



**VBO**

Verbond van  
Belgische  
Ondernemingen

**FEB**

Fédération des  
Entreprises de  
Belgique



# Workshop

## SDG's and supply chain

**SDG FORUM**

24/09/2019



# Summary

## Introduction

VBO-FEB

## Sector or cluster initiatives

AWDC, Fedustria, Comeos & BASP

## Private Sector testimonials – Best Practices

Umicore & Solvay

## Questions and Answers

## Conclusions

The Shift



# VBO-FEB

Ineke De Bisschop  
Attaché



# Introduction



## VBO- FEB: Acteur engagé en matière RSE

- Ex.: SDG Voice, 'Children's Right's & Business Platform' (UNICEF), BBAE, PF réfugiés, réseau 'The Shift', brochures, séminaires, ...

## Importance du développement durable: rôle central dans la stratégie des entreprises

- Ensemble très étendu d'obligations et/ou d'engagements volontaires
- Très souvent, il y a aussi la volonté d'aller au-delà des obligations légales
- Est mis en œuvre dans divers domaines (social, environnemental, parties prenantes, etc.)
- Impact positif sur le terrain
- Suivi - rapports sur le développement durable



# Sustainable supply chain



## Activiteiten van de ondernemingen - Zeer uitgebreid **bestaand kader**:

- Basisprincipe: de ondernemingen moeten het **wettelijk kader respecteren** waar ze actief zijn (BE/EU/derde landen) + indirecte verplichtingen voortvloeiend uit instrumenten die bestaan in andere landen (bijv.: Due Diligence)
- Verplichtingen voortvloeiend uit **EU-richtlijnen/-verordeningen** : *'Publicatie niet-financiële informatie'* (transparantie/reporting); *'Conflict minerals Regulation'* (traceerbaarheid: invoer van mineralen); *'EU Timber regulation'* (invoer van hout); herziene richtlijn over *Openbare Aanbestedingen*
- **Multilateraal** kader: velerlei **guidelines/richtsnoeren**: *UN Guiding Principles on Business & Human Rights*; *'OESO-richtlijnen voor multinationale ondernemingen'* (+ tripartiet netwerk 'National Contact Points') + *'Guide – Due diligence'*; ISO (bijv. Norm ISO 26000 over MVO); ILO
- **Sectorale en/of autoregulerende initiatieven**: Bijv.: *Fair Wear Foundation* (confectie), *Max Havelaar* (voeding), *PEFC* (certificatie – houtstroom), *Responsible Care* (chemie), *'ketenoverleg'* (Belgische landbouw)
- Interne normen/praktijken **op ondernemingsniveau**: CSR/MVO-beleid (met name personeelsmanagement); Relaties klanten <-> onderaannemers/leveranciers (contracten, charters enz.)

**Maar ook:** veel succesvolle vrijwillige initiatieven...

# Sustainable supply chain



## Pourquoi ce workshop?

- Due diligence = (1) *identify*; (2) *prevent*; (3) *mitigate*
- ***Processus d'amélioration continue***
- Les entreprises sont des **partenaires ambitieux et crédibles** dans le développement durable et aussi dans la chaîne de valeur.
- Aussi: réalité de la chaîne, sur le terrain, économie globale, rôle des autorités, etc. :
  - Responsabilité des autorités: locales – Belges – Européennes
  - Importance du partenariat (5ème P)!
  - Importance d'un **level playing field international: règles du jeux identiques**, engagements collectifs
  - Pas d'approche "one-size-fits-all"; mais bien au cas par cas; attention particulière aux besoins spécifiques des secteurs
  - Traduction vers le terrain?
  - Reconnaître les bonnes pratiques, encourager, soutenir

# Sector initiatives

**AWDC**

Antwerp World Diamond Center

**Karla Basselier**

**Public Affairs**

# The Kimberley Process



- Unique and successful mechanism meant to **ban conflict diamonds**.
- Governmental initiative supported by the **UN** with 82 participating countries.
- Every export of rough diamonds has to be accompanied by a **Kimberley certificate**.
- Trade with non-members or suspended members is **prohibited**.
- EU is responsible for the production of 50% of the **53.000 Kimberley certificates** produced worldwide.
- After 15 years : **decrease** of share conflict diamond from **15% to 0,2%**.



# World Diamond Council

## *System of Warranties*

- **The World Diamond Council (of which the AWDC is a member organization)**
  - Industry organisation with mandate to *support efforts that prevent the trade in conflict diamonds*
  - Official industry representative within the KP
- **System of Warranties:**
  - Warranty on invoice
  - Requirement to do a self-assessment to ascertain compliance with following principles:
    - UN Guiding Principles on Business & Human Rights
    - ILO Declaration on Fundamental Principles and Rights at Work
    - UN Convention Against Corruption
    - National AML guidelines in line with FATF Guidance for Dealers in Precious Metals and Stones
  - Scope: all buyers and sellers of rough diamonds, polished diamonds and jewellery containing diamonds at B2B level
  - Obligatory application in Belgium

