THE RIGHT WAY TO DO BUSINESS
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In the future, we won’t be talking about entrepreneurship and social entrepreneurship; we’ll just be talking about the right way to do business.

Hans Hickler, the former U.S. CEO of DHL Express on Forbes.com

Times are changing. Nowadays stakeholders, like consumers, investors and politicians, expect you as a company not only to make profit, but also to operate responsibly and to be conscious about the impact you have on the environment and on people.

Whether you are a medium-sized business or a very large listed business, transparency concerning your Corporate Social Responsibility (CSR) efforts is important. It is this transparency that makes it possible for your stakeholders to know whether you are operating in a sustainable manner and therefore it is worth buying your product or continuing their investment in your company.

Stakeholders not only focus on the environmental impact of a company, however. Its social impact is now also under scrutiny. And that makes sense, since all business activities affect people, inside and outside the company’s core operations.

What kind of effects are we talking about? Let’s take an example: Companies might unintentionally find themselves violating the rights of local communities through buying or leasing land that was offered to them as ‘waste land’. Often, so-called waste land has been occupied or used by local communities for generations and constitutes their only means of subsistence, or is used to access the water they need for their own survival or that of their livestock. In many cases, the people who are expelled because companies start to use the land for their own activities receive no
compensation. This may constitute a violation of their rights, in addition to which their living conditions deteriorate severely as they fall into poverty.

Another example: by paying factory workers less than a living wage, companies block the surest way out of poverty for workers and their families. Lacking the means to educate their children keeps workers and their families trapped in poverty.

ICCO fights against poverty and injustice. We’re convinced that this fight can only be won if companies, governments and NGOs team up. You as a business are in a unique position to be part of the solution to global poverty and injustice. But where do you start? What do you need to think about and what are the benefits for your business?

This e-book gives you a clear view of what CSR entails, why you should engage in CSR and what the benefits are. It’s a must read for managers who want to do business in a responsible way.
WHAT DOES ‘DOING BUSINESS RIGHT’ MEAN?

Doing business ‘right’ refers to Corporate Social Responsibility (CSR). First let’s have a look at what CSR means. CSR is about operating a business through ongoing commitment to act and behave ethically. When CSR is put into practice, a company can contribute to economic development while improving the quality of life of the workforce and their families as well as that of the local community and society at large.

“For me, CSR is not just about giving money. Respect is also very important. If there is mutual respect, workers and partners will become more productive and motivated.”

Mr. Floresta, owner and founder of RNF Summit Industries, a Philippine wood firm

What’s your level of engagement?

There are different forms of Corporate Social Responsibility. CSR is often defined as ‘do no harm’. That means a company should make sure it doesn’t affect people and planet in a harmful way (CSR 2.0). But as a company you can do more. Are you ready to take on the challenge of doing good in addition to doing no harm, and to create shared value (CSR 3.0 and 4.0)?

ICCO distinguishes four scales of engagement. You can upgrade your CSR efforts from 1.0 to 4.0.

CSR 1.0 = Corporate Philanthropy
Setting up a fund for social projects, next to the core business, for the purpose of doing good. In India, this is even mandatory for big companies, which have to spend 2% of their annual profits on CSR activities. Philanthropy is generally regarded as the more traditional first step in CSR.

More advanced models of CSR focus on operating the core business in a socially responsible way (CSR 2.0-4.0).
Dutch retailer goes from CSR 1.0 to 2.0

A good example of moving from CSR 1.0 to 2.0 is Albert Heijn, an international retailer. It has teamed up with its African suppliers of fruit, vegetables and flowers through the Albert Heijn Foundation. Together they improve health, housing and education in the local communities where the employees of the suppliers live. ICCO advises on the selection of these projects and has been responsible for the financial management of the fund for seven years now: CSR 1.0.

In South Africa the Albert Heijn Foundation and ICCO have started to set up a new supply chain for avocados with current suppliers and small farmers. The farmers receive training from local partners of ICCO in how to produce avocados in a sustainable way: CSR 2.0. These avocados are sold in Albert Heijn stores in the Netherlands, Belgium and Germany. \[READ\] more on this.

Long term relations with our suppliers are very important when it comes to fruit and vegetables. Together we invest in availability, food security and sustainability.

