

FSSC INSIGHTS

FSSC 24000: A SUPPLY CHAIN PERSPECTIVE

30 January 2024



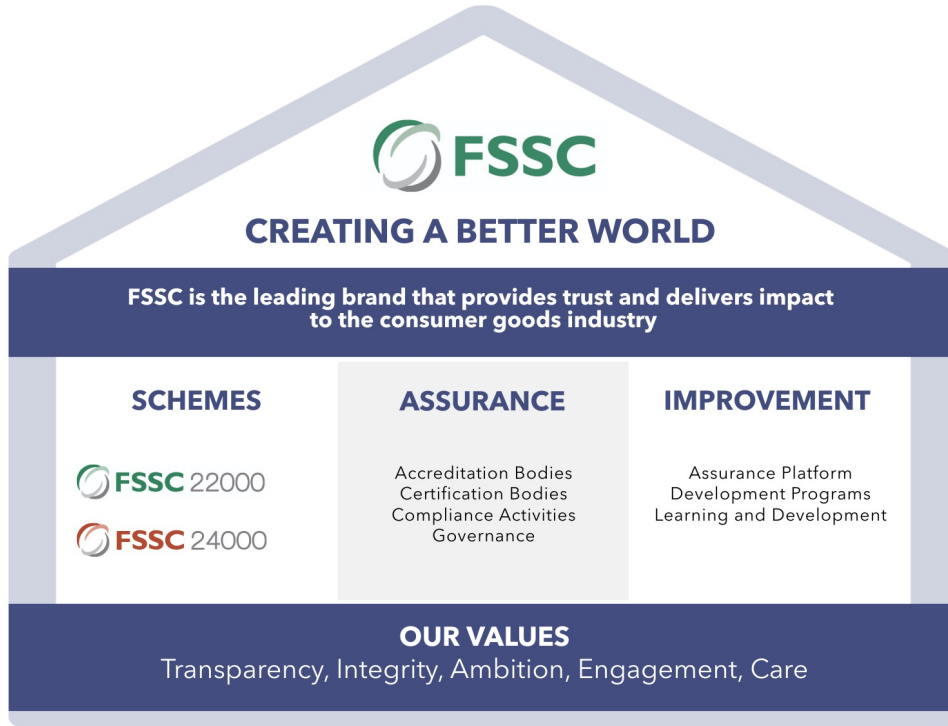


TODAY'S TOPICS

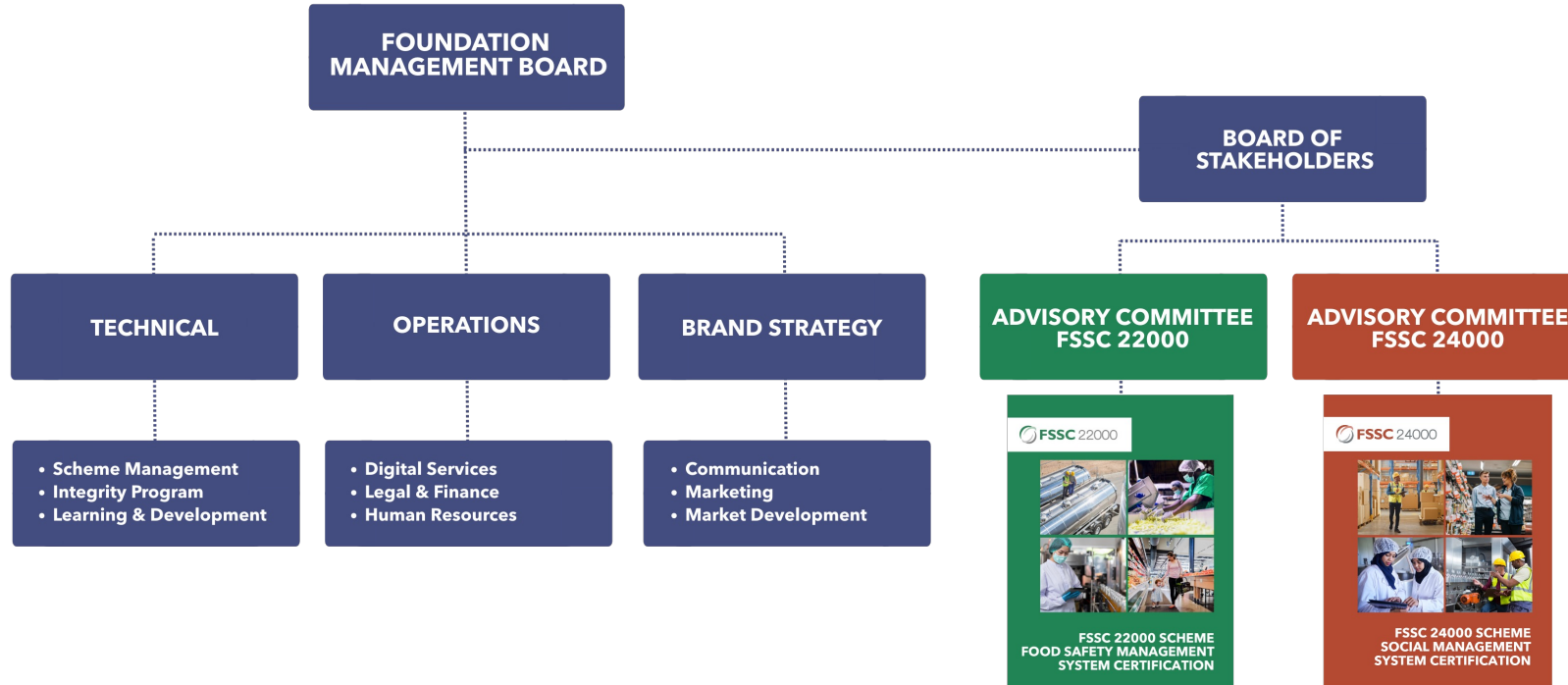
- 01.** Introduction to FSSC
- 02.** Market Supply Chain Drivers
- 03.** Supply Chain Management:
FSSC 24000 Social Procurement
- 04.** Q&A

