

An aerial photograph showing a dense green forest on the left and a large, flat, brownish-green field on the right, separated by a narrow dirt path. The text is overlaid on the forest area.

Sustainable food supply chains? Emerging rules, responses, and impacts

Dr. Boris Verbrugge (HIVA-KU Leuven)

KU LEUVEN

HIVA

ONDERZOEKSINSTITUUT VOOR
ARBEID EN SAMENLEVING

Three questions

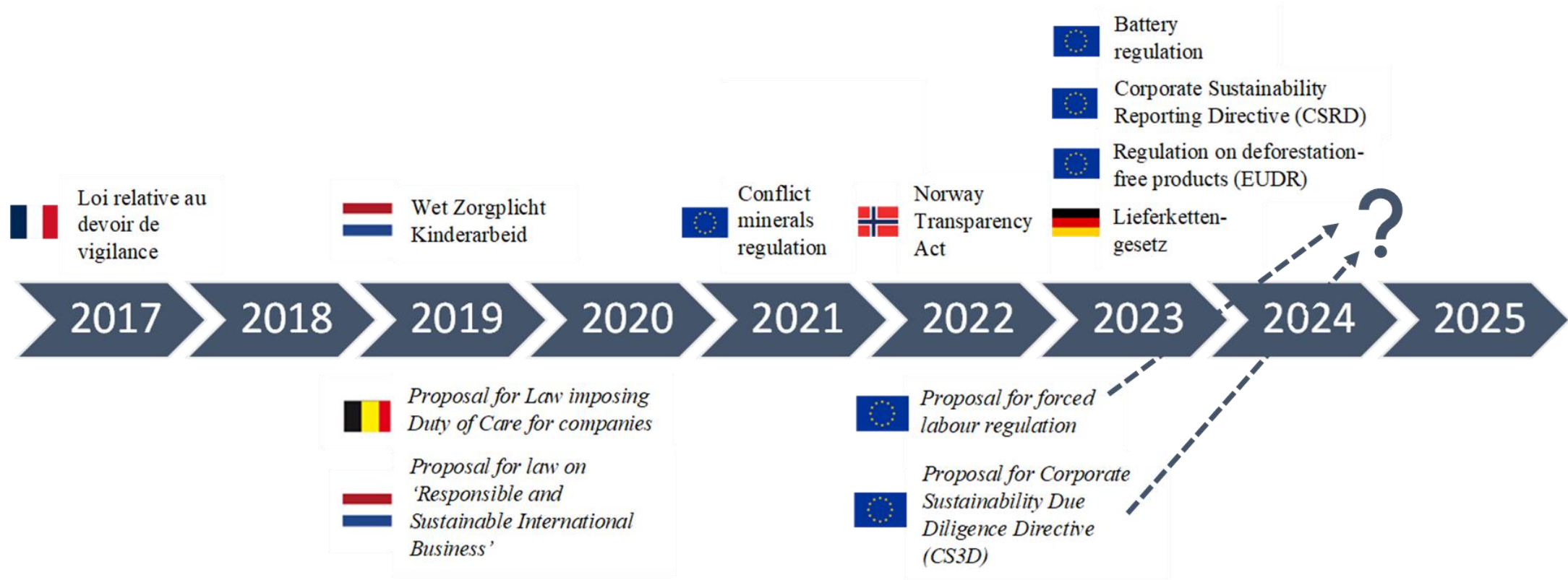
- Emerging rules?
- Emerging responses?
- Emerging impacts?