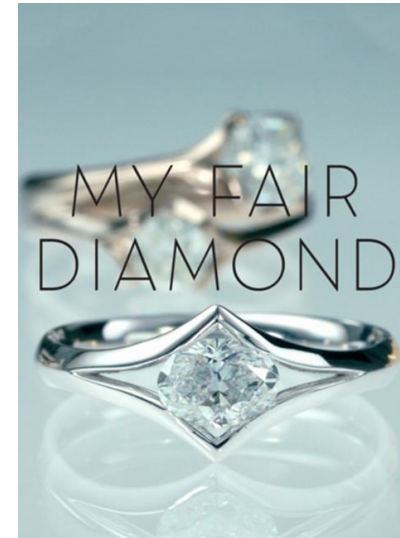
# Responsible Jewellery Council

## *Code of Practices*

- **The Responsible Jewellery Council (of which the AWDC is a member organisation)**
  - Standards and Certification organisation for the whole jewellery supply chain, from mine to retail
  - Provision of evidence of responsible business practices through **certification** (decision based on self-assessment, audit, and report based on self-assessment and audit)
- **Code of Practices**
  - Defines the responsible ethical, human rights, social and environmental practices that all certified RJC members must adhere to
  - New version launched in 2019 including **CoP 7** on *Due diligence for responsible sourcing from conflict-affected and high-risk areas*
  - **Pilot projects** in 2019-2020, general application in 2020-2021.
    - AWDC actively promoting pilot projects within Antwerp diamond industry to make sure that practical application is reinforcing rather than impeding business management
    - AWDC involved in both RJC Standards Committee and Board of Directors following up on CoP 2019 implementation
  - AWDC will host workshop on new CoP and actively tries to bring Antwerp diamond industry and RJC closer together

# Building responsible supply chains

- **My Fair Diamond Project**
  - Sierra Leone
  - Fully traceable jewellery line with ethically sourced diamonds
  - Mines certified against *Maendeleo Diamond Standards*
  
- **Guinea Project**
  - Mines certified against *Maendeleo Diamond Standards*
  - Guinee, Banankoro
  - Fully traceable supply chain “*from mine to finger*” in conformity with SDG’s and *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*



# Diamonds love Antwerp



Thank you!



# Sector initiatives

## FEDUSTRIA

The textile, wood and furniture industries

Filip de Jaeger

Deputy General Director



# Due diligence wood sector: EUTR

- European Timber Regulation of 20 October 2010 (995/2010)
- In force since 3 March 2013
- Bans the marketing of illegally sourced wood or products made thereof
- Operators (putting wood or wood products on the EU market for the first time) have to exert “due diligence”
  - ✓ = a series of measures to determine the legality of wood and wood products and limit the risk of illegally sourced wood entering the market
- Due diligence process: a three-step approach
  - ✓ Information gathering: access to information on the wood and wood products (origin, species, permits, legal requirements with regard to social rights, taxation, ... in line with national legislation in the country of origin)
  - ✓ Risk assessment: assess the risk of illegality in the material purchased
  - ✓ Risk mitigation: take corrective measures in case of a risk of illegality (e.g. 3<sup>rd</sup> party control)



# Due diligence wood sector: EUTR

Wood sector supports EUTR goals, but:

- Lack of guidance by national authorities leads to uncertainty with companies whether measures taken are sufficient
- No level playing field, no uniform implementation within EU
- Not all wood products are covered by EUTR
- Evaluations sometimes seem arbitrary and based on European interpretation of legislation in country of origin (=basis according to regulation), or rather how this ought to be
  - ✓ E.g. requiring to supply information that is as such not available in the country of origin as not foreseen in the national system
- Focus on tropical timber (Brasil, Congo, ...) and limited number of operators
- Focus on the big players, whilst the small companies seem to escape controls
- Impact of politics (e.g. in the case of Myanmar)



# Due diligence textile sector

- Textile sector ≠ clothing sector ≠ clothing distribution sector
- Belgian textile sector: limited link to “countries of concern” (limited production or sourcing from such)
- Full co-operation to achieve due diligence through an active collaboration with the OECD contact point (Due Diligence Conference 19.02.19)
- Traceability = crucial in this very complex value chain, international cooperation is essential
- Therefore : active international cooperation via Traceability Working Group of Euratex (and by extension UNECE)



# Sector initiatives

## COMEOS

Belgische handel en diensten  
Commerces et services en Belgique

**Nathalie De Greve**  
**Head Product Policy & Sustainability**



comeos

# 1er rapport RSE du secteur du commerce et des services

24 septembre 2019



for commerce

and services

# 1e Sectorrapport MVO in de handel- en dienstensector



# I. Introduction et méthodologie

- Nous avons demandé aux consommateurs et aux parties prenantes **ce qu'ils attendent** du commerce :
  - **Analyse quantitative** : enquête en ligne auprès des consommateurs (N=940) et auprès des parties prenantes
  - **Analyse qualitative** : groupes de discussion avec les consommateurs et table ronde avec les parties prenantes
- **Que faisons-nous déjà?** → inventaire des initiatives et bonnes pratiques
- **Que visons-nous?** → priorités

