

# 6 tips on how to become more socially responsible in the grains, pulses and oilseeds sector

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When your company has a better social impact, you have a competitive advantage in the European market. European consumers and governments really value social responsibility. This means that companies in Europe must look for suppliers that help them to have a socially responsible supply chain. If you develop this aspect, you will be in a better position. When you adopt an internationally recognised standard, you demonstrate your commitment to sustainability and meet the buyer's requirements.

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## 1. Show compliance with international social standards

The biggest opportunity for social responsibility is showing that you meet international standards. International buyers now want their entire supply chain to meet international social responsibility standards. This applies especially to importers who do business with big retailers.

Internationally recognised standards set a level of social responsibility that you can compare with your own operations. With these standards, you can assess your company and supply chain and see what you need to improve. Buyers also have their preferred standards that come from the risks they want to avoid in their supply chain. When you know which standard your target buyers prefer, you know what you need to comply with to be a good supplier to them.

The grains, pulses and oilseeds chain faces some challenges related to social responsibility. In agriculture, challenges include things like not having enough Personal Protective Equipment (PPE) or dealing with gender inequality. The challenges that you face will depend on your company and your supply chain. If you meet a standard like the ETI Code of Conduct, you will improve your company's performance in these aspects.

If your company buys from several small producers, you could introduce the Fairtrade Standard. This standard will help your company be socially responsible to smallholder farmers.

After you have introduced a standard, your company needs to prove it. This is when certification and third-party auditing become important. To make sure that their suppliers meet their standards, a lot of buyers in Europe use third-party auditing. You can certify your company or product to an internationally recognised standard so

that you will be ready for business and you will do well from this trend.

## Choose a standard

Public pressure and expected laws are causing big traders and processors to check their supply chains. They must prevent human rights abuses and harmful practices. One easy way to ensure social responsibility is to buy from certified suppliers. This is especially true if a third-party auditor audited them. Social responsibility standards can help you do business with important buyers in Europe. In the grains, pulses, and oilseeds sector, SMETA is the most common social responsibility standard.

The following standards apply to grains, pulses and oilseeds. Each has its own unique areas of focus and its own ways to achieve social responsibility. It is important to choose the standard that matches your business needs and meets the requirements of your buyers.

### SMETA

**SMETA** is a way to audit social responsibility in a company. It is based on things like the [Ethical Trading Initiative \(ETI\)](#) Base Code and local laws. SMETA focuses on workers' rights, health, safety and the environment. The SMETA standard is widely recognised in the agri-food industry (including grains, pulses and oilseeds). It is a Business-to-Business (B2B) standard, meaning that other companies can see if you have it, but the end consumer cannot see this.

After a SMETA audit, you will not get a certificate. Instead, the details of the audit can be uploaded to an online platform (Sedex) to show your buyers the issues in your supply chain. The buyer will be able to choose whether or not to buy from you, based on the results of the audit.

### Amfori BSCI

**BSCI** aims to improve working conditions and workers' rights in global supply chains. It promotes social compliance through supplier audits, corrective action plans and capacity-building initiatives. Like SMETA, BSCI is widely recognised in the agri-food sector and only other companies can see the results. You will not get a certificate after a BSCI verification audit. Instead, the results will be uploaded to the online Amfori BSCI platform so that your buyer can see them.

### SA8000

**SA8000** focuses on the fair and ethical treatment of workers. It sets criteria for different labour-related issues, including:

- Child labour;
- Forced labour;
- Health and safety;
- Freedom of association; and
- Fair pay.

However, SA8000 mainly focuses on labour standards. It may not cover other aspects of environmental sustainability. This standard does actually give you a certificate.

### Fairtrade

**Fairtrade** focuses on fair prices, fair trade practices and community development for small-scale farmers and workers in developing countries. It aims to empower producers and cause social and economic improvements. This standard sets a minimum price for some producers. It also sets an extra amount of money that should be paid to the producers to improve their conditions. It also includes environmental aspects.

The Fairtrade logo is recognised by a lot of consumers and buyers in Europe. It will give you access to niche

markets of speciality foods that have been fairly traded. However, in this product group, Fairtrade certification is only available for quinoa, rice and snacks.

[Green Net](#) is a Thai cooperative. They can supply their speciality rices to several big importers of speciality foods like [Gepa](#) and [Eza](#). This is possible because they have organic and Fairtrade certifications.