INTRODUCTION TO FSSC

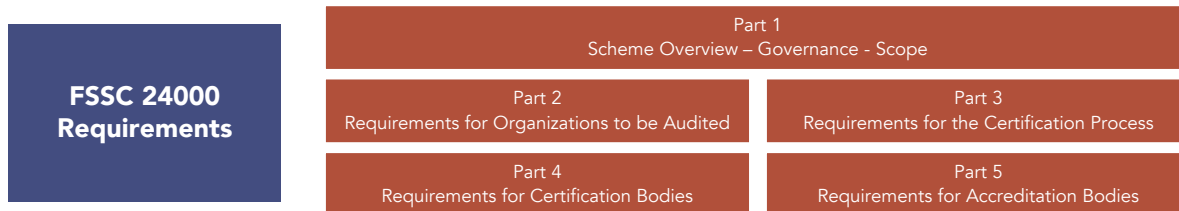
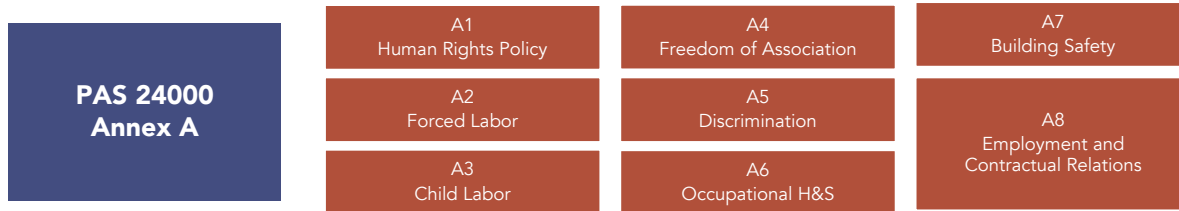
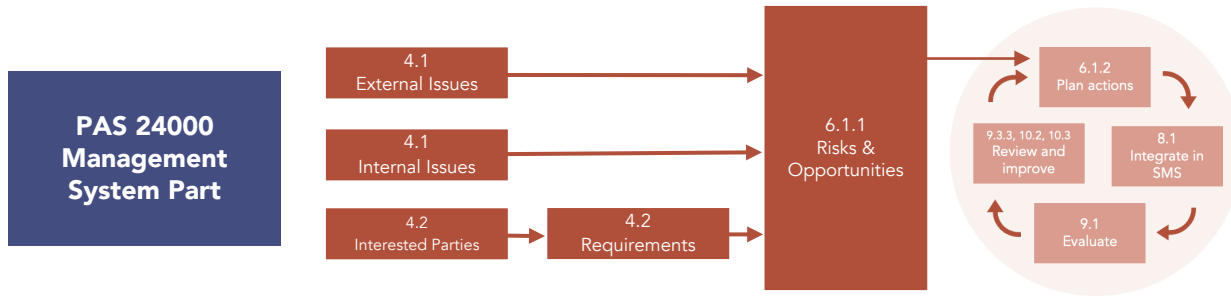
FSSC BRANDED HOUSE