## II. Wat willen de consumenten?

### 1. Basisverwachtingen



**Basis MVO-aspecten:**  
de consument verwacht dat de retailer die garandeert en wil er niet of nauwelijks extra voor betalen

**Cruciaal voor consumentenvertrouwen:**  
als handelaars het niet doen, kan het hen klanten kosten

## II. Que veut le consommateur?

### 2. Attentes liées aux produits



Aspects RSE importants du produit auxquels le consommateur accorde la priorité: il veut bien parfois payer plus

Commerçants peuvent se démarquer de la concurrence et attirer de nouveaux clients

## II. Wat willen de consumenten?

### 3. Specifieke nicheverwachtingen

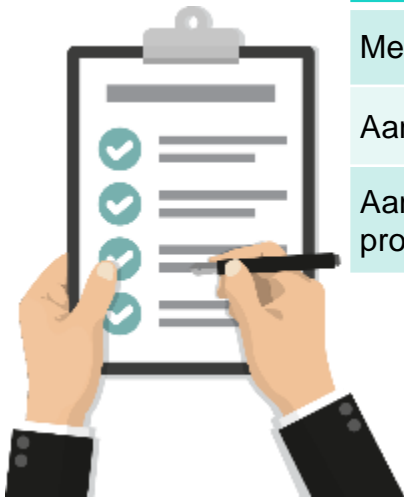


MVO-aspecten die de consument positief vindt maar waar slechts subgroepen belang aan hechten en extra voor willen betalen

Versterkt MVO-beleid van handelaar en versterkt klantenrelatie

## II. Wat willen de consumenten?

### 4. Top 3 prioriteiten voor de consument



	Niet belangrijk	Belangrijk	Bereidheid tot betalen
Mensen- en dierenrechten	15 %	78 %	5 %
Aanbod van gezonde producten	14 %	79 %	5 %
Aanbod van milieuvriendelijke producten	13 %	80 %	5 %



# III. Les réponses du commerce

## 1. Les attentes des consommateurs et parties prenantes traduites en 3 transitions



# III. Wat doet de handel?

## 2. Bijdrage aan Sustainable Development Goals van Verenigde Naties

3 transitie in handel- en dienstensector dragen duidelijk bij tot de SDG's:



# III. Les réponses du commerce

## 3. Le top 3 des priorités des consommateurs

Droits de l'homme et des animaux



- ✓ Le commerce est le **plus grand employeur** privé de Belgique
- ✓ Une politique active en matière d'inclusion et de **diversité**
- ✓ Engagement sectoriel : proposer uniquement de la viande provenant d'animaux abattus avec **étourdissement**, sauf indication contraire

### Que visons-nous?

- Améliorer les **conditions de travail** dans les pays de production reste un défi
- Améliorer l'**accessibilité** des commerces et des services
- **Le bien-être animal** demeure un point d'attention

# III. Wat doet de handel?

## 3. Top 3 prioriteiten voor de consumenten

Aanbod gezonde producten



- ✓ Sectorconvenant **evenwichtige voeding** (2012-2016) :
  - 5% calorie-inname, o.a. via:
    - -5% calorie-inhoud frisdranken
    - -4% suikers ontbijtgranen en +5% vezels
- ✓ 80% van de handelaars sensibiliseert consumenten rond voeding en **gezondheid**
- ✓ Sectorengagement cateraars : **gezonde** dranken en tussendoortjes in scholen

### Waar willen we naartoe?

- Sectorconvenant 2017-2020 :  
consumenten sensibiliseren rond een evenwichtige levensstijl  
**caloriegehalte** sauzen, vleeswaren, bereide maaltijden verminderen

# III. Les réponses du commerce

## 3. Le top 3 des priorités des consommateurs

Offre de produits respectueux de l'environnement



- ✓ Accord sectoriel = 7,88x plus de détergents textiles concentrés par rapport à 2008
- ✓ Accord sectoriel = 60% de la consommation totale de bois primaire est issue d'une gestion durable
- ✓ Offre de nombreux produits locaux :
  - 95% de la viande bovine est belge
  - 99% de la viande porcine est belge
  - 90% du lait est belge
  - 80% des oeufs sont belges

### Que visons-nous?

→ Augmenter l'offre de détergents dotés de l'Ecolabel européen d'un facteur 5,2 d'ici 2019

### III. Wat doet de handel?

#### 4. Transitie naar verantwoorde consumptie: video

**VERANTWOORDE  
CONSUMPTIE**

### III. Wat doet de handel?

#### 5. Transitie naar duurzaam en eerlijk ondernemen: video

**DUURZAAM EN  
EERLIJK  
ONDERNEMEN**

# III. Wat doet de handel?

## 5. Transitie naar duurzaam en eerlijk ondernemen

Arbeidsomstandigheden,  
eerlijke lonen  
en transparantie



- ✓ Handelaars nemen sociale eisen (arbeidsomstandigheden, eerlijke lonen) op in [gedragscode voor leveranciers](#)
- ✓ Alle grote handelaars ondertekenden [gedragscode faire relaties](#) in agrovoedingsketen
- ✓ Enkele voedingshandelaars [controleren](#) leveranciers in risicolanden door onafhankelijke auditbureaus
- ✓ Handelaars ontwikkelen (online) [traceerbaarheidssystemen](#)

### Waar willen we naartoe?

- Leveranciers daadwerkelijk en [onafhankelijk controleren](#)
- Verbetering arbeidsomstandigheden in [productielanden](#) blijft uitdaging
- [Transparantie](#) nog verbeteren



### III. Que fait le commerce?

#### 6. Transition vers une économie circulaire: vidéo



**comeos**

**Vous trouverez le rapport complet et ses  
annexes sur [www.comeos.be/reflection](http://www.comeos.be/reflection)**

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# Vragen?