Figure 1: Organic and Fairtrade rice from Thai company Green Net

Source: Trade Aid YouTube Channel

## **Fair for Life**

Like Fairtrade, Fair for Life is a certification programme that aims to increase fair trade and social responsibility in many different industries, including food. It focuses on fair working conditions, fair wages and respect for human rights in the whole supply chain. Fair for Life includes environmental sustainability and community development. It shows consumers that products are sourced and produced ethically.

Please keep in mind that Fairtrade and Fair for Life are niche certifications. Most buyers of grains, pulses and oilseeds choose 1 of the other options, usually SMETA.

## **B Corp**

If sustainability is very important to your company, B Corp may be a good standard for you. This standard aims to increase social and environmental sustainability. It looks at the company's impact on its workers, customers, community and environment. It checks several different aspects, including:

- Governance;
- Workers' rights;
- Supply chain;
- Community engagement;
- Environmental practices.

**B Corp certification** is a private standard that does more than the regular standards, because it shows sustainable performance and transparency. It is used by companies that want to make social improvements and that are very committed to sustainability – or by companies that work hard to improve their social reputation.

At the moment, B Corp is not used by many companies in the sector of grains, pulses and oilseeds. But it can be a way to move ahead of other suppliers that are working on their social certifications. One relevant company in Europe that has B Corp certification is **Ecotone**. They own some of the biggest organic food brands, for example **Allos** and **El Granero**.

## **Communicate your certifications and other efforts on social responsibility**

After you get your certification or verification, you should put the logo in all your marketing tools and materials. This includes your website, brochures and catalogues, and you should even put it on your booth if you go to a trade show. Many European buyers really value these certifications, so you should tell people about it to attract customers.

In fact, you should tell people about everything you do to support your community. Make sure that you always include information about your relationship with the community.

### **Examples from South America and Africa**

**Anapqui** is a cooperative in Bolivia. They got Fairtrade certification to make life better for the smallholder producers and to reduce the pressure from intermediaries and national and international markets. This company now regularly supplies organic and Fairtrade quinoa to El Puente GMBH. El Puente is a big importer of Fairtrade products in Germany. Anapqui include all their certificates on their website's homepage. This means that the certificates are the first thing that visitors see when they go to the website. Right under the logos, there is a box with information about fair trade practices and the impact they have on their community. This is how the company shows clearly that social responsibility is an important part of its Unique Selling Point (USP).

Another example is the Ugandan company **GADC**. GADC exports sesame seeds and other products. Their website has a section on certifications that includes the logos of SMETA and Fair for Life. The rest of their site is also full of proof of their commitment to social responsibility and their impact on their community.

Figure 2: Video of the training programme sponsored by GADC to help farmers to improve productivity

Source: GADC YouTube channel.

### **Tips:**

When you send your first e-mail to a potential buyer, make sure that you talk clearly about the standards that you meet. You can also add the logo to your e-mail signature to get the buyer's attention.

Add a section about your social responsibility to your website. Include your certifications, standards, code of conduct and the projects you do for the community.

## **2. Tackle key safety risks in your company**

Employees need a safe and healthy work environment to do their best work. European companies also expect their suppliers to have good working conditions. If you take care of the safety and health of your employees at work, this will help them, and it will also help you to meet the buyer's requirements.

### **Ensure basic safety measures in your facilities**

First, make sure that you have taken basic safety measures. When social audits of facilities in the grains, pulses and oilseeds sector show up non-compliance, this is often because basic safety measures are not present. These measures can include:

- A first aid kit;
- Firefighting tools (like a fire extinguisher);
- Emergency exits;
- Clear signs that show the emergency exits; and
- An evacuation plan to get everyone out of the building in an emergency.

Your local laws may already require some basic measures. If not, you can use the [ILO'S Guidelines on occupational safety and health management systems](#) as a guide. Here are some basic safety procedures for farms and handling facilities of grains, pulses and oilseeds:

- Decide on specific exits from farm buildings, storage facilities and other areas. Make sure that emergency exits are clearly marked and that all workers can get to them easily. Inspect and maintain these exits regularly to make sure that they are always ready when you need them.
- Put fire extinguishers in places where people can get to them easily, and inspect the fire extinguishers regularly.
- Decide on clear evacuation routes out of the building, and set up emergency assembly points where people can come together in an emergency.
- Have danger signs to show where there are overhead electricity cables. This is especially important in places that are close to where tip trucks and augers work. Remove anything that could trip people up or make them hit their heads.
- Make sure that children cannot use ladders.
- Put guard rails on dangerous equipment and conveyor belts.
- Make sure that there are lights so that people can use storage areas safely at night.

