



The Food Network for Ethical Trade (FNET)

RAW MATERIALS & SERVICES WORKING GROUP: LOGISTICS THURSDAY 21ST MARCH 2024



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 and shared with meeting participants and within the FNET network ONLY.



Agenda

Approximate timing	Item
11.00 – 11.10	Introduction
11.10 - 11.30	Responsible Trucking Initiative – Jean-Francois Goupillier, Senior Advisor, CSR Europe
11.30 – 11.50	An introduction to Sedex, SMETA audits and the updated Services Self-Assessment Questionnaire – Sab Sabnis, Product Manager & Sarah Guy-Gibbons, Sedex
11.50 – 12.10	Insights from Sainsbury's - Sarah Picasso,
12.10 – 12.30	Discussion and next steps

FNET MEMBERSHIP



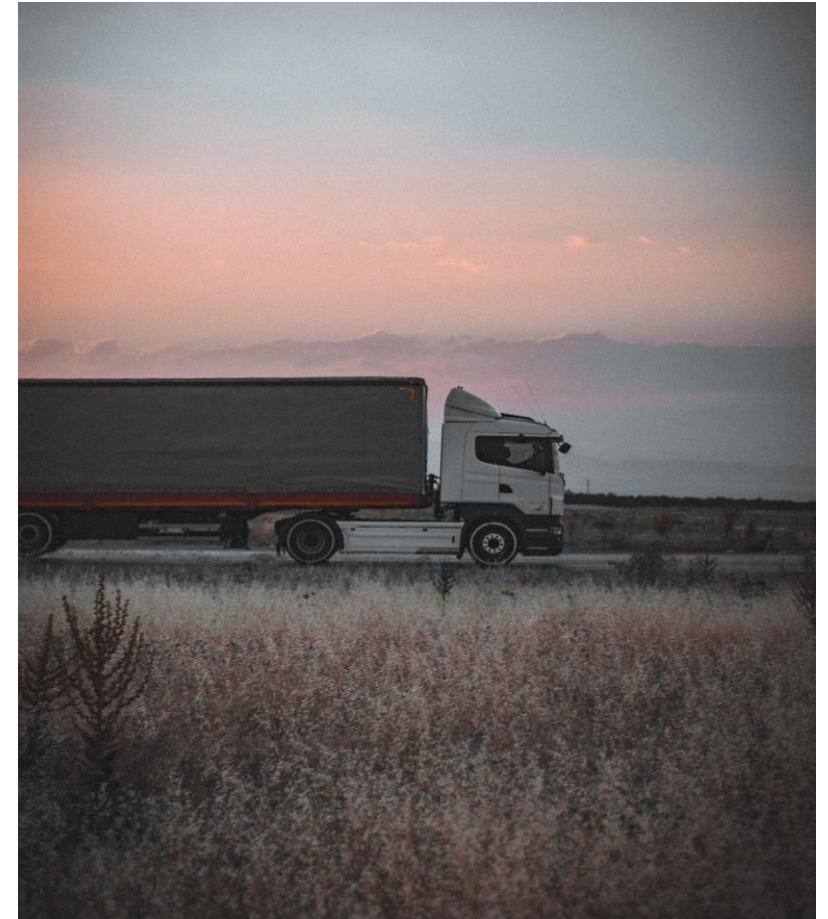
FNET's work on road haulage

40% of FNET members want FNET to work on logistics and all members use road haulage.

Research amongst members on key human rights/working condition concerns in the sector, and lack of visibility on how haulage companies are monitoring/addressing concerns.

Requirement for FNET members to have visibility of supply chains and services.

Two meetings held last year, sent a letter to haulage companies asking them to consider joining Sedex.



Meeting objectives



- ❖ Bring haulage companies and FNET members together to conduct more effective human rights due diligence through supply chains.
- ❖ Identify opportunities for collaboration and learning
- ❖ Hear from haulage companies on what FNET companies or the network could do to help support risk assessments or remedy.
- ❖ Any other objectives to add?

slido



Haulage companies: How mature do you feel your organisation is on understanding human rights/labour conditions in your business?