FOUNDATION FSSC



STRUCTURE OF FSSC 24000



MARKET SUPPLY CHAIN DRIVERS

FREEDOM OF ASSOCIATION



DISCRIMINATION



CHILD LABOR



GENDER EQUALITY



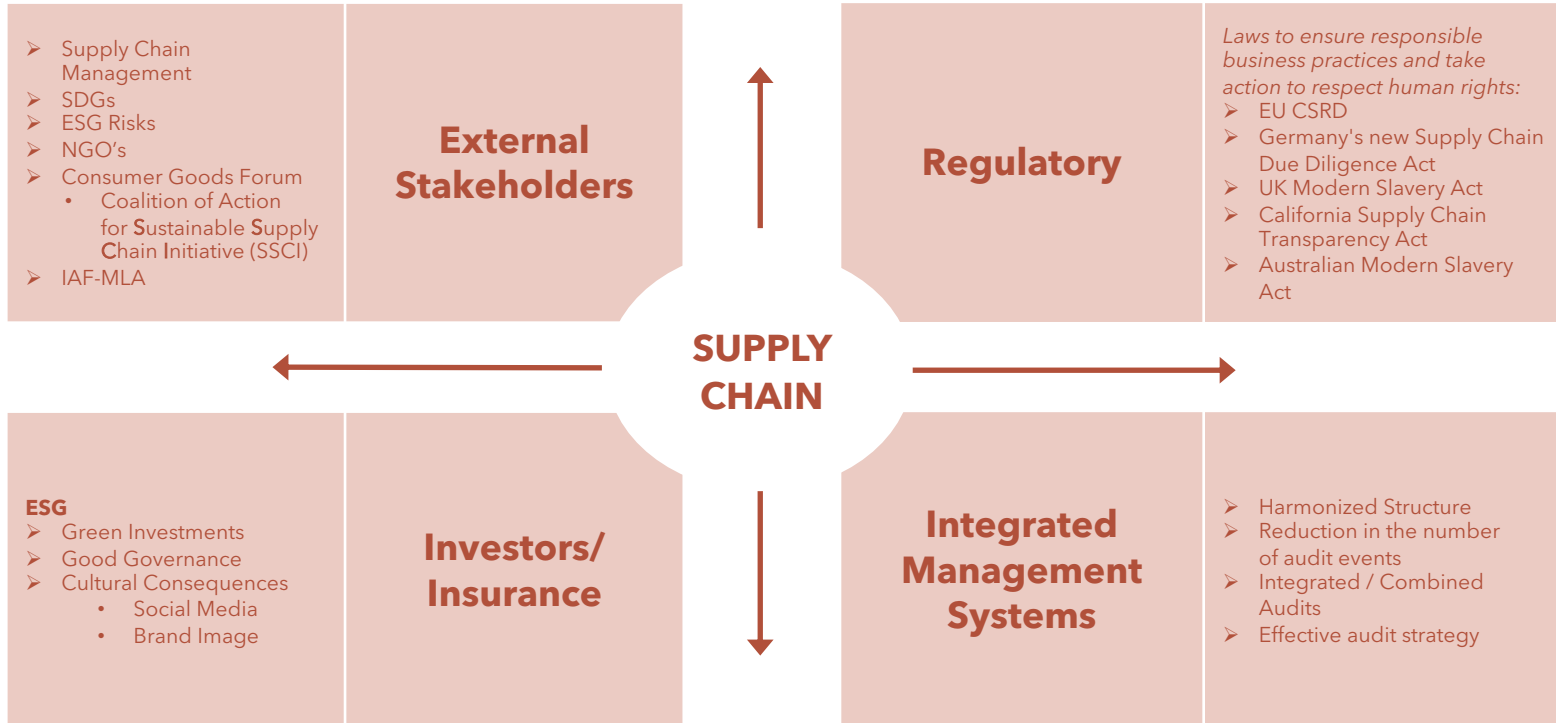
GEN Z - CONSUMERS

- Gen Z consumers are mostly **well-educated about brands** and **the realities behind them**. When they are not, they know how to access information and develop a point of view quickly.
- **70 percent** of respondents say they try to purchase products from companies they **consider ethical**.
- **80 percent** say they **remember at least one scandal or controversy** involving a company.
- **65 percent** try to learn the origins of anything they buy:
 - where it is made,
 - what it is made from, and
 - **how it is made**. About 80 percent refuse to buy goods from companies involved in scandals.