You should also teach your workers about potential dangers and emergency procedures. Encourage your workers to report safety concerns or incidents to managers. This will help you to introduce relevant safety measures and avoid accidents.

## **Keep an eye on common health risks in the grain, pulses and oilseeds sector**

There are several health and safety risks for growing and handling grains, pulses and oilseeds. Some of the dangers involve the type of product or the activity itself, and you cannot always avoid them. Other risks are caused by not having enough protective equipment or not training your workers. Find out what the dangers are in your operations, and make a plan to reduce their effects on your workers.

People who farm grains, pulses and oilseeds have a risk of health problems. Skin diseases are the most common work-related diseases. They can be caused by things like contaminated water, bacteria, pesticides, insect stings and prickly plants. Workers who handle grains, pulses and oilseeds have different risks. They are exposed to dust, spores, mycotoxins and endotoxins that can hurt their breathing system. This can cause diseases like asthma and lung infections.

## **Provide proper PPE**

Some of these dangers cannot always be avoided. However, you can reduce the risk of illness by giving workers the right Personal Protective Equipment (PPE).

Give respirators to workers who handle the grains when there is a serious risk of dust exposure, for example when loading or unloading the grains, when cleaning the facilities or when the grains are being moved. The right ventilation is also an important way to reduce dust-related risk. Ear protection also reduces the effect of loud machines on your workers.

PPE is also important when workers come into contact with pesticides. The type of PPE you should give them depends on the instructions for each pesticide. Make sure that you fully understand which pesticides are being used and what type of PPE workers need.

You should also tell your farmers about clothes that reduce contact with pesticides. They should wear long-sleeved shirts and long trousers.

## **Address mechanical hazards**

The machines that are used to handle and process grains, pulses and oilseeds [can be dangerous to your](#)

[workers](#). This is especially true during maintenance. Conveyor belts and milling machines, for example, can cause serious finger or hand injuries, or even amputation. In fact, when social audits find non-compliance in this sector, it is often because a company does not have the right barriers covering the dangerous parts of necessary machines. This means that there is a risk of injury to the workers.

Here are some ways to reduce the risk of injuries from machines:

- Add physical barriers around the points of operation (for example, the cutting mechanism in a grain mill). This prevents direct contact between workers and the dangerous parts of the machine.
- Shut down or unplug the machines before doing any maintenance or adjustment. This removes the risk that the machine could be accidentally switched on during maintenance.
- Put locks or tags on the equipment to prevent unauthorised or accidental operation. This makes sure that the equipment is shut down or unplugged for the whole time that maintenance is done.

You should understand the processes in your company, see what the dangers are and improve the processes to reduce the risks.

## Train your workers

Most injuries that are caused by farm machinery happen when the workers do not understand the machines well. Your improvements to your health and safety processes will only work if you train your workers properly, and if they are committed to following the procedures.

Make sure that your workers understand the health risks if they do not follow the safety procedures or use the necessary PPE. This will help to build commitment among the workers, and commitment is necessary to make sure that the safety measures work.

Organise regular training. The training should include the general safety procedures and the specific processes, for example how to use the machines. Make sure that new workers get this training when they start.

### Tips:

Follow [ISO 45001](#). This is a management system for health and safety at work that aims to reduce injuries and disease at work.

Check the [ILO's Code of Practice of Health and Safety in Agriculture](#) if you grow grains, pulses and oilseeds, and check the [ILO's Encyclopaedia for Health and Safety Hazards in Agricultural Grains and Oilseeds](#) to find some common dangers and solutions.

Check the [ILO's Encyclopaedia for Grain, Grain Milling and Grain-based Consumer Products](#) if you handle or process grains, pulses and oilseeds.

There are internationally recognised food quality and safety standards, for example [FSSC22000](#), [IFS](#) or [BRCGs](#), that already include health and safety standards for your workers. If you meet 1 of these standards, this will help you to improve quality, food safety and the health and safety of your workers.

