COMMUNICATING AUDIT RESULTS

A DESK STUDY ON CURRENT PRACTICES AND EMERGING TRENDS

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FAIRTRADE

PURPOSE OF TODAY'S PRESENTATION

Sharing findings from our study "Communicating Audit Results"

Encourage you to use the findings and available resources for future HRDD work

A DESK STUDY ON CURRENT PRACTICES AND EMERGING TRENDS
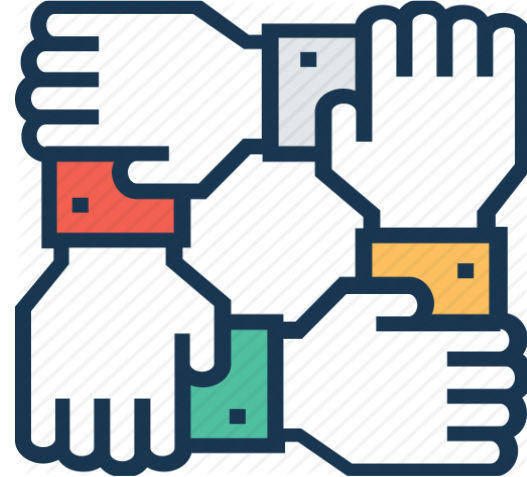
Objectives of the study

- To better understand trends in how other **Voluntary sustainability standards (VSS)** and other sustainability initiatives are using their **audit data** to **report results**

- To support Fairtrade in **aligning** its reporting with stakeholder **expectations both internally and externally**

Evolution

toward Output & Outcome,

Merging of Assurance & M&E,

also more sophisticated approaches for reporting

Collaboration,

coordination &

harmonization

across VSS, sectors and stakeholders

TYPOLOGY OF ORGANIZATIONS REVIEWED

VSS reporting with audit data	Companies reporting with audit data	Orgs not reporting with audit data, but with trends insights	Orgs not reporting nor with trend insights
LEAF Marque	Tiffany & Co	Aluminum Stewardship Initiative	GIZ
Rainforest Alliance	SEDEX	SAN	UTZ
MSC	Mars	ISEAL Alliance	Global Gap
Bonsucro	Pepsico	Global Infrastructure Basel	RTRS
BCI	Nestlé	World Resources Institute	Theo Chocolate
GoodWeave	Shell	World Cocoa Foundation	Root Capital
RSPO		Global Reporting Initiative (GRI)	Rabobank
Textile Exchange		IDH	
Verra		IISD	
		Global Coffee Platform (GCP)	

PART I
VOLUNTARY SUSTAINABIILTY STANDARDS (VSS) REPORTING PRACTICES & EXAMPLES

TYPE OF VSS AUDIT-RESULTS COMMUNICATION

Type	Description
Reach	Size and scope of the VSS influence, including spatially, geographically, demographically, and by volume commodity, population and market share
Compliance	Results of binary data on compliance and non-compliances (i.e., yes/no checklists), including counts (numbers and percentages) and actual compliance scores
Output	New knowledge gained and specific practices adopted by certified units in order to meet a certain criterion; corrective actions or behavioral changes
Outcome	Reporting on the higher-level outcomes of certification (requiring some degree of correlation or contribution)

average compliance score: ● 90–100 ● 80–89 ● 70–79 ● 69 or less
▲ increase of at least 10 points since the first audit   ▼ decrease of at least 10 points since the first audit
* critical criteria since the standard's inception   ** critical criteria since December 1, 2015

	banana Central America	banana South America	cocoa Indonesia	cocoa West Africa	cocoa South America	coffee Brazil	coffee Central America	tea India	tea Indonesia	tea East Africa
Worker Wages & Rights										
5.5* Workers earn at least the minimum wage										
5.7 Overtime is voluntary, with higher pay										▲
5.12* Workers have right to organize										
Housing & Education										
5.14** Clean and safe housing					▲	▲		▲		▲
5.17 Access to education for										

Most compliance data is reported as **counts**: # or % of certified units in compliance.