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**for commerce**

**and services**

# Sector initiatives

## BASP

Belgian Alliance for Sustainable Palm Oil

Jelmen Haaze

Secretary General



# Belgian Alliance for Sustainable Palm Oil

2018

# BASP

## Company Members



**FERRERO**



BAKERIES  
> SINCE 1932 <



## Sector Members

**Fevia**

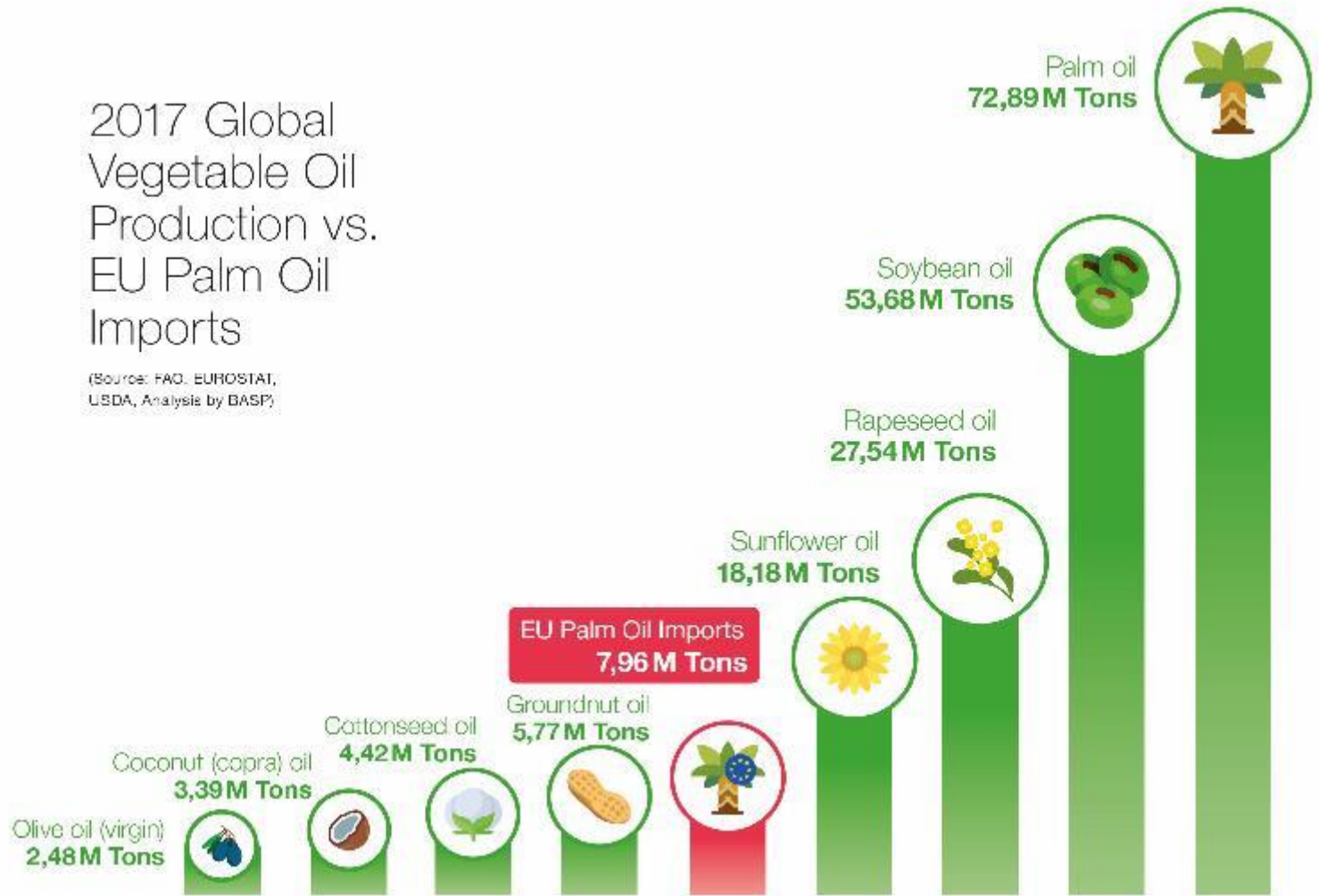


and **deTic** has signed the charter



# 2017 Global Vegetable Oil Production vs. EU Palm Oil Imports

(Source: FAO, EUROSTAT, USDA, Analysis by BASP)