## 3. Reduce gender inequalities in your chain

If you focus on gender equality, this can help you to meet European buyers' expectations. It will also help you to keep long-term business relationships in the European market. Start by finding and solving the potential problems in your supply chain. Common issues in grains, pulses and oilseeds include: women having less access to credit, less land, less training and less credit compared to men. Women often receive a lot less money, even

if they work on the farm as much as men do.

## Help empower the women in your supply chain by helping create cooperatives

Women are an important part of the agricultural force that produces certain grains, pulses and oilseeds like [quinoa in Ecuador](#) or [fonio in Mali](#). However, men often control land and wages, because they are in charge of the marketing and most of the production.

When you buy from different farmers, it is very difficult to change the way they work. One way to deal with this is to help to create cooperatives in which women are part of the decision-making process.

As an exporter, working with a cooperative will help you to give more power to women, but it will also help your company. If you want to meet Europe's quality, safety and sustainability requirements, you need organised and well-trained farmers. If you buy from smallholder farmers, this is only possible through cooperatives or associations.

### Give women voice and vote

In the Chimborazo region in Ecuador, for example, women are in charge of the quinoa production. [However, men still have more power to make decisions](#), even if they are not at the farm. Another common problem in cooperatives is that the owners of the land are the only people who can be involved in making decisions. Because women often have no land, they are left out. You can prevent this by introducing different methods that allow women to be involved.

To allow women to share their opinions, you can set up a Women's Committee as part of the cooperative. This group would speak for women in meetings when decisions are made, and it could also suggest and help with ways to improve women's lives.

### Include women in training

To improve the quality, quantity and compliance of the products of your suppliers, you can support the cooperatives you work with by offering training about good agricultural practices, new machines or good practices for handling and storage. Many women do not have direct access to these types of training.

In Ethiopia, for example, while men can get training from experts from the government, NGOs or the private sector, women get their information through their husbands, neighbours and the community. This information is less complete than the men's training. One result of this is that women in Ethiopia [often grow less productive and less export-oriented varieties](#) compared to men, for example in crops like haricot beans.

Make sure that all the farmers can use these initiatives, and not only the men. This will improve the general performance of the cooperative, and it will also integrate women and give them the knowledge they need to be more efficient.

#### Tip:

A social responsibility standard like Fairtrade International will help you to set up a cooperative that aims to improve gender equality. For example, the Women's Committee is part of this standard.

## **4. Improve your own operations and get to know your suppliers**

It is important to know your supply chain well, so that you can find out if there are any human rights violations or other non-compliance issues with the standards that your buyers want. Look at your company, find out what social issues you can solve, and solve those issues. Then, get closer to your suppliers to start to understand and solve their issues.

### **Improve your operations**

Some of the challenges in agricultural supply chains cannot be solved by 1 company alone. But you have the power to solve any social issues in your own operations. In the supply chain, you are mainly responsible for the social responsibility in your own company, so this is where you need to start improving.

#### **Focus on human rights first**

As a direct supplier to a European company, your customer expects you not to have any serious non-compliances with human rights and the health and safety of the people who work directly for you. First, make sure that your operations comply with all the local laws. Then, compare them with the standard that you would like to introduce or with your buyer's code of conduct.

For example, a common social issue in factories of grains, pulses and oilseeds is that workers do not have the right timekeeping. If you do not record the time that your employees work, you cannot work out if they are working more than they are allowed to by law, and you cannot guarantee that they are getting the right amount of pay. If this is true in your company, you are not complying with most of the codes of conduct that buyers use or with international standards.

This issue is easy to solve. You can simply have a punch clock in your factory. However, as a company, you must also confirm the records of the clock, guarantee that you will pay your workers the right amount and guarantee that they have enough rest time for the hours that they work.

#### **Document all your efforts**

Make sure that you record the company's policies and procedures for human rights and the health and safety of workers. This can help you to show your buyers that you meet their standards. If you do not have any records of this, buyers may not want to do business with you.

### **Work directly with the farmers in your chain**

Many social issues in the grains, pulses, and oilseeds supply chain happen during primary production. However, exporters may not have direct contact with the producers. Instead, they may get the product through intermediaries. This lack of direct contact often means that exporters do not know enough about where the product comes from, its quality or how it was produced, including the situation of the farmers.

#### **Establish direct contact**

If you are in this situation, it will be very difficult to be socially responsible and to guarantee the quality you need if you want to export to Europe. You must have direct contact with the producers if you want to have an influence on their economic and social situation.