The left table compares (presumably) 2017 performance of operators against that of 2010

Source: RainForest Alliance, from their Impacts report 2018

OUTPUT AND OUTCOME REPORTING EXAMPLE: MARINE STEWARDSHIP COUNCIL (MSC)

92% of certified fisheries have been required to make at least one improvement

Compliance:
suspended fisheries
% certified fisheries that were required to make improvement

In the last two years MSC certified fisheries have made **288** improvements to ensure best practice, including:

143 to minimise their environmental impact

75 to ensure the sustainability of fish stocks

70 to strengthen fisheries management

Output:
improvement taken

16 improvements benefitted marine mammals

33 improvements benefitted sharks and rays

9 improvements benefitted marine reptiles

44 improvements benefitted habitats

36 improvements benefitted seabirds

Outcome:
improvement that benefitted marine inhabitants

CHILD / FORCED LABOUR RELATED AUDIT RESULTS?

Theme	Organization	Indicator	Type of Indicator (Compliance/Output/Outcome)
Forced Labour	Bonsucro	Yes/No whether comply with ILOs Labour Conventions	Compliance
Child Labour	Better Cotton Initiative	Percentage of farmers who can accurately differentiate between acceptable forms of children's work and hazardous child labor	Output
Child labour /protection	Goodweave	Number of children rescued from exploitation	Outcome
Child Labour	Bonsucro	Age of worker (years)	Outcome

PART II
EMERGING
TRENDS

Bonsucro Sustainability Standard Metrics Calculator

1.1.1	Are relevant national laws and international conventions complied with?		Yes/No
1.2.1	Can the right to use the land and water be demonstrated and is not legitimately contested by local communities with demonstrable rights?		Yes/No
1.2.2	Land that is legitimately contested by other users		ha
1.2.3	Water that is legitimately contested by other users		m3
2.1.1	Worker minimum age, non-hazardous work		years
2.1.1	Worker minimum age, hazardous work		years
2.1.1	Are there small family farms inlcuded in the unit of certification?		Yes/No
2.1.1	Did the country of operation ratified ILO C138?		Yes/No
2.1.2	Absence of forced or compulsory labour		Yes/No
2.1.3	Absence of discrimination		Yes/No
2.1.4	Is the right of all personnel to form and join trade unions and/or to bargain collectively repected?		Yes/No
2.2.1	Number of occupational injuries (accidents)		
2.2.1	Total numbers of hours worked (man hours; direct employees)		hours
2.2.1	Total numbers of hours worked (man hours; sub-contracted work)		hours

Producers and mills input performance data for each Bonsucro's indicator. The tool guides 3rd party verification

TREND 2: ALIGNING ON TARGETS

AIDS CREDIBILITY INTEROPERABILITY AND SECTOR-WIDE REPORTING

SDGs (& GRI SDG Compass, HRDD)

Global Living Wage Coalition

ISEAL Common Core Indicators

Living Wage Salary Matrix Tool (IDH and Rainforest Alliance/RA)

Global Coffee Platform (GCP)-led common indicators for the coffee sector

Accountability Framework

Delta project (expanding GCP indicator work to Cotton and Coffee)

A FOCUS ON OUTCOMES FROM THE BEGINNING PROVIDES MORE IMPACTFUL OUTCOME DATA

LESS CAN BE MORE

Type	Indicator
Compliance	Amount of Verified Carbon Unit (VCU) issued per year and over time; amount of VCU retirements per year and over time;
Outcome	VCU equivalents in 'cars taken off the road; tonnes of carbon and GHG removed from the atmosphere;

