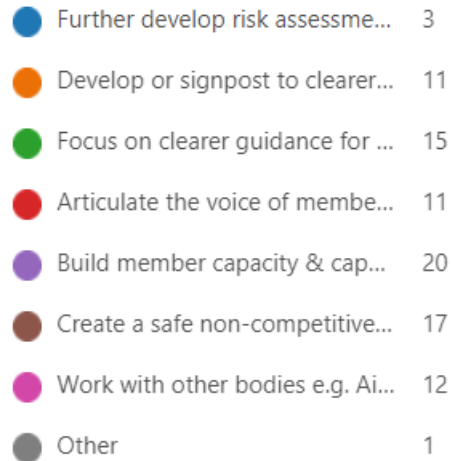
1. Climate change
2. Recruitment fees (Repayment)

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



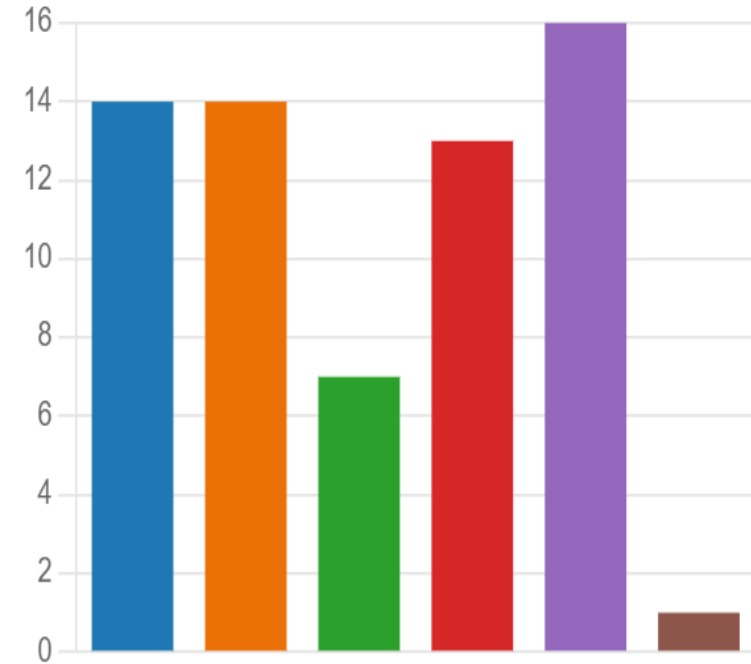
3 Highest votes

- 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



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



Proposed Workplan

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.

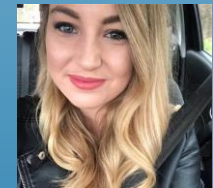
Outputs

- Guidance 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)

Working Group Leads



Natalie McWilliam
DPS



Heather Cadden
M&S

Board representative



Paul Williams
Princes

PMM – Suzanne Natelson

Timeframe

Quarter 1

- Development of guidance note on CC and human rights.
- Survey group members on experience of risk assessment/mapping and climate/human rights
- WG meeting: WWF presentation

Quarter 2

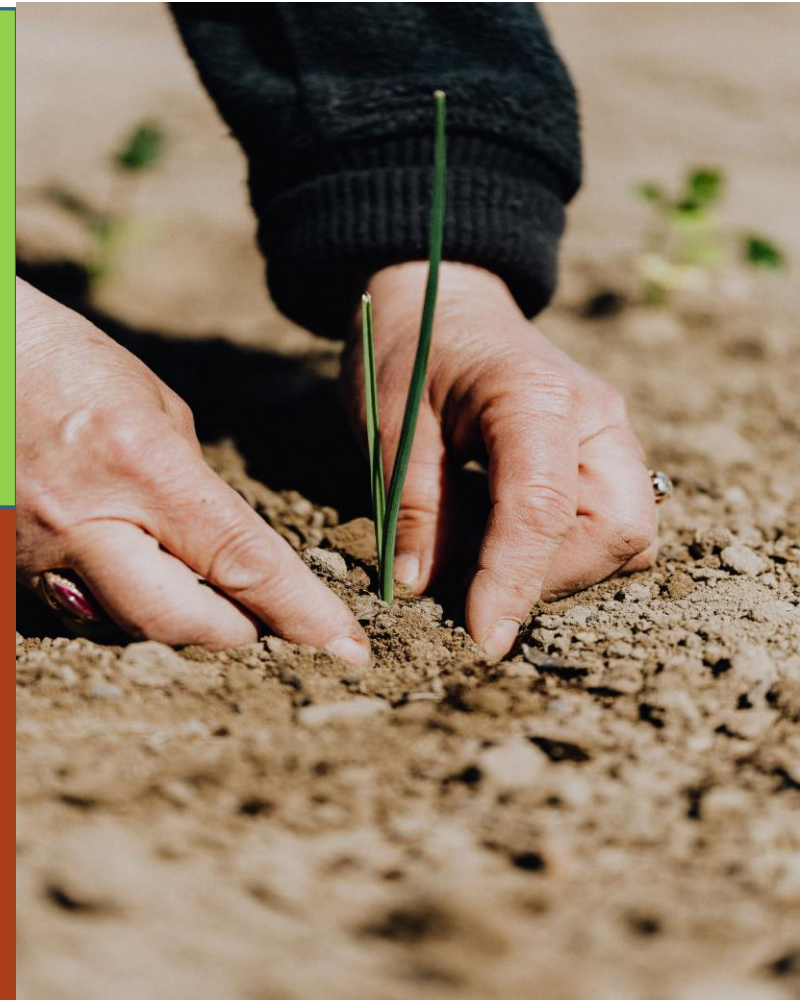
- Finalisation of human rights guidance.
- In-person workshop/ WG meeting on risk mapping/assessment

Quarter 3

- Ongoing work on risk mapping guidance.
- Working group meeting thematic presentation on Just Transition?

Quarter 4

- Workshop and summary of risk mapping work
- Evaluation of 2023 and planning for 2024



Indicators

Level of understanding on climate and human rights risk

Number of members who have done a risk assessment/mapping exercise for climate and human rights.

Level of cross-departmental collaboration on climate and human rights.



Information from the survey

4 responses

3 out of the 4 have not done a combined climate/human rights risk assessment

5.5 out of 10 regarding confidence to do climate/hr risk assessment

Interest in being mentored.

10 out of 10 integration with sustainability colleagues.



Discussion

Do the working group objectives resonate with you? Is there anything you would like to change?

Do you have any thoughts or comments on the workplan and proposed outputs? Is there anything you would like to change?

Risk assessment/mapping on climate change & human rights – planning a workshop. Does anyone have any initial thoughts on what a resource might look like/need to incorporate?

Are there any suggestions for speakers, organisations or resources that would be useful to bring into this working group?