To set up direct communication with the producers, you can include your current partners or intermediaries. They know the farmers better, they may help you find out about some risks and they may share the information with the producers.

Start checking the working conditions and processes and compare them with your own code of conduct, with an internationally recognised standard that you have chosen or with what your buyers want.

## Create a strategy based on the identified risks

There is no single solution that will make your supply chain more socially responsible. After you have identified the issues that need to improve, you must make an action plan to solve them. Take measures to follow local laws and solve serious human rights violations like child labour and forced labour.

Documentation is an important part of the process to improve the social impact of your company with your suppliers. Especially in agricultural chains, it takes time and effort to solve social issues, and your buyers know this. It is very important to keep records of what you do, including your checks of the supply chain and what you do to solve any issues you find. Even if your chain still has unresolved issues, it is good to be able to show that you are trying to solve them. If the issue is not very serious, this may be enough for your buyer.

### Tips:

Check the criteria of some standards in [Standardsmap](#). Check which criteria must be met immediately and start working on those as soon as possible. If you buy from several smallholder farmers, check the standards for Fairtrade. If you have your own farms, compare the SMETA audit, Amfori BSCI and SA8000.

Help your small farmers to create a cooperative. If you can deal with a cooperative instead of with individual farmers, it will be easier for you to do other things like looking at risks and organising training in good agricultural practices.

If you are a rice exporter, look at [The Sustainable Rice Platform](#). This platform has standards to guarantee sustainability in the whole supply chain of rice. These standards are internationally recognised by rice buyers in Europe.

## 5. Comply with international human rights standards

European companies have to follow rules that mean that they are responsible for any human rights violations in their supply chains. This means that exporters who can demonstrate their strong commitment to human rights are more likely to be able to do business with buyers, especially with larger companies.

Some risks for human rights violations apply to all agricultural chains, including grains, pulses and oilseeds. For example, products grown on family farms have the risk of child labour and very low wages, which can cause poverty. Day labourers, seasonal workers and migrant workers also have more risk of working in unsafe conditions.

If your supply chain has these types of risks factors, it may violate more human rights than just these ones. To deal with that risk, and to be able to have a long-term business relationship with European buyers, you should check your supply chain and solve the issues.

For example, ETI Sweden did a study that showed that there is a [high risk of child labour and forced labour in the production of sesame seeds in Sudan](#). The risk factors in this case are:

- smallholder farmers are the main producers, and intermediaries pay them very low amounts;
- there are a lot of immigrant seasonal workers.

The study recommended that buyers who buy sesame seeds from Sudan should check and investigate their specific supply chain, and they should also investigate the risk of buying the seeds from other sources.

However, supply chains are different in different countries, regions and products, so it is important to look at your own supply chain and find out what your own risks are. The OECD (Organisation for Economic Co-operation and Development) has [a guideline for responsible agricultural supply chains](#). This guideline can help you to make your own due diligence plan to find and solve human rights violations.

## **European Union (EU) - Corporate Sustainability Due Diligence Directive (CSDDD)**

The EU is discussing the [CSDDD](#). This directive aims to force companies to deal with the environmental and human rights impacts of their operations.

It requires companies to carefully check their own activities and the activities of their daughter companies and the people and companies in their value chains. Companies will need to create and implement plans to prevent negative impacts, make sure that their business partners commit to compliance and check to confirm that they meet the standards that have been set. Sectors that are seen as 'high risk', for example agriculture and the food industry, may face stricter rules.

We expect the CSDDD to apply to EU companies with more than 250 employees and a net worldwide turnover of €40 million or more. Non-EU companies will be included if they have a net turnover of more than €150 million, with at least €40 million generated within the EU. Non-compliant companies may face compliance orders or have to pay large fines, based on their turnover.

Even if the directive does not directly apply to exporters, it may apply to the importer or the retailer. Exporters who want to sell to companies in Europe will have to prove that they do not cause a risk to the sustainability of their buyers. If you want to be able to give your buyer the information they need to comply with this directive, you need to know your own supply chain and solve any serious risks.

Every company can decide how to do its own due diligence. We expect that third-party audited standards will be very important, because they offer safety to buyers who cannot audit all their suppliers directly.

However, the CSDDD is still being written, so more changes may still be made before it becomes official. Food manufacturing companies that can use a lot of grains, pulses and oilseeds may have to comply with this directive, which has a direct impact on their suppliers.