Yield & production  
of Palm oil, evolution  
from 1970 to 2016

Global yield of Palm oil

1970

1 ha

produces

0,7T

2016

1 ha

produces

3,6T

Global production

1970

2,5  
Million  
Tons

2016

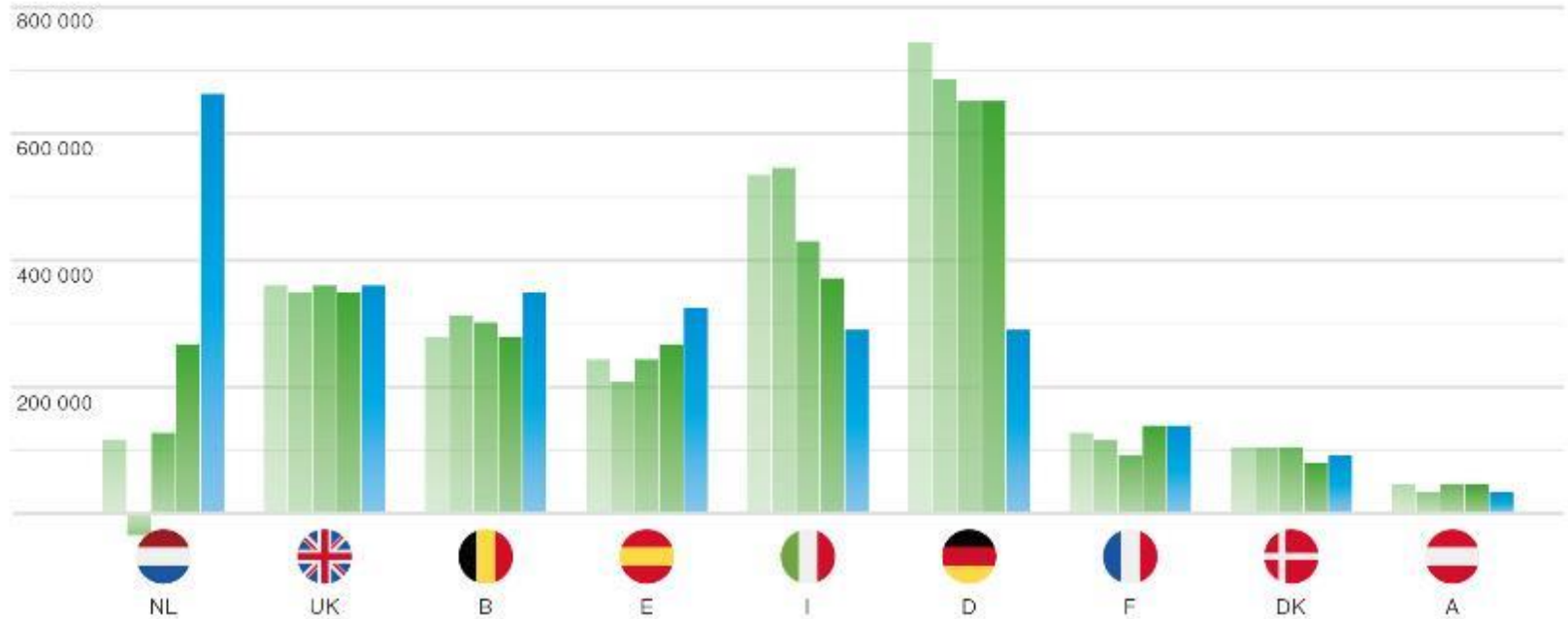
74  
Million Tons





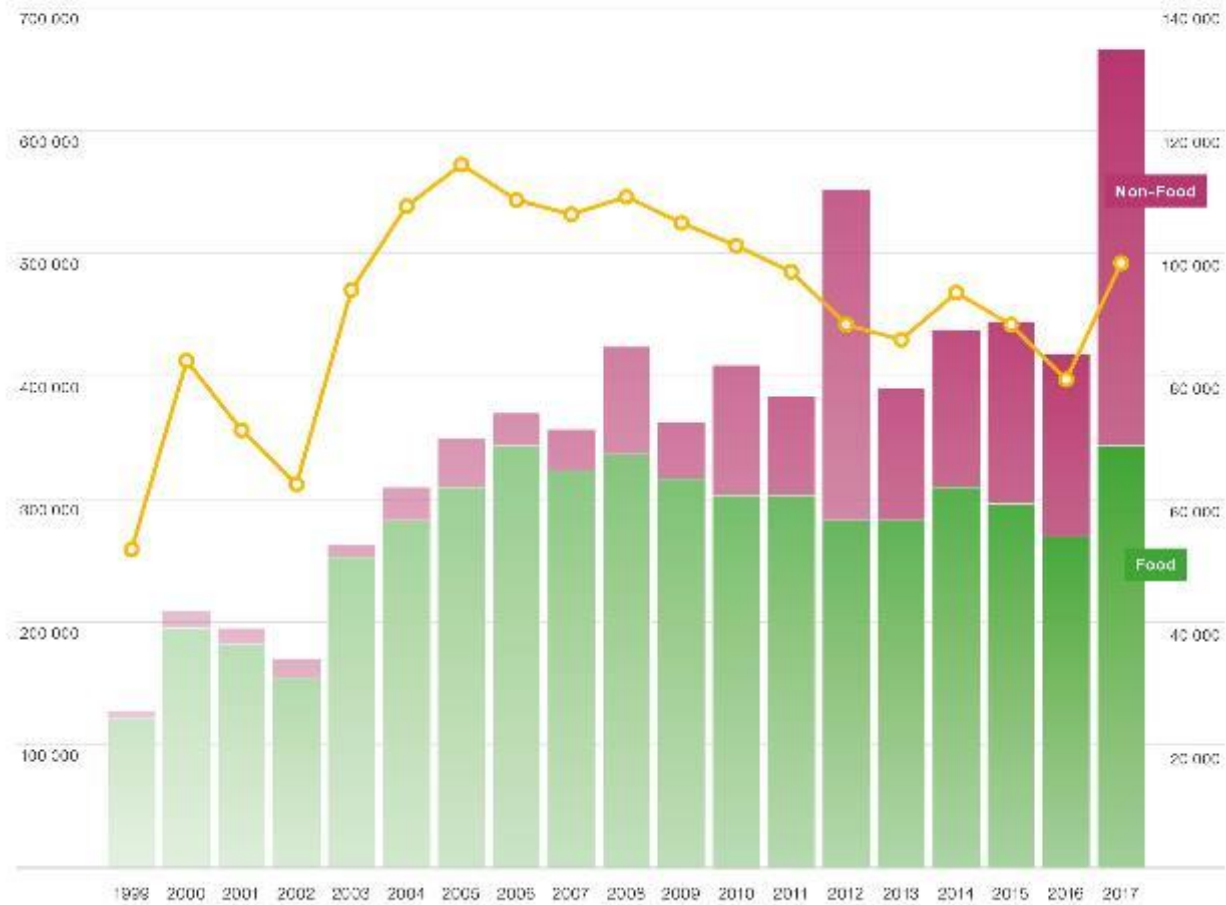
# Net Food Use Per Country

2013 2014 2015 2016 2017 (EUROSTAT, Analysis by BASP - Sorted per 2017)



# Belgium: Food & Non-Food, Metric Tons

— Land Footprint (ha) [Source: EUROSTAT, FAO, Analysis by BASP]







# Private sector testimonies

## Umicore

**Jonas De Schaepmeester**

**Sustainability and Closed-loop Manager**



# Umicore's Due Diligence Approach for Battery Materials

SDG Forum – 24 September 2019

Jonas De Schaepmeester

# Supply Chain Sustainability

We believe that being a sustainable company and preferred supplier to our customers includes as well focusing on a sustainable supply chain.