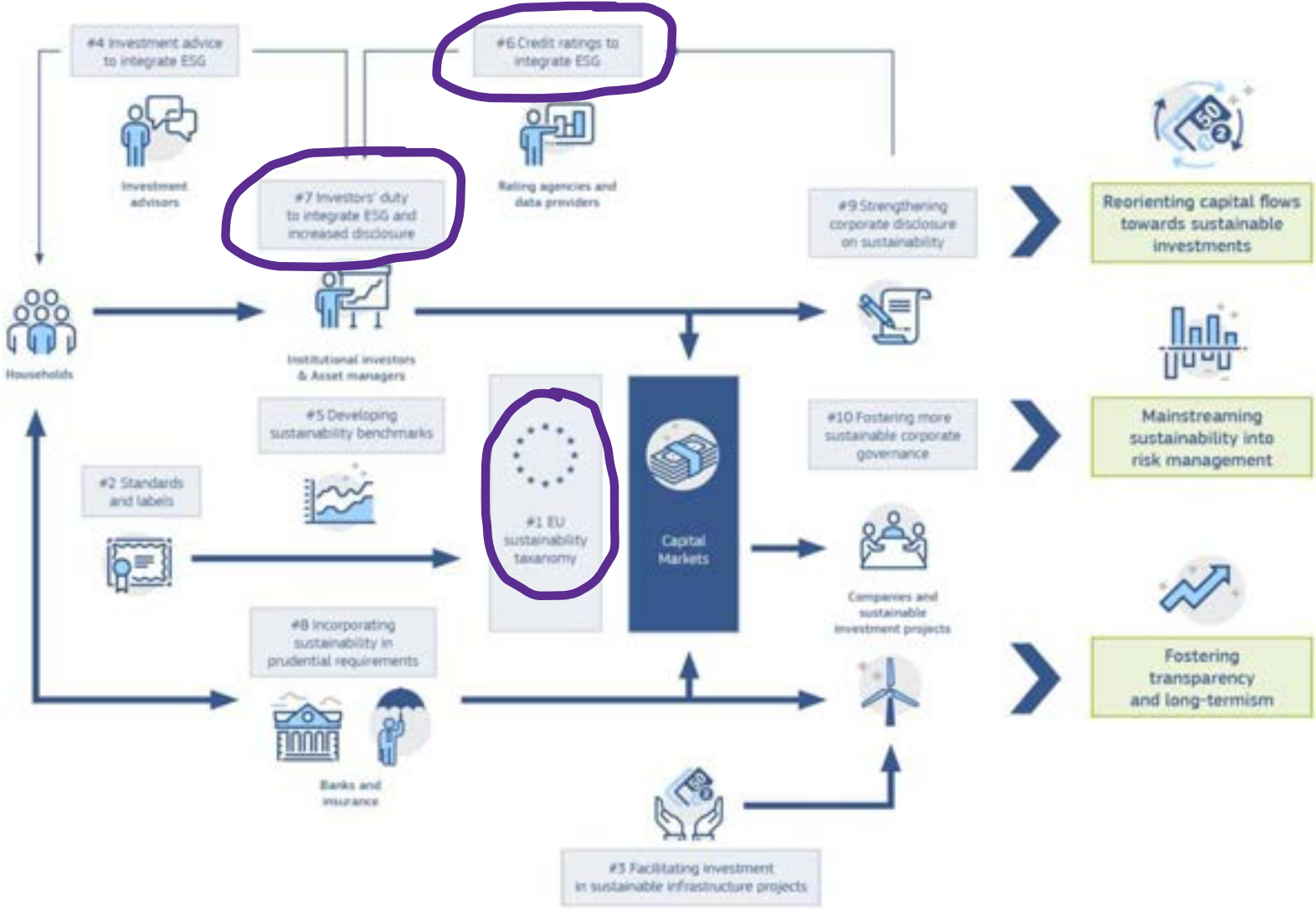


Emerging rules: from the material to the financial world?

Value chain rules



Financial sector rules: Sustainable Finance Action Plan



EU ambassadors discuss possible carve-out of finance from due diligence rules

The carve-out of finance from mandatory due diligence checks, which is not in line with the Parliament's position agreed in June, would be compensated with concessions on other aspects strongly supported by EU lawmakers, such as access to justice, the scope of the directive, and climate provisions.



Emerging responses



Cascading responsibility through codes and audits



- (a) a description of the company's approach, including in the long term, to due diligence;
- (b) a code of conduct describing rules and principles to be followed by the company's employees and subsidiaries;
- (c) a description of the processes put in place to implement due diligence, including the measures taken to verify compliance with the code of conduct and to extend its application to established business relationships.

The Coop Group's Code of Conduct

The Coop Group can only ensure responsible sourcing if we work closely with our suppliers and impose ethical requirements on them, which they in turn impose on their suppliers. In this manner, our requirements will have a cascade effect and thereby influence suppliers further down in our supply chain.