Gé Happe, sourcing director Europe, Ahold

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**CSR 2.0 = Responsible Core Business**

This responsibility entails the social, ecological and economic consequences of the company’s activities, ensuring that there are no harmful effects. The company also constructively engages with stakeholders and reports on the consequences. This model is more sustainable than the philanthropic model because it enhances the competitiveness of the business and maximizes the value for society.

**CSR 3.0 = Shared Value**

A company builds a social value proposition into its corporate strategy; enhancing competitiveness goes hand in hand with advancing economic and social conditions in the communities in which a company operates. This is a combination of CSR 1.0 and 2.0. Care for the local community is an integral part of a responsible core business.

**CSR 4.0 = Systemic change**

Corporate sustainability and responsibility here focus on understanding the interconnections at the macro or system level (society, community, economy and ecosystem) and changing a company’s strategy to optimize the outcomes for the larger human and ecological system. Development issues like hunger, poverty and climate change are addressed by the company through its regular business activities. \[READ\]
WHY CSR?

CSR is an important business strategy because it enables you to meet the needs of all stakeholders:

- Consumers want to buy products from companies they trust.
- Suppliers want to form business partnerships with companies they can rely on.
- Employees want to work for companies they respect.
- NGOs increasingly work together with companies in complementary roles, seeking feasible solutions and innovations in areas of common concern such as protection of the rainforest and the exploitation of natural resources.

Satisfying each of these stakeholder groups allows you to maximize your commitment to another important stakeholder group: the investors. They benefit most when the needs of the above mentioned stakeholder groups are being met. This of course benefits you since your license to operate is secured.

“Recent incidents including oil spills, factory disasters and controversy over worker conditions have reminded business leaders how important it is to manage the environmental and social impacts of your supply chain.”

Bert Hendriksen, Lead Partner KPMG Sustainability, the Netherlands
There is a lot to be gained by implementing CSR strategically. Through CSR you can...

- Make your business sustainable in the long run by exploiting natural resources carefully
- Increase customer retention
- Become more attractive to investors, because CSR reduces the risk of sudden damage to your reputation and sales
- Comply with regulatory requirements
- Develop and enhance relationships with customers, suppliers and networks
- Save money on risk management
- Differentiate yourself from your competitors
- Secure your social license to operate
- Provide access to investment and funding opportunities
- Generate positive publicity and media opportunities
- Attract, retain and maintain a happy workforce and be an Employer of Choice

How can you make a start on CSR?
It’s important to be clear about why you want to start with CSR. To save costs? To do good? To improve your supply chain? To relieve social pressure? There is no wrong answer to this question. The point is to gain an understanding of the environment within which your CSR work will happen. The more these environmental factors are aligned, the more easily you can roll out your CSR initiatives.

Start small with your CSR initiatives and form an internal team that is committed. You would do well to also involve external stakeholders: customers, suppliers and NGOs, all of whom often have a lot of information. In addition, they can play an important role in highlighting the responsibility of companies by raising issues of abuses and engaging in dialogue. Remember: ultimately it’s the stakeholders that assess the degree of sustainability of your business.

"Define your vision and build your strategy through a participatory approach; make sure that it is embraced by the executive board and embedded into the business operations through a bottom-up approach. Create strategic partnerships and communicate what you do, because what is not communicated does not exist."

Daria Toschi, Sustainability Manager Intersnack Procurement

When these CSR initiatives have reached a certain degree, they are noticed by senior management. CSR may then be embedded in the company’s strategy and philosophy. Best CSR strategy is made by combining the core competencies of your business with the values of your company. Read more in the publication Tips and Tricks for CSR advisors.
**Human rights are your business too**

Behaving ethically as a company means you not only care about the environment but also about human rights.

Human rights are defined as rights inherent to all human beings, regardless of our nationality, place of residence, sex, ethnic origin, color, religion, language, or any other status.

We are all equally entitled to our human rights without discrimination. Human rights are the most fundamental and important rights. These rights are all interrelated, interdependent and indivisible. Here are some that the International Bill of Human Rights* lists:

- The right to life
- The right to an adequate standard of living
- The right to live your life free of discrimination
- The right to be free from slavery
- The right to freely associate
- The rights of indigenous peoples to land

> If a company wants to survive in the next decade, it will have to go sustainable and respect human rights.