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

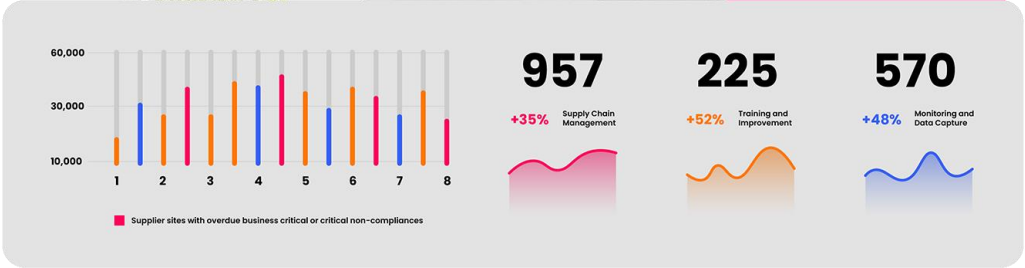
slido



FNET members: How mature do you feel your haulage providers are on understanding human rights/labour working conditions?

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

Sedex Overview



Sedex at a glance



85,000+
members



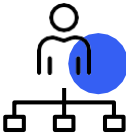
104,000+
worksites



180
countries



6
regional
offices



35+
industries
across our
membership



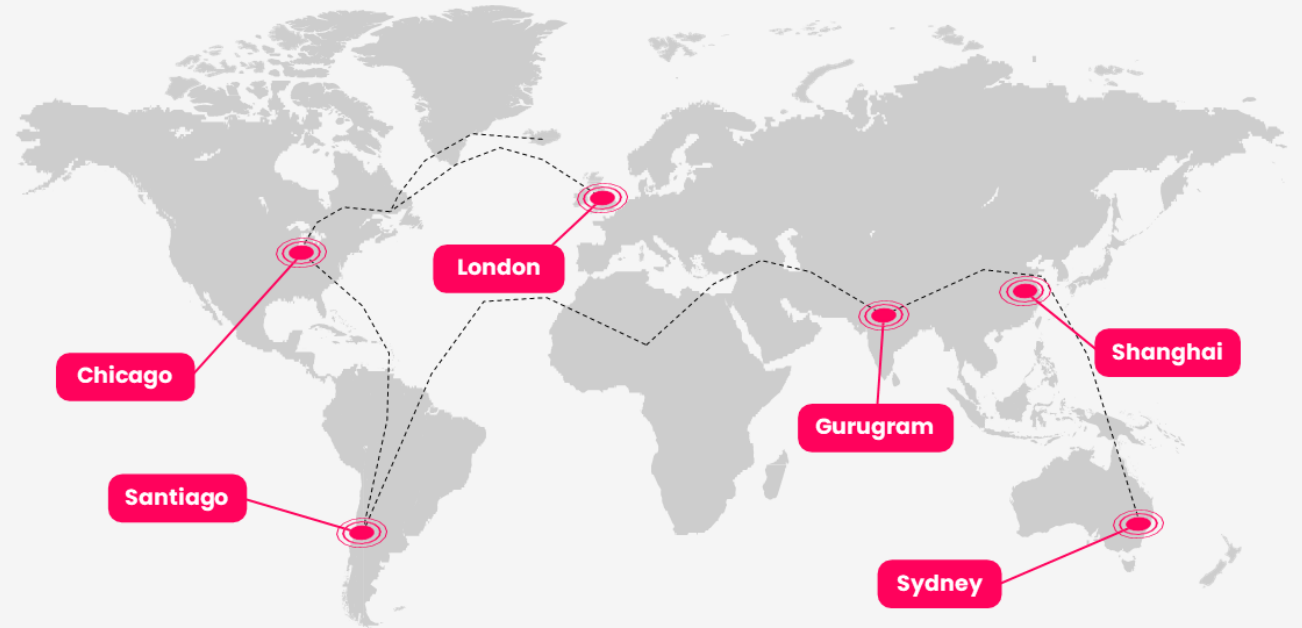
20
years
of data



55,000+ audits added to our platform in 2023

Sedex aims to “be a leader in making global supply chains more socially and environmentally sustainable”.

Our offices



Trusted by organisations around the world



Why partner with Sedex?



Map your supply chain and **create transparency**



Report and analyse data to make better **informed business decisions**, saving time and resource



Engage, collect and store data about your suppliers and your own sites



Meet **compliance and legislative requirements**



Assess the **site-level sustainability** of your suppliers



Build knowledge and awareness – **learn how to remedy sustainability issues**



Identify, track and **understand sustainability risks**



Manage **business reputation** and build a more resilient supply chain

Overview of our solutions



Radar – risk assessment

Assess inherent risk by country and sector, and review suppliers' information using Radar.