Umicore's values and visions concerning sustainable raw materials are described in the **Sustainable Procurement Charter**, which focuses on the areas of environment, labour practices and human rights, and business integrity. Additionally, Umicore's Code of Conduct describes how to perform business in an ethical way.

**We note an increasing importance for the sustainability of the battery supply chain for electric cars!**

For the rechargeable battery materials value chain the following minerals are sourced.

- Cobalt
- Lithium
- Nickel
- Manganese



# Supply Chain Sustainability

## Due diligence for raw materials in the battery supply chain

Those 4 raw materials have specific risk profiles and Umicore has developed a tailored approach.

For all raw materials:

- Ensure supply chain traceability to the level of the mine
- Perform screening of OECD Annex II-risks and remove suppliers if needed
- Request adherence to Umicore's Sustainable Procurement Charter, including environmental and social expectations



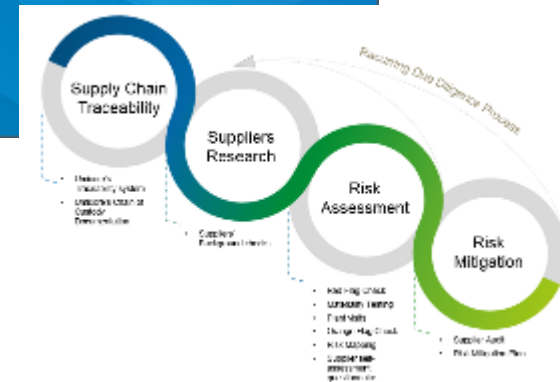
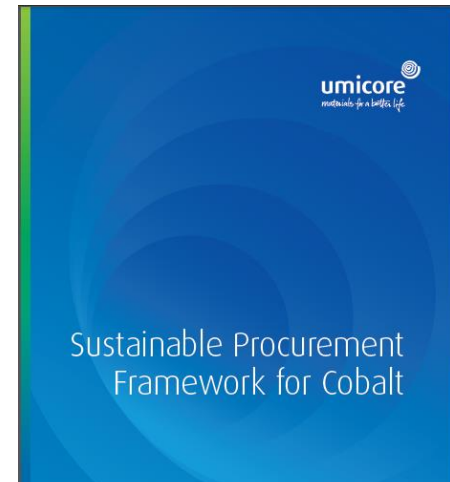