SOCIAL COMPLIANCE - MARKET DRIVERS

Compliance with international due diligence requirements in the supply chain on Social



SSCI BENCHMARKING APPROVAL



FEATURES & BENEFITS

Supply Chain Visibility

- Accredited Certificate (3-year)
- SSCI Recognition
- IAF - MLA
- Publicly available register
- Future: possibility for audit report and data sharing through the FSSC Assurance Platform

Foundation FSSC

- Non-profit foundation and Independent Scheme owner
- Robust Integrity Program and Scheme Governance
- Reliable audits and accredited third-party certification
- Affordable annual certification fee

Integrated Management System

- ISO Management System Approach
- PAS 24000: independent international standard according to the Harmonized Structure (HS)
- Possible to integrate with other Management Systems, including combined audits

Scheme

- Risk-Based Approach
- Allows for organization-specific requirements
- Supporting FSSC Guidance Documents
- ISO-based Management System Alignment
- Facilitates supply chain management



VALUE OF DATA SHARING

- 1 Access to data from all Certified Organizations
- 2 Real-time data on the validity of each of the certificates
- 3 Insights to pain-points in the industry
- 4 Smart functionalities save you time in finding information on the certified sites that you are interested in
- 5 Benchmark functionalities in your organization vs industry

HOW TO UTILIZE CERTIFICATION DATA



**Risk and
Performance
Monitoring in
the supply
chain**



**Understanding
Trends and
Gathering
Insights**



**Focused
Education and
Continuous
Improvement
Programs**



**Supports
Continued
Access to
Supply**

POLL QUESTION

SUPPLY CHAIN MANAGEMENT

FSSC 24000 SOCIAL PROCUREMENT

RESOURCES

The following guidance documents are published on the FSSC website and can be downloaded for free:

- FSSC 24000 - Assessment of Risks and Opportunities
- FSSC 24000 - Context of the Organization
- FSSC 24000 - Operational Planning and Control
- FSSC 24000 - Guidance document Social Procurement and Human Rights Due Diligence



THE LEGAL LANDSCAPE

In addition to the **German Supply Chain Act (LkSG)** introduced on 1 January 2023, the provisional political agreement on the **EU Corporate Sustainability Due Diligence Directive (CSDDD)** aims to hold organizations accountable for their impact on the environment and human rights abuses and to identify, prevent, and mitigate potential adverse impacts associated with their operations and supply chains.

Key Components are:

- ✓ **Due Diligence Obligations**
- ✓ **Transparent Sustainability Reporting**
- ✓ **Enforcement: Administrative and Civil Liability**



PAS 24000
is intended
to help
organizations
to fulfill their
legal and
social
requirements.

THE LEGAL LANDSCAPE

In addition to the mandatory legislative frameworks, it should be emphasized that the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights can provide a significant context for **meeting the legal requirements**.

As a Social Certification Scheme, FSSC 24000 provides a **robust framework of requirements** that are reflected in these guidelines and can be helpful in the development and implementation of human rights due diligence processes and supply chain management.

DUE DILIGENCE PROCESS

Social Procurement and Human Rights Due Diligence requires **continuous monitoring** of the processes that represent a significant core element of the Social Management System.

The systematic implementation of defined steps requires a **risk-based approach** and spans across all areas within the social management system.

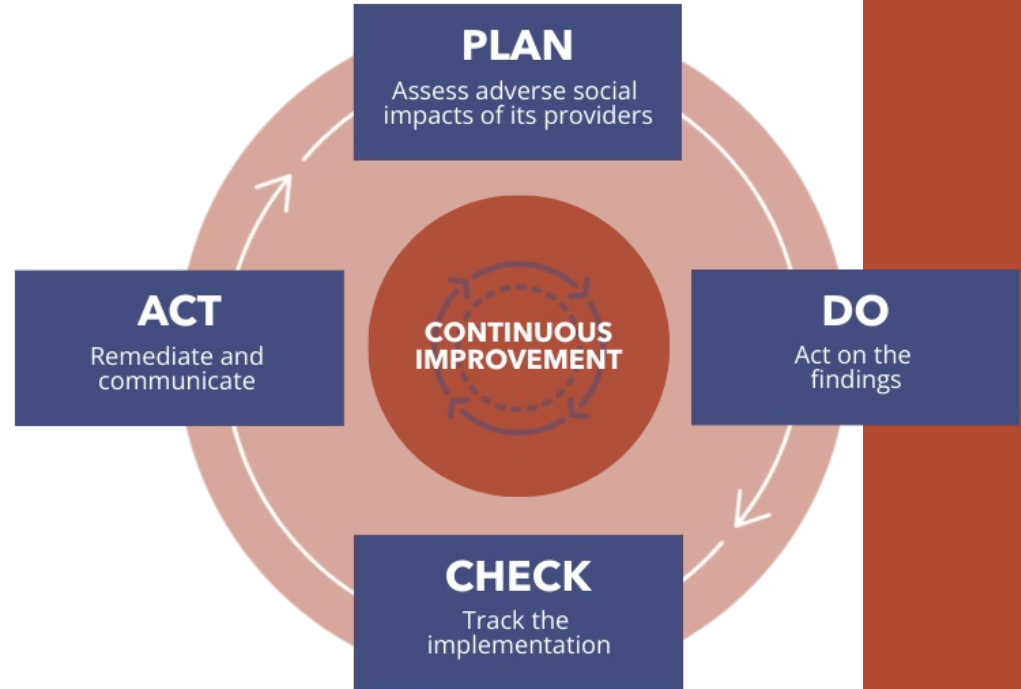
To ensure that socially responsible practices throughout the entire supply chain, which includes but is not limited to raw materials, ingredients, products, packaging, materials, or services relevant to the Social Management System, are controlled and continuously monitored, the organization should implement a **Plan-Do-Check-Act (PDCA) cycle** within their procurement process.