Audit Requirement

A supplier situated in or delivering a product that undergoes processing³ in a BSCI defined medium or high risk country⁴ must sign the BSCI Code of Conduct and arrange a BSCI audit at the processing site(s) within six months of receipt of this Code of Conduct. The following link is a starting kit for suppliers who are new to the BSCI platform: http://www.fta-intl.org/sites/default/files/final_infokit_bsci_producers.pdf

The Coop Group only accepts audits conducted by an accredited audit company. Audit reports from individual auditors or companies that are not on an accredited list will be considered unacceptable.

The supplier shall bear all costs related to audits, memberships and certification processes.





November 15, 2022

“Obsessed with Audit Tools, Missing the Goal”

Why Social Audits Can't Fix Labor Rights Abuses in Global Supply Chains



**SUPPLIER-BUYER CODE OF CONDUCT
2021**





When contractual assurances are obtained from, or a contract is entered into, with an SME, the terms used shall be fair, reasonable and non-discriminatory. Where measures to verify compliance are carried out in relation to SMEs, **the company shall bear the cost of the independent third-party verification.**



Looking for a safe harbour

5 ways the RSPO protects human rights

www.solidaridadnetwork.org

All RSPO members (producers and users of palm oil) are committed to respecting the protection of human rights.



1. People Impact Goal
with a robust component in human rights protection



2. Member certification
requires having clear and explicit policies for the protection of human rights



3. Public scrutiny
RSPO is required to process any stakeholder complaint



4. Working groups
develop solutions to protect human rights and human rights defenders



5. Alert system
for defenders, with an immediate RSPO intervention system



ZERO MEANS ZERO

ZERO DEFORESTATION

Zero deforestation for soy production.
Food or Forests? With RTRS you can have both.
www.responsiblesoy.org





#CorporateSustainability

*“Companies may rely on **industry schemes and multi-stakeholder initiatives** to support the implementation of their obligations referred to in Articles 5 to 11 of this Directive to the extent that such schemes and initiatives are **appropriate** to support the fulfilment of those obligations.”*

Sustainable sugar group Bonsucro ignored rights abuses by member, UK body finds

Eleven Chinese plants linked to forced labor were MSC-certified

The new report from The Outlaw Ocean Project found 11 plants accused of using forced Uyghur labor transferred from the Xinjiang region had MSC chain-of-custody certifications



Environmental auditors approve green labels for products linked to deforestation and authoritarian regimes

Supply Chain Sustainability Regulations: Comply With Confidence

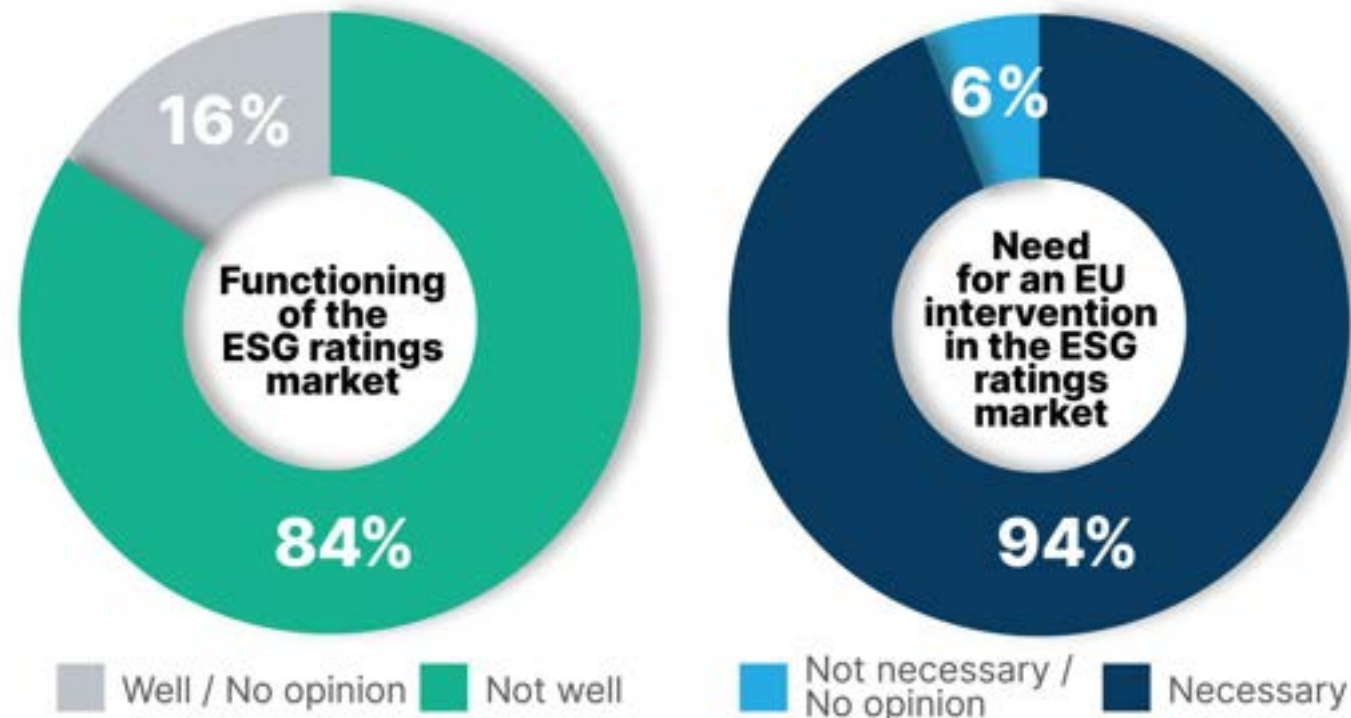
Smart ESG compliance starts with 100% visibility, risk prevention where needed and supplier improvement that builds value.