*Based on the International Bill of Human Rights (which includes the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR)).

Arief Kusima, CEO Agri Products Nusantara, Indonesian palm-oil company
Unfortunately, in many countries these rights are violated and companies and/or governments are often involved. Below are some examples of how human rights are violated in daily business practices:

› **No living wage:** when workers earn less than they need to meet their basic needs like food, housing, clothing. Violates the right to an adequate standard of living.

› **No freedom of association:** when workers are not allowed to join or leave groups of their own choosing, e.g. trade unions (and when the group is not able to take collective action to pursue the interests of members). Violates the right to freely associate.

› **Forced labor:** when workers are held in debt bondage, for example in sweatshops or as farm workers. They are paid little or nothing. Violates the right to be free from slavery.

› **Working long hours and forced overtime:** when workers are made to work beyond regular hours with little or no compensation. Not in compliance with ILO conventions (see page 23).

› **Bribery and corruption:** when stealing and giving favors become labor policies. Not in compliance with ILO conventions.

› **No land rights:** when indigenous peoples are forced to leave their land, not only is their right to land violated, but also their right to life since they lose their food security. In these cases the principle of free, prior and informed consent for indigenous people is not respected.

› **Gender-based discrimination:** occurs for example when a woman is paid less than a man for doing the same work; or when girls are denied access to education. Women often have less access to land than men as a result of their gender. They may only have ‘secondary land rights’, in societies where they hold these rights through male family members. This means they risk losing entitlements in case of divorce, widowhood or their husband’s migration.

Video: the impact of the tragedy of Rana Plaza, Bangladesh

**Doing business involves human rights**

Is it the company’s fault for paying the workers less than a living wage? Or is it the government’s fault for setting the minimum wage below the poverty line? In developing and post-conflict countries it’s not always clear who is responsible for human rights violations.

The UN Guiding Principles on Business and Human Rights, adopted in 2011, define the responsibilities of governments and businesses. The Guiding Principles are very clear: companies should avoid infringing on the rights of others and should address adverse human rights impacts with which they are involved. This is also referred to as ‘the corporate responsibility to respect human rights’.

These Guiding Principles apply to all states and to all business enterprises, both transnational and others, regardless of their size, sector, location,
ownership and structure. Currently states are developing their national action plans and laws based on these guidelines. Companies, especially multinationals, are searching for ways to implement the UN Guiding Principles as they are becoming increasingly important.

You might think this is not applicable to you since you know that your core business process does not violate human rights. But the Guiding Principles clearly state that companies are responsible for their entire supply chain. So if you are sourcing from other countries, you have the responsibility to know what is going on in your supply chain, and to know for sure you are not contributing to human rights violations. READ more on responsible supply chain management.

“The Guidelines prove that we indeed all know that respecting human rights is the right thing to do.”

Allan Jørgensen, executive director Danish Institute for Human Rights

Important standards
A number of standards and guidelines have been drawn up to help you understand what is expected of you. We list four of these below.

1. United Nations Guiding Principles on Business and Human Rights. In 2011, the UN Guiding Principles on Business and Human Rights (UNGPs) were universally adopted and these principles describe in detail what the responsibility of companies implies. Companies should avoid involvement in or (indirect) contribution to violations of human rights. They should pursue an active policy that maps out risks in order to be able to act in time. They should compensate for violations there where violations may occur or already occur. READ MORE
2. The OECD Guidelines for Multinational Enterprises, adhered to by 42 countries, includes a chapter on human rights that is fully aligned with the UNGPs. Companies should carry out risk-based due diligence in order to identify and address their adverse impacts. The risk-based due diligence applies not only to their own activities, but also to their business relationships including supply chains. READ MORE

The UNGPs are soft law, which means they have no legally binding force, but more and more governments are willing to explore possibilities for a legally binding treaty. The OECD Guidelines for Multinational Enterprises are the principal intergovernmental agreed soft law tool of corporate accountability. Get to know the UNGP in 4 minutes! READ MORE

Other standards
While the two standards mentioned above are most commonly referred to, there are others as well:

- ISO 26000: a voluntary guidance standard that was launched in 2010 to contribute to global sustainable development by encouraging businesses and other organizations to practice social responsibility to improve their impacts on their workers, their natural environments and their communities. Many of the earliest users of ISO 26000 have been multinational corporations, especially those based in Europe, and East Asia. READ MORE

- ILO conventions: the list of International Labor Organization Conventions comprises 190 laws which aim to improve the labor standards of people around the world. Fundamental conventions are on prohibition of forced labor, child labor, the right to organize in a trade union, and the right to suffer no discrimination. READ MORE
The standards are clear...in theory. But how does a company go about dealing with all this in practice? ICCO and the leading Social Accountability International (SAI) provide various training sessions that help you understand and apply the UN Guiding Principles on Business and Human Rights within your company and supply chain. Concepts such as ‘do no harm’ and ‘due diligence’ are discussed in detail.

The six-step method (developed by SAI) is based on the UNGP and helps you to implement a supply chain management system that integrates respect for human rights.

Before you start: let’s just call it STEP 0:
Build internal ownership and commitment!
When starting with CSR, the first question to ask is: What are your company’s intentions in introducing CSR? And also, who is leading these efforts?
The best CSR initiatives are those embraced by senior leadership at the CEO and board level. Often however, boardroom involvement only comes after internal organic growth or outside pressure.

Building internal buy-in is a priority but it is also the greatest obstacle. It can be a vicious cycle: you want to mainstream CSR in your organization – and you know that the best drivers of such change are success stories. But to obtain these success stories you need internal commitment.

Here are some pointers that can help you:

- Identify organizational performance indicators and measurable targets. These are effective tools that can help drive CSR performance and provide evidence to support the business case.
- Introduce ‘CSR champions’; voluntary personal commitment has been shown to effectively contribute to advancing CSR internally.

**STEP 1. Embed human rights via policy commitment**

Companies are seeing that by having a CSR policy that includes human rights, they can start to better identify risks and opportunities, and to build in-house management capacity to deal with these issues. And by doing this, they can demonstrate to stakeholders a sincere commitment to respect and support human rights.

More reasons to start by drawing up a CSR policy based on human rights:

- To provide a basis for embedding the responsibility to respect human rights in all business operations and functions.
- To respond to relevant stakeholder expectations.
- To identify policy gaps and initiate a process that alerts you to new areas of human rights risks.
- To elaborate on your commitment to respect human rights.
- To build increased trust with external stakeholders and to start to understand and address their concerns.

To foster the development of in-house learning, management capacity and leadership on human rights issues.

To demonstrate international good business practice.

READ MORE on how to develop a CSR policy on human rights.

**SAI Handbook**

Here are some examples of companies’ human rights policies:

- The Heineken Company
- Coca Cola Company
- Dell
- Unilever’s approach to implementing the UN Guiding principles on Business and Human Rights

READ MORE.

**STEP 2. Assess human rights impact**

Start by assessing your company’s impact on human rights. Identify your risk areas using country analyses, new operation assessments and stakeholder consultations. There are online tools that can help you, for example the **CSR RISK CHECK**. However you need to do a thorough assessment: this is called human rights due diligence. Doing this enables you to become aware of and address the human rights harm your company might cause.

**STEP 3. Implement human rights in policies, procedures and responsibilities**

In this phase you will develop a supply chain management system that implements human rights and helps you to take appropriate actions based on the human rights risk assessment you did in step 2. You will also further build your internal human rights or social performance team.

**STEP 4. Track implementation of human rights**

Tracking is necessary to know whether your CSR policies on human rights are being implemented optimally, whether your company has responded effectively
to the identified human rights impacts, and to drive continuous improvement. You can use existing tools, for example performance contracts, reviews, surveys and audits. Operational-level grievance mechanisms can also provide important feedback on the effectiveness of your CSR policies. You can also identify progress measurement indicators, which makes communicating on your CSR efforts a lot easier.

STEP 5. Communicate impact of CSR
Tell about and, most importantly, show consumers and other stakeholders the impact of your CSR efforts. Give specific examples of your CSR efforts and use stories, videos and images to bring your examples to life. Your examples should focus on outcomes. Be transparent about your CSR efforts. Get third party endorsements. Showcase who you’ve partnered with and let their credibility add to your story.