## **Due diligence laws at a national level**

Some European countries have regulations that say that domestic companies are responsible for human rights violations that happen in their supply chains, even if those violations happen in other countries or involve their suppliers. To avoid potential fines, companies that are affected by these regulations may prefer to trade with companies that have established systems to monitor and deal with the risk of human rights violations.

France, Germany, the United Kingdom, Norway and the Netherlands already have regulations that require due diligence on human rights at different levels. Austria, Finland, Belgium and Luxemburg are also creating their own regulations.

## **Germany - Supply Chain Act**

The Act on Corporate Due Diligence Obligations in Supply Chains or [LkSG \(Lieferkettensorgfaltspflichtengesetz\)](#) requires companies to do due diligence on human rights and the environment in their supply chains. This includes their own business operations, the activities of contract partners and the actions of other indirect suppliers.

This Act focuses on human rights issues that are related to common risks in a supply chain. These include:

- not allowing child labour;

- Protection against slavery and forced labour;
- Freedom from discrimination;
- Protection against taking land illegally;
- Health and safety at work;
- Prevention of dangers to health;
- Not allowing employers to pay wages that are too low;
- The right to form trade unions; and
- Workers' representation rights.

At the moment, the Act applies to companies in Germany that have at least 1,000 employees. However, in the future, it may include smaller companies because of public and political interests. For example, supermarket chains may have to comply with the Act. This has a direct impact on suppliers of food products that are sold by supermarkets. Because supermarket chains have a very big share of food retail sales in Germany, this directive may have an impact on companies that export food products to these markets, including grains, pulses and oilseeds.

## France - Loi de Vigilance

[The Duty of Vigilance Act \(Loi de Vigilance\)](#) requires companies to set up, implement and publish their own vigilance plan based on the United Nations' due diligence procedure for human rights that is described in the [Principles on Business and Human Rights \(UNGPs\)](#). A vigilance plan looks for risks in the whole of a company's value chain, including its own operations and its suppliers' operations.

The Act applies to companies that are registered in France and that either have at least 5,000 employees in the company and in its daughter companies that are based in France or have at least 10,000 employees in the company and its daughter companies in more than 1 country, including France. This means that the Act mainly affects exporters who supply multinational corporations or very large companies.

## United Kingdom - Modern Slavery Act

[The Modern Slavery Act](#) requires all businesses that operate in the United Kingdom and have a turnover of £36 million or more per year to write a statement about slavery and human trafficking for each financial year. This statement should describe the actions that the organisation has taken during the year to prevent modern slavery both in their supply chains and in their own operations.

## Netherlands - Child Labour Due Diligence Law and upcoming Responsible Business Conduct Act

The [Child Labour Due Diligence Law](#) requires companies to:

- Look into whether their goods or services involve child labour;
- Make a plan to prevent child labour in their supply chains, if they find child labour;
- Report what they are doing.

This law applies to all companies that regularly sell or supply goods or services to Dutch consumers. It does not matter where the company is based or registered, what its legal form is or how big it is.

We do not know yet when this law will become official. However, because it also applies to small companies, exporters who want to sell their products in the Dutch market – directly or indirectly – should deal with the risk of child labour in their supply chain.

The Dutch government is now also writing [the Responsible Business Conduct Act](#) that focuses on human rights, labour rights and environmental due diligence. This Act will apply to both Dutch and foreign companies that operate in the Netherlands, if they meet 2 of the 3 criteria: a turnover of at least €40 million per year, a balance sheet of at least €20 million, or at least 250 employees.

This may not have a direct impact on exporting companies in developing countries, but it may affect your buyers. If they need to comply with this law, you will have to give them the information they need to do their due diligence and to prove that doing business with you does not cause a risk to their sustainability.

## Norway - Transparency Act

The Norwegian Transparency Act requires companies to make and follow a due diligence process that is in line with the OECD Guidelines. Companies must also publish their due diligence strategies and be able to give information about things like procedures, risks, activities and what they find out from their due diligence.