Self-Assessment Questionnaire (SAQ)

Suppliers complete the SAQ about their business practices in the Sedex Platform.



Analytics

Analyse, report and export your supply data using Sedex Analytics.



SMETA

SMETA is the world's most widely used social audit. Businesses use SMETA to understand and make improvements to working conditions and environmental performance in their business and supply chain.

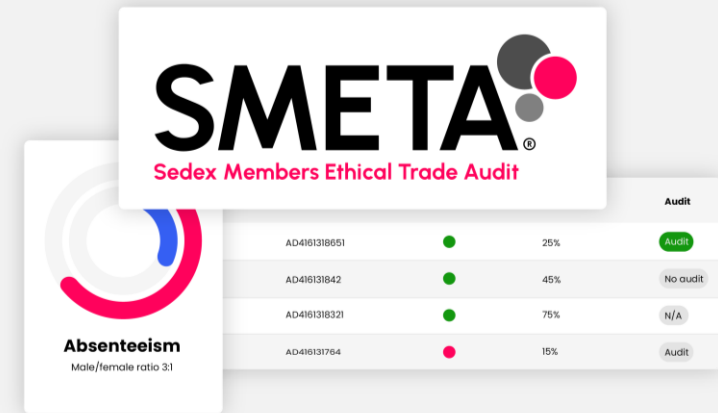


e-Learning

Guidance to resolve audit non-compliances and improve social, ethical and environmental business practices.

SMETA Audit

Elevate supply chain transparency: assess, improve, and ensure ethical practices



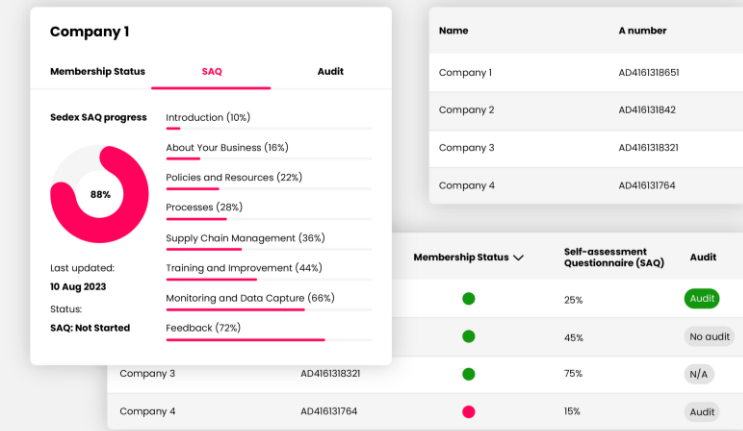
SMETA (**S**edex **M**embers **E**thical **T**rade **A**udit) is globally trusted for comprehensive audits in labour, safety, environment, and ethics, enhancing responsible sourcing and worker rights.

Benefits

- Comprehensive on-site assessment conducted by an independent third party for verification
- Supplier performance evaluation
- Risk mitigation
- Enhanced transparency and trust
- Compliance with standards and regulations
- Continuous improvement

Self-Assessment Questionnaire

Gain supplier insights and prioritise areas that need action



Achieve efficiency, transparency, and effective decision-making through Sedex's Self-Assessment Questionnaire (SAQ). This comprehensive business information collection tool allows suppliers to share their data with their buyers, increasing transparency and fostering elevated ethical standards across the supply chain.

Benefits

- Enhanced Supplier-Buyer connectivity
- Comprehensive insights
- Foster transparency and trust
- Efficient risk identification and management
- Compliance simplified
- Seamless reporting

Service Provider SAQ



Why assess service providers?

From stakeouts to warrants: How federal investigators found more than 100 children cleaning slaughterhouses

Office cleaners face underpayment, mistreatment and abuse, report finds

Shocking video shows workers risking their lives at recycling centre where worker died

