
SESSION 3 SUMMARY

SESSION TITLE: INNOVATIVE SOLUTIONS FOR SUSTAINABLE SUPPLY CHAINS

AUDIENCE:

Using a web-based voting software, the audience was asked by the moderators Gabriela Alvarez and Aimee Russillo to identify themselves as to which group of stakeholders they most belong to:

- a) Producer or Producer Association - 9
- b) NGO - 19
- c) Government - 8
- d) International Governmental Organization - 17
- e) Academia - 13
- f) Corporate - 15

Moderators then asked about the biggest perceived challenge in scaling up sustainability efforts across entire value chains. The audience shared its thoughts by submitting words directly online, mostly using terms such as “coordination”, “trust”, “cost”, “price” and “complexity”.

SPEAKERS:

1) Jo Webb, head of Stakeholders Relations, SEDEX

Quote:

- “Pressure on companies to improve supply chain working conditions and performance has never been greater. Yet, smaller businesses often lack access to knowledge and tools to resolve them”.
- Suppliers are suffering from capacity building fatigue.

SEDEX is developing E-learning and collaborations in capacity building, trying to address non-compliance in a more inclusive way.

Question to the audience: What is the most effective way to improve performance against sustainability standards in supply chains?

- a) General awareness raising initiatives – 8%
- b) Communication on policies and expectations – 18%
- c) Compliance audits – 25%
- d) Online trainings (contextualized) – 12%
- e) Face-to-face training – 37%

2) Deviah Aiama, Programme officer, IUCN

Quote:

- “IUCN launched the Aluminium Stewardship Initiative in October 2012: from the outset the main challenge was to ensure that the standard would address the relevant sustainability issues and lead to real positive changes in the sector. The approach to meet such a

challenge is based on the recognition that these could only be addressed through a credible engagement process emphasizing inclusiveness and transparency”.

Question to the audience: Does competition among standards lower or raise sustainability performance of certified products? Aiama says yes, audience disagrees:

- a) Multiple standards LOWER sustainability performance – 43%
- b) Multiple standards RAISE sustainability performance – 20%
- c) Number of standards not linked to sustainability performance – 37%

3) Sonja Schmid, Equivalence Process Officer, Global Social Compliance Programme

Quote: “The GSCP brings together key actors of the consumer goods industry to collaborate on a common goal: driving positive change and business efficiency in the areas of social and environmental sustainability along the supply chains”.

GSCP has developed innovative solutions to enable business actors to share best practices and benchmark themselves against globally recognized reference tools. GSCP has worked closely with ITC to develop the Quick-Scan tool, which leads members to the full Equivalence Process of GSCP.

Question to the audience: What is the main obstacle to create trust for collaboration and mutual recognition among standards?

- a) Lack of knowledge about respective requirements - 10
- b) Complexity of systems - 13
- c) Schemes are too different (scope, requirements) - 10
- d) Different drivers/goals of schemes - 36
- e) Concerns to make internal procedures public – 3

Post-question discussion: a major obstacle is the existence of different drivers. Harmonizing requires stronger recognition of the fact that schemes’ drivers and goals are quite different in nature. The audience also raised the point that self-preservation of schemes is also preventing harmonization and collaboration.

4) Friedrich von Kirchbach, Senior Advisor, Committee on Sustainability Assessment - COSA

Quote: “Harmonizing what and how we measure is a requisite factor to accelerate sustainable trade practices”.

Innovation in monitoring systems is critical to create more sustainable impact in international supply chains. Consistent and real-time monitoring of performance could be driven through technological innovations that also reduce costs of data collection and interpretation.

Question to the audience: What areas in sustainability performance monitoring are most important to further develop? (using a scale from 1 to 5)

- a) Harmonizing indicators for monitoring, evaluating – 4,2
- b) Enhancing exchange of monitoring best practices – 3,1
- c) Strengthening the monitoring community of practice – 2,8
- d) Creating better IT supported systems - 3
- e) Disseminating better the results – 3,3

This is where COSA has made the most tremendous efforts on trying to harmonize indicators and use the ones that best fit the needs of efficient performance systems. The dissemination of results is also showing high relevance so these results are really interesting.

5) Javier Arizmendi Ruiz, Operations Manager, ZERYA

Quote:

- “The supply chain of restaurants, particularly fast-food ones, is constantly questioned and challenged on every imaginable topic, from food safety to social accountability.”
- Sustainable fast food is no longer an oxymoron.

Told the story of the fast food movement, which tries to encompass sustainability in the procurement of products – for example lettuce – that first needs to comply with quality and food safety standards, but then also sustainability requirements. Zerya is on its way to achieving the goals to keep quality as a top priority and including at the same time the sustainability issues directly in the overall strategies.

Question to the audience: What is the most relevant sustainability element to improve in the Food Supply Chain?

- Agriculture yields - 19
- Shelf life of products - 1
- Water efficiency - 14
- Biodiversity - 12
- Nutrition concerns - 8
- Carbon emissions - 6
- Other - 10

The audience seems to indicate that agriculture yield would be the most relevant one to make efforts on, before water efficiency, biodiversity or nutrition concerns. Social criteria were not considered in the scope of this project by Zerya. Productivity would also have raised a lot of interest from the audience as being a key area to work on.

6) Juan Isaza, Head standards & verification manager, 4C Association

Quote:

- “Despite considerable progress towards a more sustainable coffee sector over the last decade, the majority of coffee growers have not reaped the benefits yet”.
- The supply chain is not enough to drive sustainable standards. The real drivers are poverty and climate change.

Sustainability issues are complex, and the level of urgency to handle these issues is not yet felt very much by many actors in the sector, leading them to rather focus on opportunity-driven strategies. As such, 4C develops a common platform that is by essence multi-stakeholder based and leads to the sustainable transformation of the coffee sector.

Question to the audience: Which of these strategies do you consider to be more valuable for change in a sector?

- Enabling 3 farmers to advance 10 steps towards more sustainable practices – 17%
- Enabling 10 farmers to advance 3 steps towards more sustainable practices – 83%

7) Gabriella Crescini, Head Clients and Partners Relationships, SwissContact

Quote: “To comply with international demands in order to be able to sell to the buyers that have committed to source sustainably, farmers need to be brought up to speed on the demands of certification schemes and bring them up to speed on the requirements of certifications such as Fairtrade, UTZ, and Rainforest Alliance.”

Empowering producers and producers’ organizations is the ultimate goal, allowing them to progressively make steps towards better and more sustainable practices in production while increasing access and competitiveness in international markets.

Question to the audience: How should sustainability efforts be financed? Ex. if cost was ‘100 US\$’ who should pay what? (spread of the 100\$ cost)

- Producer/Producer Organizations – 17%
- Traders – 21%
- Manufacturers – 23%
- Governments – 19%

e) Consumers – 20%

CONCLUSIONS:

- Learning mechanisms and capacity building activities have to be outcome-focused, aiming to instill the business case of good practice in a way that builds better, more responsible businesses;
- Addressing sustainability issues in international supply chains must be based on the recognition that these could only be addressed through a credible engagement process emphasizing inclusiveness and transparency;
- Creating trust among buying companies for collaboration and harmonization of supply chain requirements is a critical success factor for building sustainable supply chains;
- Impact assessment systems can lead companies as well as schemes to more effective management, greater efficiency and more productive trade scenarios;