Empowering Sustainable Supply Chains

Store, analyse, share, and report on sustainability practices with the world's largest data platform for supply chain assessment

Intervention in the ESG ratings market deemed necessary

Initiatives could improve rating credibility and comparability, clarify ESG objective with transparent rating methodology and avoid potential conflict of interests.



Source: Targeted consultation on the functioning of the ESG ratings market, European Commission, 2022.

IEEFA

EU proposes new shake-up of ESG ratings agencies

By Julia Payne and Tommy Wilkes

June 13, 2023 9:07 PM GMT+2 · Updated 5 months ago



UK set to unveil regulatory regime for ESG ratings industry

Ministers intend to unveil formal proposals as early as January against backdrop of global crackdown





De-risking supply chains



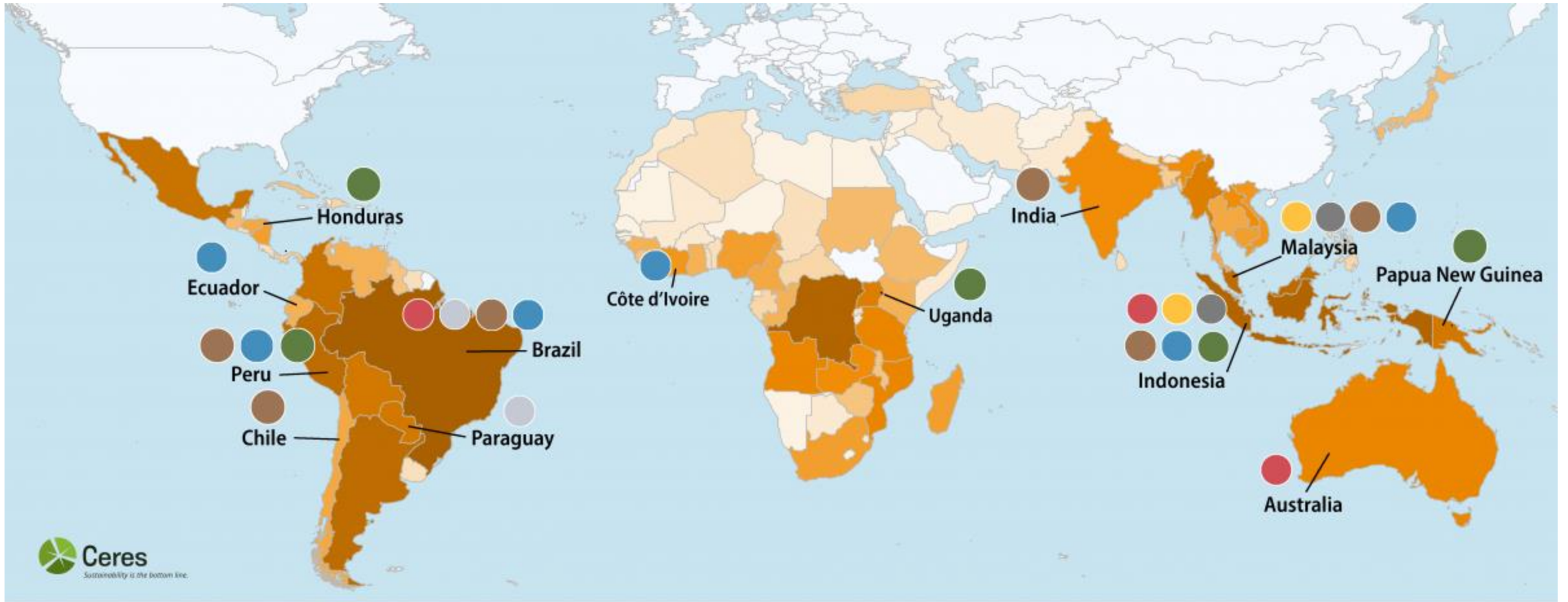
Sustainable and deforestation-free palm oil