Source: https://verra.org/

ENABLES PRIORITIZATION AND REPORTING BASED ON RISK FACTORS

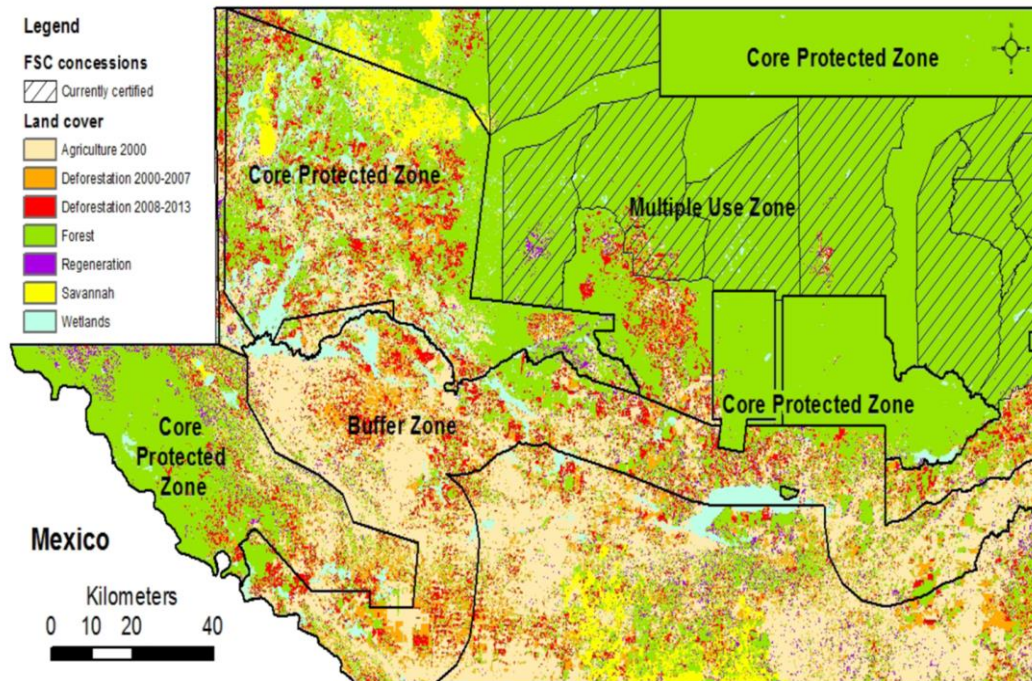**The SAN, RA and Ergon Associates**

Rainforest Alliance

- High risk locations for Forced Labour
- Collaboration
- Assess agriculrural supply chain vulnerability to forced labour
- Reporting based on risk factors

Nestlé

Nestlé

- Risk-based prioritization on investments and reporting on their sustainability commitment