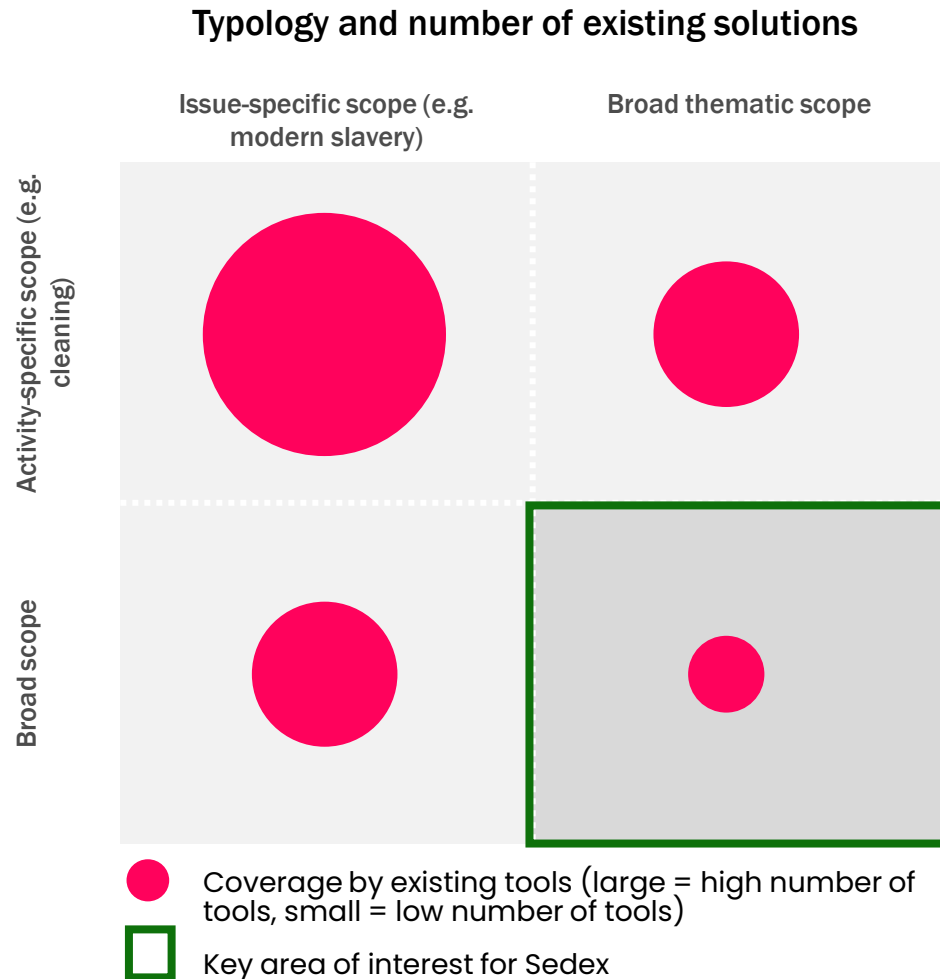
Desperate foreign truckers stage hunger strike in Germany

- Key **human rights and labour risks** in relation to a range of service activities
- Increasing **mandatory human rights due diligence** requirements
- **Gap in current due diligence** approaches