STEP 6. Rectify negative impact on human rights
Even with the best policies and practices, you may cause or contribute to an adverse human rights impact which you could have not foreseen or which you weren’t able to prevent.

If human rights violations occur that your company has caused, has contributed to or is linked to, you must provide for or cooperate in remedying these through legitimate processes. You can establish or participate in effective operational-level grievance mechanisms for individuals and communities that may be adversely affected by your company’s activities. You can find more information on grievance mechanisms here: Grievance Mechanisms, problem solving for company-community conflicts.

Want to know more about this six-step approach? A short training course is available.
CHAPTER FOUR

MEANINGFUL STAKEHOLDER DIALOGUE

Companies can incur high costs if they ignore stakeholder dialogue with local communities. One company ran up costs of 6.5 billion dollars over a two-year period! John Ruggie, the author of the UN Guiding Principles, explains his research project ‘The Cost of Conflict with Communities’.

READ MORE

The UN Guiding Principles highlight the importance of meaningful stakeholder dialogue. So what is that? And why is it important for you? As a company you may be contributing to human rights violations by leasing or purchasing large tracts of land. Indigenous people who live on this land often don’t have officially recognized land titles. Government or private security forces force them to leave their land, often without any compensation. Their right to land and even their right to life are violated.

When confronted with land rights issues it is important that you meet with all your stakeholders, including local communities that are (or might be) affected by your business operations. Companies have traditionally focused on a limited number of stakeholders: shareholders, employees and regulators/law enforcement agencies. Now there is recognition that local communities also affect and are affected by company operations, and therefore should be involved by consultations and even decision-making processes. Their engagement not only benefits the communities, it also builds legitimacy and learning for the companies. Engaging in meaningful dialogue with local communities is important because you can:

- Better understand the community’s viewpoints and concerns. Projects can be designed to take community concerns into account; communities also often have valuable local knowledge, which can lead to better, even innovative projects.
- Reduce controversy and conflict because community stakeholders feel they have been heard. This enhances a company’s credibility.
- Make it easier to attract workers, as employees want to work for a firm that is respected within the local community.
- Reduce lawsuits and other obstacles, avoiding costly project delays.
**Company helps in land rights Philippines**

The multibillion-peso Philippine RNF, a wood manufacturing company, has assisted the Manobo indigenous people by financing their efforts to legally acquire their ancestral land. RNF benefits as well. RNF and ICCO’s partner TFM have assisted the Manobo people in obtaining their legal ancestral property documents. RNF and the Manobo people agreed on mutual benefits from the land through its commercial development after all legal documents had been settled.

> Since 2014 we have been helping the Manobos get back their land. We are providing funds for them to secure their Certificates of Ancestral Domain Title (CADT), so that they can finally say ‘this is our land’.

*Mr. Floresta, founder and owner of RNF*

With the help of ICCO and its local partner TFM the Manobo people were able not only to learn about their legal rights, to empower themselves, and to intensify and advance their struggle, but they were also able to improve their skills in transparent negotiation with a private business entity like RNF and government policy makers. As a result, the Manobo people will soon be able to develop their 15,500 hectares of timberland, to improve their incomes and to secure their future livelihood through their partnership with RNF, which is contributing to the rights of minorities and to the right to an adequate standard of living.

> Essentially we have to work together to end impunity and make human rights a way of life.

*Etta Rosales, chair of the Commission on Human Rights of the Philippines*

**BONUS INTERVIEW: ‘You don’t want to be seen as the baddies’**

Companies bring economic growth and valuable jobs. “Of course you don’t want to be seen as the baddies,” says Allan Jørgensen, executive of the Danish Institute of Human Rights. Jørgensen advises companies on a daily basis and he formulated four questions a CEO should be able to answer at 3 AM.

> Thirty years ago companies invested heavily in bringing down the number of industrial accidents and create safe working environments. These efforts had a massive positive impact, also in China and India. Why wouldn’t it be possible to do so with other human rights?

*John Morrison, Executive Director of the Institute of Human Rights and Business*
In today’s competitive market, companies that incorporate social policies can leave a lasting impression on their stakeholders. Here are a few examples of how companies incorporate their social responsibilities. Teaming up with ICCO all parties involved can benefit.