# Supply Chain Sustainability for Cobalt

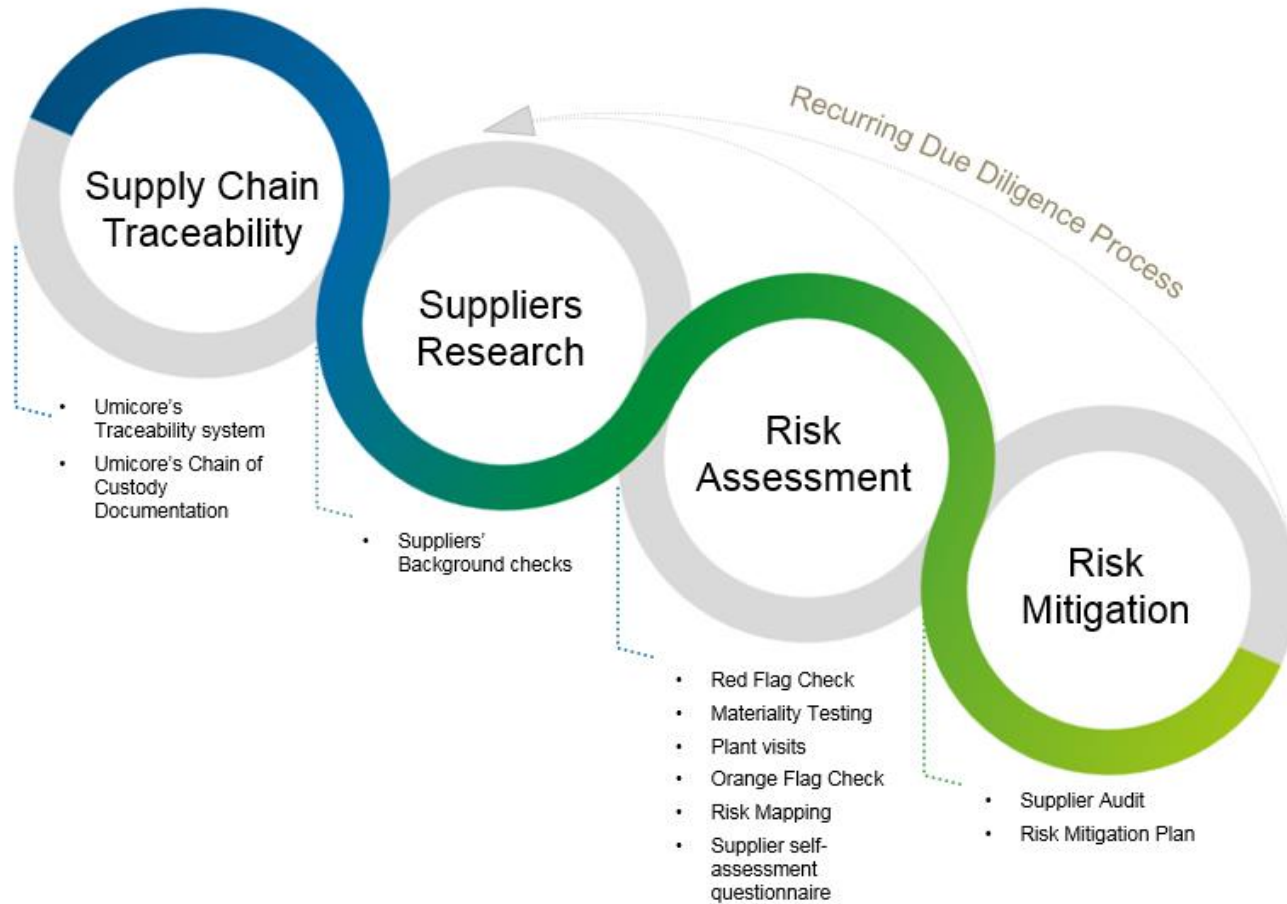
Related to the cobalt supply chain, Umicore is aware of the risks related to the extraction of cobalt, in particular in the DRC.

Umicore has created the **Sustainable Procurement Framework for Cobalt**, which is based on the OECD's Due Diligence Guidance and created to assure that the cobalt in Umicore's supply chain is free of sustainability abuses, including:

- Human rights abuses (incl. child labour)
- Environmental abuses
- Bad health-and-safety conditions
- Bribery and corruption
- Artisanal and small-scale mining activities



# Umicore's Sustainable Procurement Framework for Cobalt



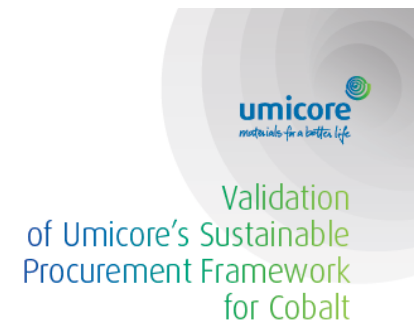
# Sustainable Procurement of Cobalt

Yearly, Umicore undergoes third-party validation by PwC on its cobalt due diligence.