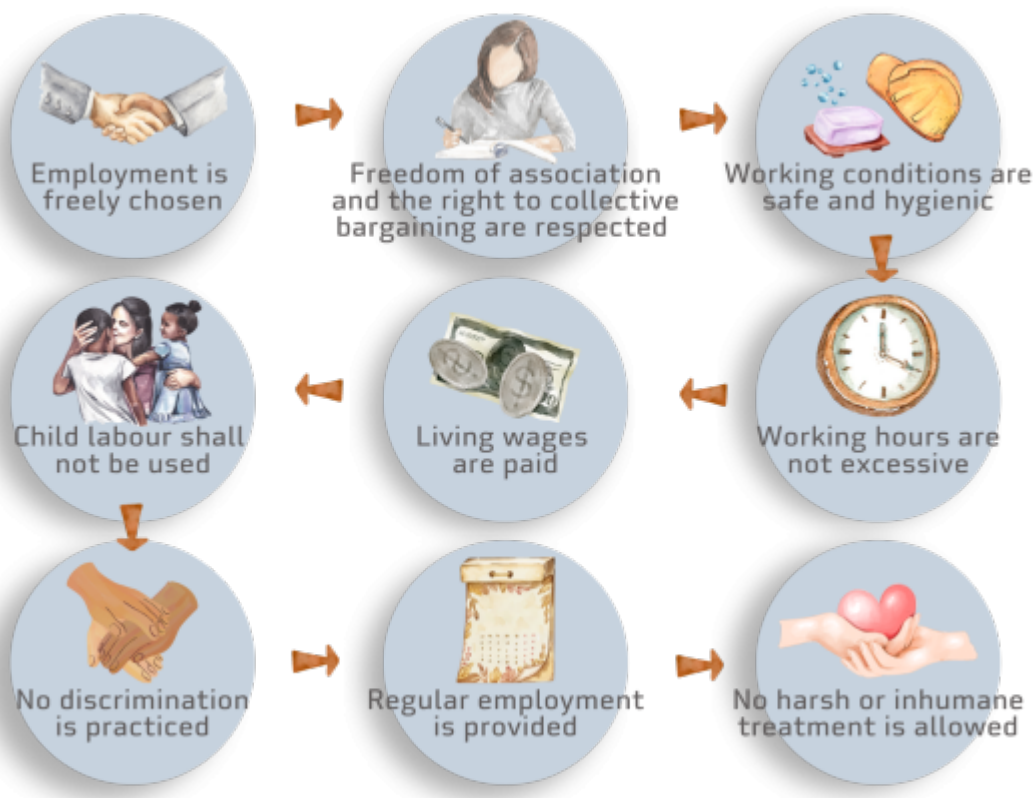
The Act applies to Norwegian companies and foreign companies that sell products or services in Norway and that meet at least 2 of the following 3 criteria: a turnover of NOK 70 million (more than €6 million) per year, a balance sheet of NOK 35 million (more than €3 million) or more, or at least 50 full-time employees or a total number of hours that would be worked by 50 full-time employees.

## Take care of your part in the supply chain

Start checking your compliance with basic human rights principles. You can do this with the [ETI Base Code](#). ETI is a global reference standard for social audits.

These are the main principles of the ETI Base Code, and they are used to set up codes of conduct and other social standards:

Figure 3: 9 principles of the ETI Base Code



Source: [ETI Base Code](#) / Globally Cool B.V.

Figure 4: Introduction to Ethical Trade from ETI

Source: ETI YouTube Channel

## **Sustainability requires continuous improvement**

If you want to improve your social responsibility, you must always understand what is happening in your operations and your suppliers' operations. You need to find, prevent, reduce and manage risks. You also need to report regularly about what you are doing to find and deal with these risks. Companies that want to be involved in export activities must commit to this process.

Social responsibility is not 1 single action. It is a way of thinking, and it should affect your processes. For example, if you want to avoid child labour in your operations, it is not enough just to check if all your employees are adults. You should set up your hiring process so that you can guarantee that no children will be hired in the future. For example, you could ask future employees to give you a copy of a document that can prove their age. This will meet the standards, and it will make sure that your company has documents to prove your compliance.

### **Tips:**

Check the [OECD Due Diligence Guidance for Responsible Business Conduct](#) and the [UN Guiding Principles on Business and Human Rights framework](#). The CSDDD is based on these documents.

Check the [guideline on conducting risk analysis as required by the German Supply Chain Due Diligence Act](#) to find out how to do a risk analysis of your supply chain.