- e.g. Human rights related topics: Risk areas are identified by the types of 'rights holder', reported together with the lead and support roles that are assumed to address the risks
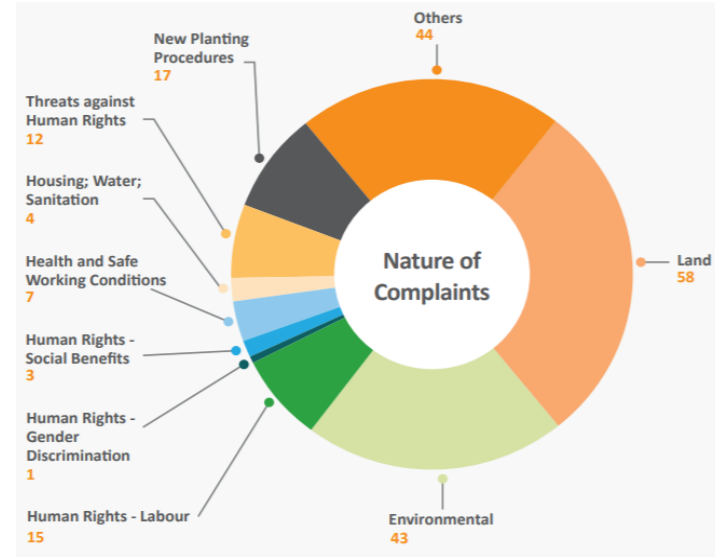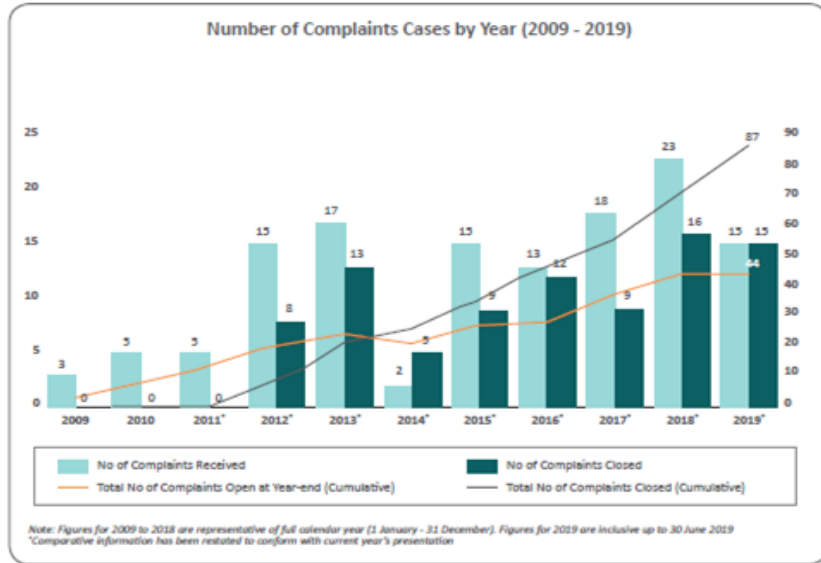
TREND 5: USE OF 3RD PARTY DATA

HELPS ORGANIZATIONS LINK TO SCIENCE AND MAKE THE MOST FROM THEIR DATA

RFA have historically combined geolocation data with **Global Forest Watch tree cover data** to demonstrate impact of their programs, such as illustrated here for the Mayan Biosphere Reserve, Guatamala.

TREND 6: IMPROVING COMPLAINTS PROCEDURES

SUPPORTS BETTER UNDERSTANDING OF COMPLAINTS AND TRANSPARENT REPORTING

Source: RSPO Impact Update 2019
https://rspo.org/library/lib_files/preview/976

TREND 7: OPERATING AND REPORTING AT SCALE

FACILITATES MULTI-STAKEHOLDER COLLABORATION TO ADDRESS COMPLEX AND ENTRENCHED ISSUES, WHILE ALSO ADDRESSING ACCOUNTABILITY BROADLY

SAN

- The Blueprint for a Sustainable Landscape project
- Collaboration: Roundtable on Responsible Palm Oil, RA, Fairtrade
- A practical, multi-level set of tools to assess and drive long-term sustainability improvements across a landscape

ISEAL

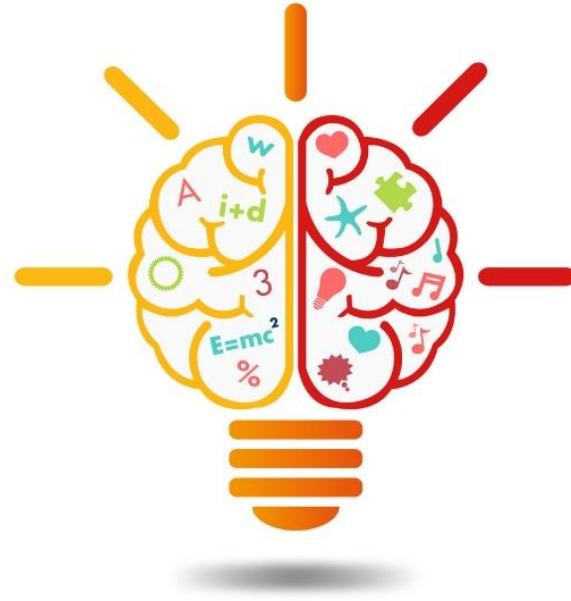- Soon release a good practice guide for verification of jurisdictional claims