 Average read time: 12 minutes

Our ambition is to make sustainable and deforestation-free palm oil commonplace and to **only source from low-risk locations**. To achieve this, we're stepping up our engagement with suppliers and smallholders while increasing the traceability and transparency of our supply chain.



*For relevant products from low-risk countries or parts thereof operators should be allowed to exercise simplified due diligence. For relevant products from **high-risk countries** or parts thereof competent authorities should be required to apply enhanced scrutiny. The Commission should be empowered to adopt implementing acts to establish the list of countries or parts thereof that present a low or high risk.*



**BEEF/
LEATHER**



PALM OIL



SOYBEANS



PAPER/TIMBER



RUBBER



COCOA



COFFEE



Iceland to be first UK supermarket to cut palm oil from own-brand products

Frozen food specialist will reformulate own-label range to be free of controversial ingredient which drives deforestation by the end of 2018



Iceland to go back to using palm oil ‘with regret’ amid rising food prices

Russia's invasion of Ukraine continues to put major pressure on global supply chains

Exclusive: Investors may exit consumer goods firms over EU deforestation law

By Richa Naidu

June 14, 2023 1:44 PM GMT+2 · Updated 5 months ago



Norway's wealth fund ditches 33 palm oil firms over deforestation



Our stance on palm oil

Palm oil is used in a range of products



Crisps



Bio-fuel



Toothpaste



Shampoo

Palm oil delivers **more oil per square meter** of land than other types of oil for example oil from seeds or soja beans. Other types of oil crops need more land (in some cases up to **seven to nine** times as much).



Netherlands is the biggest EU importer of palm oil



Malaysia



Indonesia

The fact that **palm oil** can be used in so many things, and that the demand for those things is increasing, leads to **social and environmental challenges** in Malaysia and Indonesia where most trees are grown.