Delivery workers feel the heat of climate change

Logistics and warehouse workers labour on, sometimes without air conditioning

Overall observations



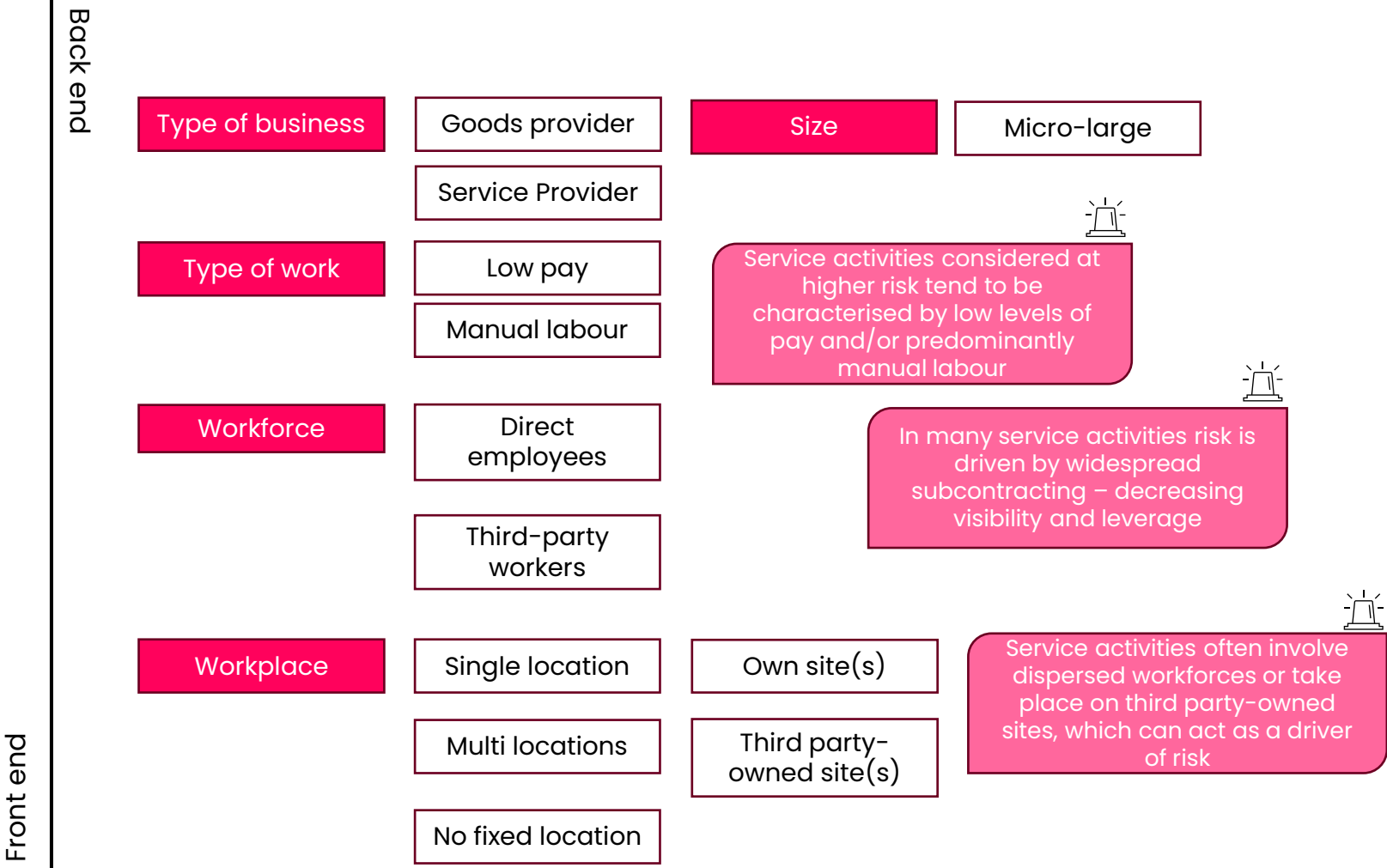
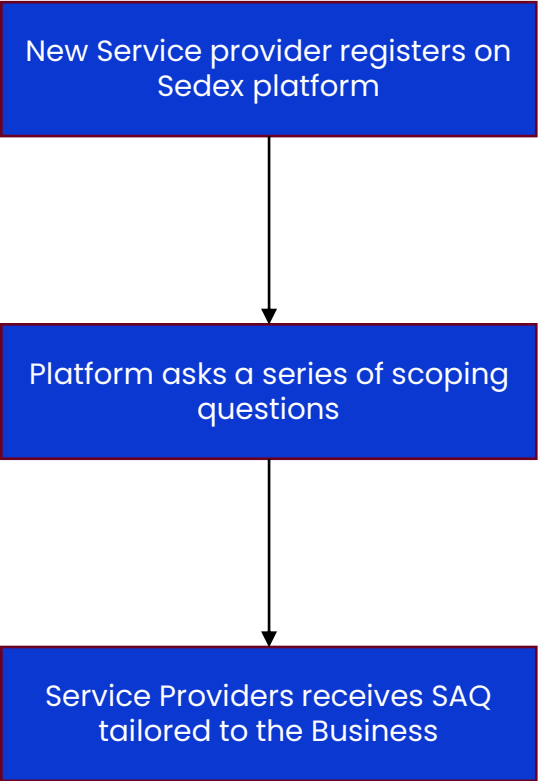
- **There is very broad range of approaches which vary significantly** in relation to their thematic and geographic scope as well as with regards to the kinds of suppliers / service providers they cover
- **There is a large number of specific tools** that are tailored either to a specific kind of service provider and/or a specific topic, with a particular focus on labour providers and modern slavery
- **There is a gap in relation to broad, easy to implement solutions** for assessing service providers (confirming Sedex research), though some solutions suggest they offer a degree of customisation