PROCESS APPROACH

The implementation of a **social management system is key** to ensuring a robust human rights due diligence process.

It addresses potential adverse impacts or social risks that may arise within the organization and its linked processes or services.





IMPLEMENTATION

- 1 Communicate the FSSC 24000 requirements.
- 2 Implement and incorporate robust and responsible business conduct into social management policies and procedures.
- 3 Assessment of adverse social impacts and prioritizing by the risk/severity and the likelihood of occurrence.
- 4 Integrate and act on the Findings
- 5 Monitoring the effectiveness of the implementation and results.
- 6 Communicate (report) and remediate



PAS 24000:2022, clause 8.1.3
PAS 24000:2022, clause 5.4

PAS 24000:2022, clause 7.4
PAS 24000:2022, Annex A, A.1

AUDITING

The organization must ensure that its providers meet the requirements set out in the Scheme through a due diligence process.

Auditors **should examine** the approach an organization has taken to:

-
- 1 Assess, based on risk classification, the adverse impact of its providers;
 - 2 Act on the identified findings of the impact assessment;
 - 3 Monitor the implementation of actions defined to mitigate the adverse impacts;
 - 4 Remediate and communicate about how impacts are addressed.
-



The auditor should bear in mind that the organization should determine the extent of the documented information that is deemed necessary.

Q&A

SCHEME DOCUMENTS

FSSC 24000 Version 1, 2022

- FSSC 24000 Scheme
- Board of Stakeholders Decision List
- Annex 1 | FSSC 24000 CB Scope Statements
- Annex 2 | FSSC 24000 CB Audit Report Requirements
- Annex 3 | FSSC 24000 CB Certificate Template

Download these for free from the [FSSC website](https://www.fssc.com).

 **FSSC 24000**



**FSSC 24000 SCHEME
SOCIAL MANAGEMENT
SYSTEM CERTIFICATION**

www.fssc.com

Version 1.0 | 2022

 **FSSC 24000**

GUIDANCE DOCUMENTS

Currently available to support the implementation of FSSC 24000

- Assessment of Risks and Opportunities
- Context of the Organization
- Operational Planning and Control
- Social Procurement and Human Rights Due Diligence

Planned to help understand the following sensitive issues

- Child Labor (Definition and Implementation Guideline)
- Forced / Compulsory Labor
- Grievance Mechanism / Complaint Management

HOW TO OBTAIN CERTIFICATION



Obtain the FSSC 24000 documents.

Scheme document & PAS 24000 are available for free on the FSSC website.



Conduct an internal audit against requirements of FSSC 24000.

Guidance Documents can be downloaded from the FSSC website.



Action and implement any identified issues/shortcomings.



Contact an FSSC 24000 licensed CB to arrange an audit.

The FSSC website contains a list of licensed CBs.



Conduct the initial or transition audit.

Refer to the 3-year Certification Cycle.



Obtain Scheme certification and have your organization added to the FSSC public register.

GLOBAL REPRESENTATION



Jacqueline Southee
North America Representative



A. Necat Kirkil
Türkiye & The Middle East
Representative



Li Yu
China Liaison



Goichiro Yukawa
Japan Representative



Guido Dinjens
Chief Market Officer



Juliani Arimura
Latin America Representative



Smita Murthy
India Representative



D.V. Darshane
Sr. Advisor South Asia

**THANK
YOU**



@FoundationFSSC



questions@fssc.com



Foundation FSSC



+31 (0) 183 64 50 28