Deforestation



Human rights



CO2 emissions

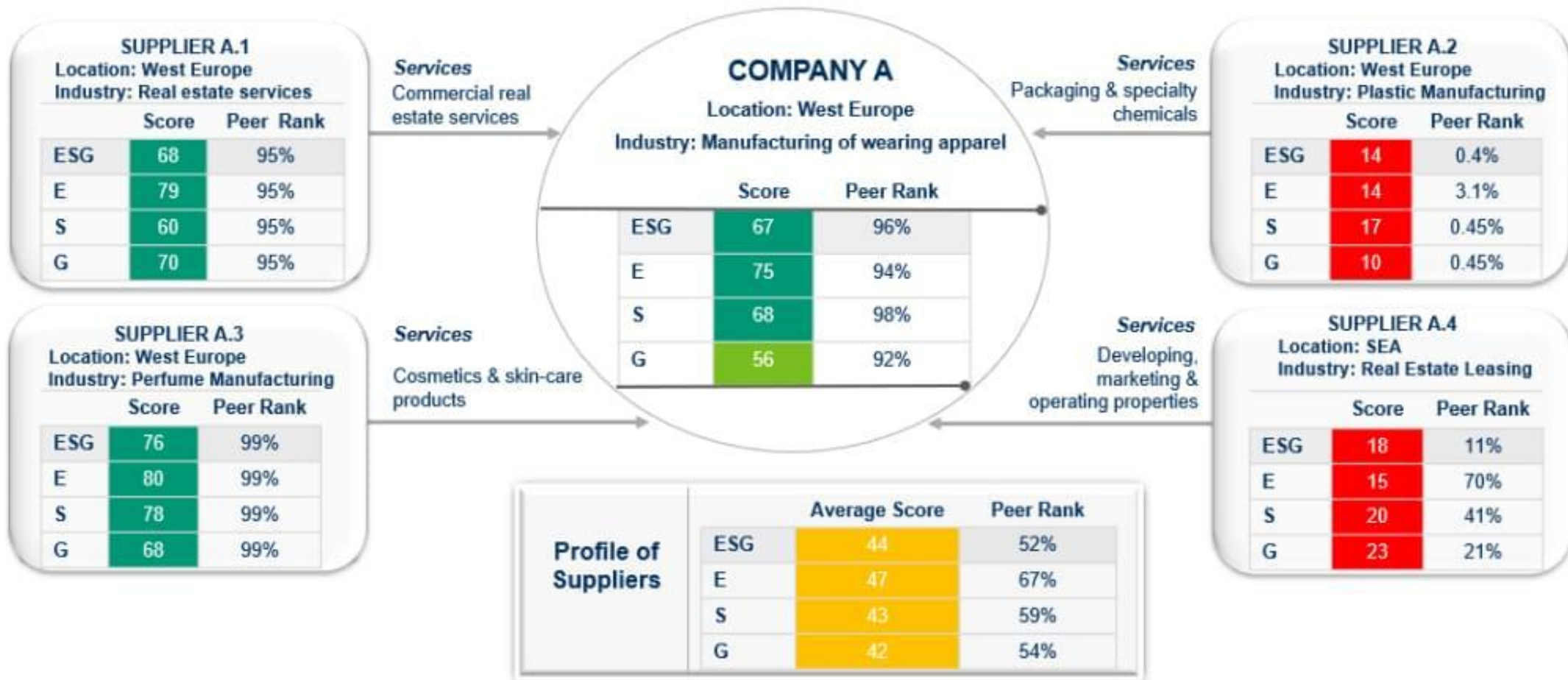


Since August 2015 we've been a member of the **non-for-profit Roundtable on Sustainable Palm Oil (RSPO)** to improve our understanding of the sector. RSPO supports clients (traders or retailers) in facing the **challenges and opportunities** that dealing with palm oil commodities comprises.

More than 85% of our clients currently have a "No deforestation, No peat, No Exploitations" policy in place. Furthermore all of them committed to 100% RSPO certification by 2030, with some of them committing as early as 2020.

More information can be found on: **Our Stance on palm oil**

In total we finance less than ten clients that earn 10% or more from palm-oil-plantation-related activities. We do not foresee growing the number of palm-oil-companies in our portfolio. Mainly because we prefer to focus on improvements within our existing clients' businesses by means of engagement.



Source: Moody's ESG Score Predictor, Orbis, and Supply Chain Catalyst

A photograph showing three people working in a coffee processing area. They are surrounded by a large quantity of red coffee cherries. In the foreground, there is a blue plastic tub containing green leaves. To the right, there is a large orange plastic tub. The background features a chain-link fence and lush greenery, suggesting an outdoor or semi-outdoor setting. The text "Emerging impacts" is overlaid in white on the image.

Emerging impacts




Questionable impacts of multi-stakeholder initiatives (so far)

Voluntary initiative	Expansion of agri. spaces (to detriment of forest)	Mono-crop models	Synthetic fertilisation	Mechanisation	Dangerous pesticides	Water consumption	Investment capacities (small producers)	Labour law violation	Precarious employment - Difficult work	Occupational health and safety	Discrimination	Commodification / Low prices	Price volatility	Concentration of power
Beyond Chocolate *	2	0	2	0	2	2	2	2	2	2	2	2	1	0
World Banana Forum	0	1	1	1	2	2	2	1	2	1	2	2	2	0
World Cocoa Foundation	1	0	0	0	1	0	1	1	0	0	0	0	0	0
Ethical Tea Partnership	1	0	1	0	1	1	1	1	1	1	1	0	0	0
Fairtrade International	2	0	2	0	2	2	2	2	2	2	2	2	1	0
Rainforest Alliance	2	0	2	0	2	2	1	2	2	2	2	1	1	0
Bonsucro	1	0	1	0	1	1	1	1	1	1	1	0	0	0
ASC shrimp	1	0	0	0	1	1	0	1	1	1	1	0	0	0
MSC & Chain of Custody	0	0	0	0	0	0	0	1	1	1	0	0	0	0
RSPO	2	0	1	0	1	2	2	1	1	1	2	0	0	0
RTRS	2	1	1	0	2	1	0	2	2	2	2	0	0	0