Methodology Overview

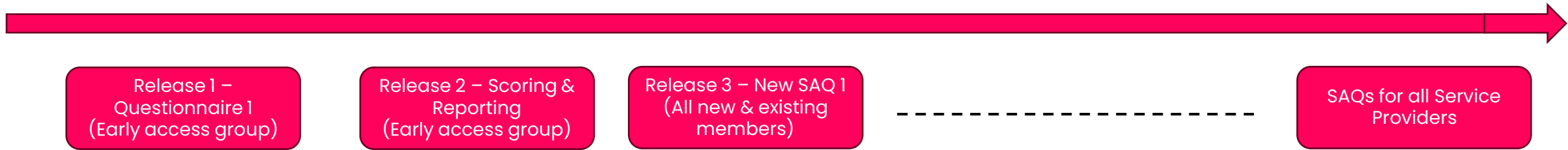
- Service Provider SAQ follows a **characteristics-based approach**
- It screens for specific characteristics that may act as drivers of risk and triggers relevant questions based on selected characteristics. These are:



Key features of proposed approach



Release plan



- Methodology finalised ✓
 - Technical solution in Progress ⌚
 - Development
 - Iterative release
 - Test, feedback, improve
-
- Questionnaire 1/SAQ 1 – SAQ for Service Providers with a No fixed location* (TBC)

How to get involved

- Register your interest for Early Access Group
- Get in touch if you have questions or need more information
- saurabh.sabnis@sedex.com

An aerial photograph of a dense urban landscape, likely New York City, showing a grid of streets and numerous skyscrapers. The entire image is overlaid with a semi-transparent red filter.

Thank you!

Sedex²

Agenda

Approximate timing	Item
11.00 – 11.10	Introduction
11.10 - 11.30	Responsible Trucking Initiative – Jean-Francois Goupillier, Senior Advisor, CSR Europe
11.30 – 11.50	An introduction to Sedex, SMETA audits and the updated Services Self-Assessment Questionnaire – Sab Sabnis, Product Manager & Sarah Guy-Gibbons, Sedex
11.50 – 12.10	Insights from Sainsbury's - Sarah Picasso,
12.10 – 12.30	Discussion and next steps



Road haulage

Sarah Picasso, Sainsbury's
FNET services working group

Sainsbury's
Good food for all of us

Human rights due diligence in road haulage



- Over £52m spend on primary road transport across 11 key suppliers
- Secondary road transport covered in internal ethical audit programme

Key risks:

- Clandestine entrants / human trafficking
- Working conditions, including working hours
- Discrimination
- Freedom of association
- Lack of supply chain transparency

Good practices to manage risk

- **Dedicated board member** with assigned responsibility for human rights & labour standards
- Guidance and training for drivers on **clandestine travellers**, including support for stowaways
- **Supplier risk assessments** and **supply chain mapping**
- Regular **ethical audits** of supply chain partners
- List of **approved labour providers**, assessed on ethical policies and practices
- **Discrimination & harassment policies**
- **Grievance and whistleblowing lines** available for all drivers, past and present, incl. agency workers



Some areas for improvement

- **Unclear or unassigned responsibilities** and governance on human rights
- **Limited due diligence** on subcontractors
- Reliance on **contractual terms** rather than active engagement or risk assessment of supply chain partners
- Responsible recruitment approaches **limited to own employees**, no ethical checks on labour providers
- **Limited grievance mechanisms** and whistleblowing lines, limited to own employees
- **Out of date policies and procedures**, not followed in practice
- High level modern slavery policies, providing **limited details on approach**



Next steps

- Helpful to understand industry norms and the spectrum of different practices
- Work to share learnings from secondary transport ethical audits
- Engagement with SRM teams to feed into decision making
- Part of wider approach to GNFR within Sainsbury's human rights programme

Grab life by the wheel.





Thank you

Sainsbury's
Good food for all of us

slido



Haulage companies: How mature do you feel your business is on understanding human rights/ labour working conditions?

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

slido



FNET member: How mature do you feel your haulage providers are on understanding human rights/labour working conditions?

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

slido



What can this group do to increase communication and action to improve conditions for workers where needed?

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

Q&A & Discussion

What can this group do to increase communication and action to improve conditions for workers where needed?

Next steps? Do members want follow-up meetings and if so what would be most helpful?





Contact

Andy York, Human Rights Manager, Pilgrims Ltd.

andy.york@pilgrimsuk.com

Peter Fletcher, Procurement Manager - Indirects,
Yeo Valley peter.fletcher@yeovalley.co.uk

Louise McCafferty, Head of CSR, Joseph Robertson
l.mccafferty@josephrobertson.co.uk

Suzanne Natelson, Project & Membership Manager,
FNET Suzanne@foodnetworkforethicaltrade.com