PART III
RECOMMENDATIONS

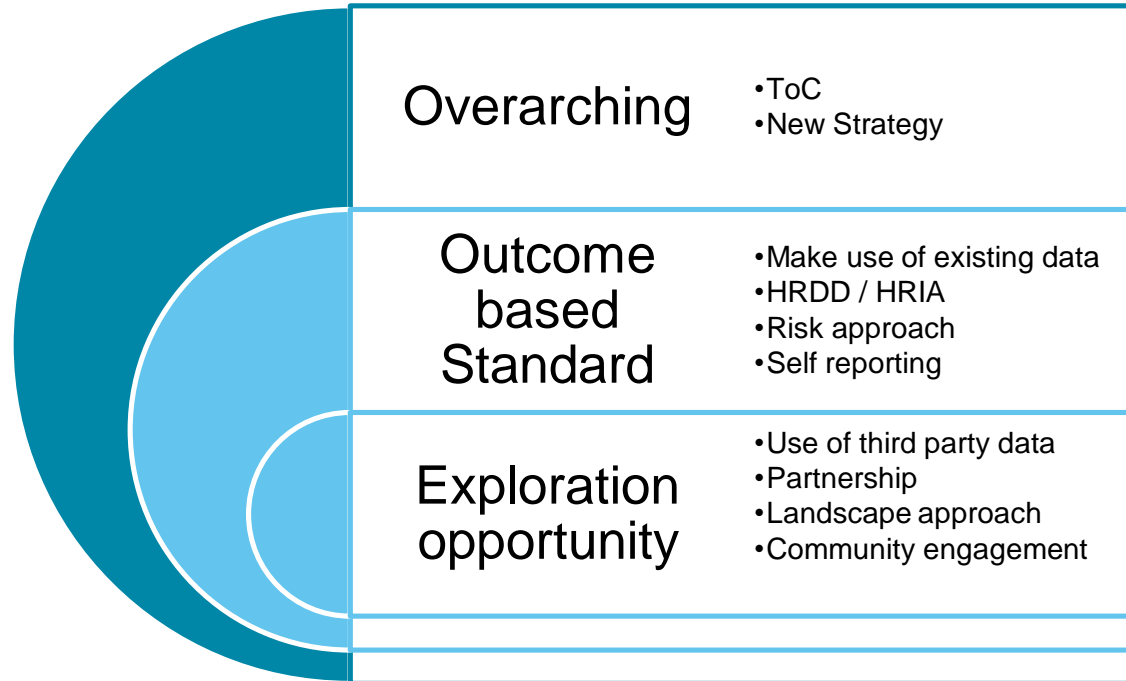# DRAW LESSONS AND EXPERIMENT WITH EMERGING TRENDS, WHILE RECOGNIZING THAT MOST ARE STILL BEING TESTED

ACKNOWLEDGE WHAT WE HAVE

1. VSS STARTING FROM COMMUNICATING ON TREND INSIGHTS TO AUDIT DATA RESULTS

2. SELECTIVE REPORTING ON SOME TOPICS

   LESS CAN BE MORE IMPACTFULL

3. OUTCOME REPORTING A: 3RD PARTY DATA (POTENTIALLY HRDD)

4. OUTCOME REPORTING B: SELF REPORTED (POTENTIALLY LIKE MEL IMPACT MONITORING)

Overarching	•ToC •New Strategy
Outcome based Standard	•Make use of existing data •HRDD / HRIA •Risk approach •Self reporting
Exploration opportunity	•Use of third party data •Partnership •Landscape approach •Community engagement

- Standard contribution to ToC
- HRDD O2B
- HRIA benefit from MEL Conformity Dashboard (Trader, Producer; Synergy with GRM/programmatic approach)
- HRIA contextualise with Third party data

Please use available info from the study!