Not Fit-for-Purpose

The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance

Review of smallholder palm oil sustainability reveals limited positive impacts and identifies key implementation and knowledge gaps

Zoë Ogohara^o   Kristian Jespersen^b, Ida Theilade^o, Martin Reinhard Nielsen^o

The hidden costs of global supply chain solutions

Genevieve LeBaron^a  and Jane Lister^b 

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ABSTRACT

Within the international political economy (IPE) literature on global supply chains, there is growing debate about the effectiveness of private global supply chain solutions to address social and environmental problems. Most scholarship takes supply chain solutions at face value, investigating the circumstances under which they are effective, lacking, and how effectiveness could be incrementally improved. These studies have helpfully investigated operational and procedural issues associated with private governance and relationships between stakeholders in standard-setting processes. But the literature often loses sight of broader and more fundamental questions about whether or not private governance initiatives are actually working to solve the problems they've been established to address, like pollution, modern slavery, and global North and South inequalities. In this introduction to the Review of International Political Economy special issue on the hidden costs of global supply chains, we analyse key trends in the effectiveness of private governance solutions, drawing on our literature review of 290 academic journal articles and contributions within this collection. We argue that not only are global supply chain solutions falling short when it comes to many of the indicators that matter most, but they come with hidden costs – including unintended consequences, perverse effects, and unacknowledged impacts.



GUIDE FOR SMALLHOLDER FARMER ORGANISATIONS

Implementing Human Rights and Environmental Due Diligence (HREDD)

**Why and how to align your policies
and processes with HREDD?**



First edition, June 2022

amfori SPEAK FOR CHANGE
Supply Chain Grievance Mechanism (SCGM)
Programme

**Rainforest Alliance Certification and Beyond:
Useful Tools for Company Due Diligence**

**RSPO SHARPENS HUMAN RIGHTS
FOCUS WITH NEW HEAD OF HUMAN
RIGHTS AND SOCIAL STANDARDS**



Smallholders and “the right to development”

EU deforestation law risks sidelining small farmers, says palm oil watchdog

By Mei Mei Chu

February 8, 2023 12:43 AM GMT+1 · Updated 9 months ago



Forest Policy and Economics

Volume 143, October 2022, 102817



Potential impacts of the proposed EU regulation on deforestation-free supply chains on smallholders, indigenous peoples, and local communities in producer countries outside the EU

Indonesia accuses EU of 'regulatory imperialism' with deforestation law

By Gayatri Suroyo, Stefano Sulaiman and Ananda Teresia

June 8, 2023 2:37 PM GMT+2 · Updated 5 months ago



EU deforestation rules risk 'catastrophic' impact on global trade, says ITC chief