Umicore publicly shares the compliance report of the PwC audit via its annual report


- Including list of risks, incidents and follow-up actions in the supply chain
- Very transparent reporting
- Great recognition from stakeholders

Umicore aims for continuous improvement on its due diligence practices by collecting feedback from all stakeholders.



In 2004 Umicore was the first company in the industry to implement an initiative to manage the specific sustainability and responsible sourcing risks inherently linked to the mining of cobalt. Continued improvements to this approach, combined with in-depth field experience, culminated in 2014 in the creation of a dedicated Sustainable Procurement Framework for Cobalt. This framework is inspired by the 2013 OECD Due Diligence Guidance for Responsible Supply Chains of Minerals.

The main goal of the Umicore Sustainable Procurement Framework for Cobalt is to avoid by all possible means that cobalt in Umicore's supply chain is related to human rights issues, unethical business practices, environmental and health concerns or unacceptable labour practices.



Umicore has engaged PwC\* to review the compliance of its cobalt procurement in 2015 with the Umicore Sustainable Procurement Framework for Cobalt. PwC has expressed independent reasonable assurance on Umicore's Refiner's Compliance Report in accordance with the Umicore Sustainable Procurement Framework for Cobalt for the reporting year 2015. Umicore is committed to continuous improvement, and has taken benefit of the audit findings and recommendations to strengthen further its management systems, procedures and processes.

A detailed description of Umicore's Sustainable Procurement Framework for Cobalt is available on Umicore's website or on request via the sales teams of Umicore's Cobalt & Specialty Materials and Rechargeable Battery Materials business units. Further information on the Assurance Opinion and Umicore's Compliance Report can be requested as well.

\* PwC Bedrijfsrevisoren nvba, burgerlijke vennootschap met handelwettig PwC Reviseurs d'Entreprises scrl, société civile à forme commerciale

# Increased focus on supply chain transparency

Increased attention for traceability along the entire supply chain

- Aim to install supply chain transparency from cobalt mine to consumer product
- **! Note:** traceability on its own will not improve the sustainability of the mining practices
- Blockchain applications are very popular – “hype or real game-changer?”
- Projects are exploring the opportunity to trace batteries until they reach the end of their life to assure proper recycling and allow for re-use? Concept of “battery passport” is implemented in China already!

Umicore wants to support those tools that will assure a sustainable value chain for batteries!

# Private sector testimonies

Solvay

**Albert Grissenaar**

**Purchasing Process Leader – Sustainability**



**SOLVAY**

asking more from chemistry®

# Workshop Due Diligence VBO/FEB - THE SHIFT

## Purchasing Best Practices Solvay Group

A. Glissenaar - 24/09/2019

# Some of our best practices (1)

Solvay deploys a company wide sustainability program (Solvay Way)

- 37 Practices focus on 6 stakeholders
  - Customers, Employees, Planet, Investors, Suppliers and Society
- All Business Units, Sites and Functions participate
- Individual bonus for all employees
- SW-program fully reviewed in 2018 in order to integrate 2025 objectives and set new meaningful and challenging targets



# UN Sustainable Development

# Goals 2025



**SOCIETAL ACTIONS**

X2 Employees involved in societal actions

4 QUALITY EDUCATION | 17 PARTNERSHIPS FOR THE GOALS

**SPM**

50% Share of sustainable solutions in the Group portfolio

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

**PEOPLE ENGAGEMENT**

80% Employee engagement index

**CO<sub>2</sub>**

-40% Reduction of carbon intensity

**SAFETY**

-50% of occupational accidents with MTAR target < 0.50

8 DECENT WORK AND ECONOMIC GROWTH | 13 CLIMATE ACTION | 7 AFFORDABLE AND CLEAN ENERGY | 3 GOOD HEALTH AND WELL-BEING



## Some of our best practices (2)

Solvay deploys a company wide purchasing program (Solvay Purchasing Process) in which Sustainability is fully integrated.

- The program starts with the definition of the Category Strategy:
  - Risk review of the up stream and down stream supply chain;
  - Weight factor for Sustainability in Sourcing Decision Grid (5 - 20 %)
- Core Suppliers 3<sup>rd</sup> Party assessed by 2020
  - Growth Partners, Strategic Suppliers, High Risk Suppliers
  - 1000 Core Suppliers on a total of 40.000 Suppliers
  - Corrective Action Plan for low scores
- Assessment program realized as member of Together for Sustainability (TfS)
  - Shared efforts, shared results, shared development of approach (Tier 2 suppliers)

# Brake through new practices

- Purchasing Function reorganized to abate complexity
- Clear responsibility for objectives by Domain, cascaded to individual objectives for buyers
- Escalation process put in place to review cases of suppliers unwilling to participate in the 3<sup>rd</sup> party assessment program
- Established a CSR-Committee to review requests for waivers and follow up on (potential) serious violations (i.e. corruption, human rights infringements)
- Identification of High Risk Suppliers by Business Units and Domains , no longer based on calculation rules such as amount of spend
- Pilot tests of several deep dive risk review methodologies in specific supply chains following requests from customers

# Conclusions

## The Shift

Anthony Vanoverschelde