## **6. Let your buyer know that you care**

Social responsibility is an important issue for buyers of grains, pulses and oilseeds in Europe. If you can show your compliance with this, it can be the main thing that attracts new clients. Let them know that you understand what they expect from you in the supply chain and that you can be a trusted partner.

## Create a code of conduct reflecting their own

Many European companies have a code of conduct for human rights protection and other social aspects in their supply chains. This code usually includes important things like human rights (as in the ETI Base Code), compliance with local laws and not allowing unethical practices.

Make your own code of conduct based on [the ETI Base Code](#) or on the code of your potential buyers. Your code should show that you comply with their principles. You should not just say that you comply. You should show evidence of your actions. The table below shows the 9 principles of the ETI Base Code and the type of information you should include in your own code to show your commitment to social responsibility.

Table 1: Principles of the ETI Base Code and how SMEs can tailor their own to match the requirements

Principle	Proof of compliance for Small and Medium-sized Enterprises (SMEs) in developing countries
Employment is freely chosen	If your local laws do not allow forced labour or practices that are related to forced labour, say this, and give the name of the law. Say that you do not keep your workers' papers and that the notice period in your company complies with local laws.
Freedom of association	If there is a national law that supports the freedom of association, give the name of the law. You should also give the names of any labour unions that your workers are in and talk about any programmes or initiatives that you and the unions do together.
Working conditions are safe and hygienic	If there are local laws about working conditions, say this and give their names. If you comply with any recognised standard that regulates working conditions, for example <a href="#">ISO 45001</a> , include that standard.
Child labour shall not be used	Include any measures you take to actively monitor and prevent child labour in your company and, if possible, anywhere in your supply chain. You should also talk about any ways in which your company supports and helps children in your local community or in your suppliers' community.

Principle	Proof of compliance for Small and Medium-sized Enterprises (SMEs) in developing countries
Living wages are paid	Say that you comply with your country's laws about a minimum wage. Include any extra benefits your company offers. If you want an internationally recognised reference, you can check what the <a href="#">Global Living Wage Coalition</a> thinks is the living wage in your country. If you pay your employees at least the minimum amount that this organisation has calculated, you should also include this.
Working hours are not excessive	Say that you comply with the local laws about working hours, and give the name of the law. If your workers have better conditions than the legal minimum for things like working hours, holidays or other aspects, say this.
No discrimination is practised	Show your commitment to ending and preventing all forms of discrimination in your company. If discrimination is a big risk in your country, you should say this and talk about what you are doing to reduce it. For example, you may have a Women's Committee or initiatives that aim to employ more people from religious or ethnic minority groups.
Regular employment is provided	Say that you comply with the local laws about formal employment. If you do anything to reduce the number of seasonal workers and increase the number of permanent employees, you should include this.
No harsh or inhumane treatment is allowed	If there is a local law that makes it illegal to harass anyone or to abuse someone physically, verbally or sexually, name the law and say that you comply with it.

Source: [ETI Base Code](#)/ Globally Cool B.V.

## Strengthen the message with your quality standards

Social responsibility standards and a code of conduct are not the only ways that you can show your compliance with social standards. In fact, other standards also focus on certain social aspects. You may even already be complying with some of these standards.

For example, Global Gap for Crops is a standard for good agricultural practices that has requirements for pesticide management and Personal Protective Equipment (PPE). If you have a Global Gap certification, this proves your good agricultural practices and it also proves a certain level of health and safety in the working conditions of your farmers.

When you show your quality standards, this also shows the buyers that you have set up the right processes and that you are audited regularly. This gives confidence to the buyers and helps them to trust your social efforts.

You should always include social and environmental sustainability and quality in your marketing materials. These materials include your website, brochures and presentations. Together, they give buyers a complete picture of your company as a qualified partner for European buyers.

### **Tips:**

Remember that the ETI Base Code may be stricter than your local laws. For example, the code defines a maximum of 48 working hours per week. If your local laws allow for more hours, you should still follow the code.

Always say how you comply with the local laws. This is often very important in the codes of conduct of European buyers.

Read the [Code of Conduct of Schlüter & Mack](#), a German importer of organic and conventional grains, pulses and oilseeds.

Make sure that what you say about your social, environmental and quality standards is right for the marketing materials you are using. On your website, you should have separate pages to talk about the different topics. On product brochures, you can just include the logos of the standards to tell readers that you comply with them.

[Globally Cool B.V.](#) carried out this study on behalf of CBI.

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