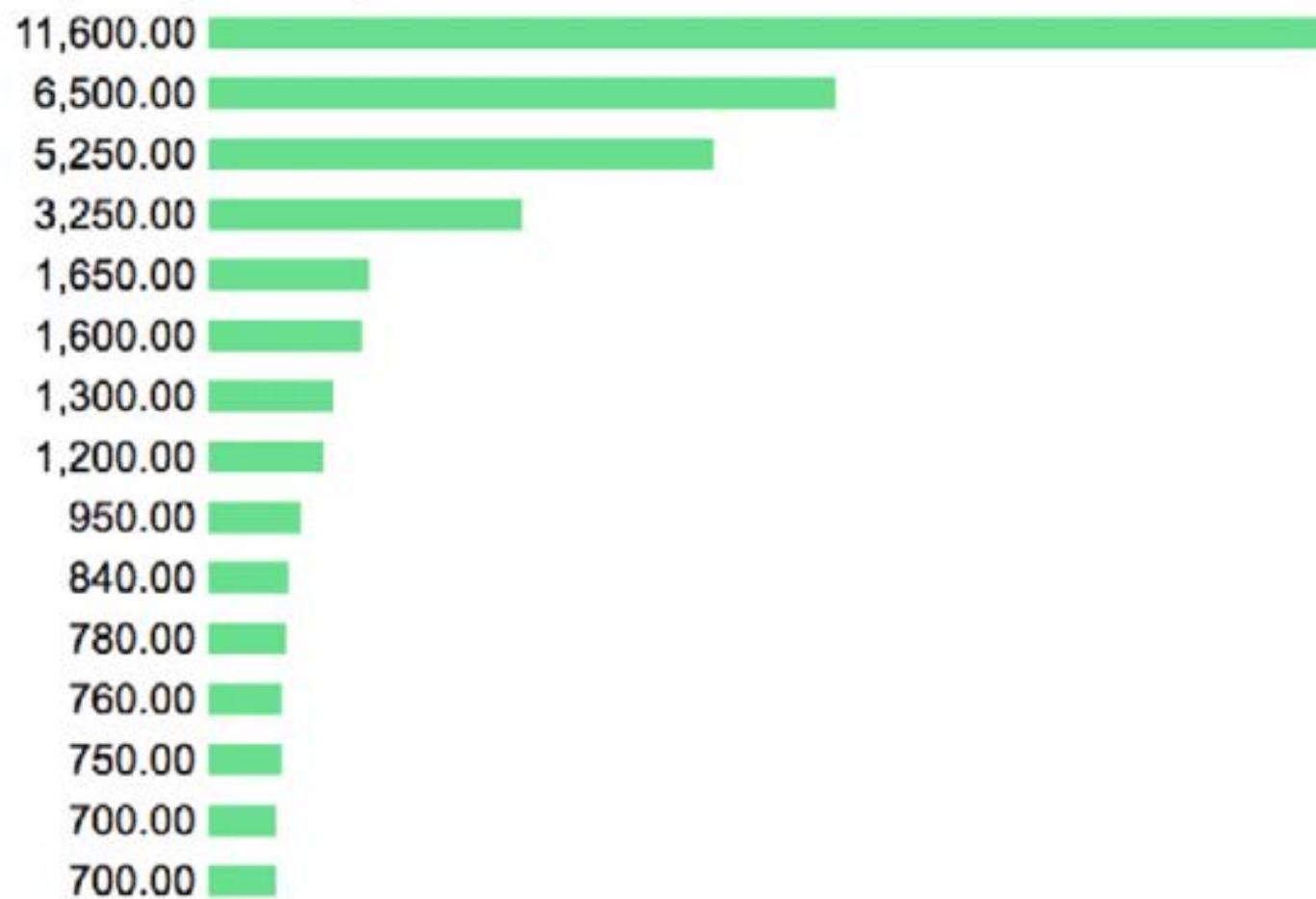
Head of International Trade Centre warns move favours big companies that can trace where their produce was grown





Rank Country

- 1 [India](#)
- 2 [EU-27](#)
- 3 [China](#)
- 4 [Pakistan](#)
- 5 [Bangladesh](#)
- 6 [United States](#)
- 7 [Egypt](#)
- 8 [Philippines](#)
- 9 [Russian Federation](#)
- 10 [Viet Nam](#)
- 11 [Myanmar](#)
- 12 [Japan](#)
- 13 [Kenya](#)
- 14 [Malaysia](#)
- 15 [Turkey](#)

Imports (1000 MT)

Smallholders from global south take the stage for inclusive CSDDD

DISCLAIMER: All opinions in this column reflect the views of the author(s), not of EURACTIV Media network.

By Catarina Vieira, Elena Lunder, Fanny Gauttier and Meri Hyske-Fischer | Solidaridad ⌚ Est. 8min

📅 Feb 20, 2023 (updated: 📅 Jul 3, 2023)

Content-Type: Advertiser Content



Daniel Amponsah (left), a cocoa farmer from Ghana, shares his experiences as a smallholder at the European Parliament. To his right Virginie Mahin, Mondelez, MEPs Heidi Hautala and Christophe Hansen and Pedro Marenja, Mozambique National Cotton Producers Forum. [Credits: Steven De Winter / Solidaridad]

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Paths of Change chronicles the 6-year journey of #MudaCana, an award-winning project w/ sugarcane farmers in Brazil.

Read how the programme strengthened 23 producer associations & reached 4K sugarcane farmers covering 85K hectares in Brazil. [📖](#)





Thank you!

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