**CASE**

**This is how Heineken does local sourcing**

In 2011 Dutch multinational Heineken decided to locally source malt barley in Ethiopia. It had just acquired two breweries from the Ethiopian government. A large part of the required malt barley needed to be imported, taking several months and high costs in stock and supply security measures.

To solve this problem and to adhere to its own ambition to source 60% of raw materials locally within the African continent by 2020, Heineken started to work with local smallholder farmers. Sander Bokelman, Logistics & Purchasing Manager, is based in Ethiopia. He’s responsible for this public private partnership in Ethiopia.
Bokelman sees a great deal of potential in Ethiopian local sourcing. “The climate in Ethiopia is ideal for growing malt barley. That is why we started the CREATE program with the support of the Dutch Government and strengthened by partnering NGO’s.”

With the help of ICCO and its local NGO partner HUNDEE Heineken was able to establish supply contracts with a large quantity of farmers. ICCO organized them into 16 cooperatives. “I was impressed by the quickness of this”, Bokelman adds referring to ICCO that within one year identified, grouped and trained the farmers.

ICCO integrated the previously individually working farmers into groups and trained them on how to manage a cooperative. ICCO also trained them in agricultural techniques to improve the yield and the quality of their crop.

To meet Heineken’s standards Bokelman and his team are also actively involved with the farmers, Bokelman explains.

“We offer farmers the best seed varieties that give better yields, improved quality and a premium price.”

Sander Bokelman, Heineken Logistics & Purchasing Manager, Ethiopia

Currently, 2,500 small holder farmers are involved in the partnership between the CREATE program and ICCO. The total CREATE number will increase up to 20,000, of which 10,000 developed by the partnership with ICCO. The total target is to produce 20,000 tons of barley on 10,000 hectares of land.

For the farmers and their families, this cooperation leads to improved incomes while Heineken is able to ensure and expand its supply chain. Bokelman: “What I like about this program is that it is a hand shake and not a hand out.”
How can you address poverty and at the same time use forest resources sustainably? AVIVE (the Green Life Association of Amazonia) is an organization that promotes the local production of natural essential oils and their derivatives as an economic alternative for the women of Silves (Manaus, Brazil).

AVIVE produces high quality cosmetics and essential oils, sold in stores and marketed abroad. Sustainable forest management enables the women to capture the benefits of their traditional knowledge of the Amazon forest, which is part of their culture and life.

Currently 600 people from 15 communities are benefiting from this initiative. With support from the Ministry of Environment, AVIVE has established a 3,000-hectare reserve for growing trees such as rosewood, in order to meet the growing demand for essential oils.

ICCO provides grant-based business development services so that AVIVE can strengthen its commercial platform and so further develop value chains. In the near future ICCO will provide investment fund so that AVIVE can expand its operations.

“We didn’t inherit the earth from our ancestors, we borrow it from our children.”

Popular African saying
Setting up a fair trade walnut value chain in Kyrgyzstan

In addition to their suppliers of nuts in South America, Intersnack, a European savory snack manufacturer, was looking for other nut producing countries to secure its supply of nuts. Intersnack approached ICCO and FMS and requested them to conduct a study on the walnut sector in Central Asia. ICCO did a survey in Kyrgyzstan to find new suppliers of walnuts that fitted Intersnack’s sustainable procurement strategy. The result was the setting up of a walnut supply chain based on fair trade and sustainable sourcing principles.

“Our commitment to sustainable procurement is about maintaining economic success by developing enduring relationships with suppliers, focusing upon the sustainable production of the products we source and working to enhance the quality of life of the people and of the natural resources we depend upon within our supply chains.”

Daria Toschi, Sustainability Manager Intersnack Procurement

In Kyrgyzstan, walnuts were traditionally collected in the forest for local consumption and exported to nearby countries like Iran, Turkey and China. European prices for nuts are higher, but this Central Asian country did not have the infrastructure or the knowledge to supply these markets. Hence, most walnuts destined for the EU market were supplied through intermediary companies in Turkey.

ICCO and its local partner Agrolead played a role in setting up the infrastructure since the structural supply and processing of the nuts was poorly organized. The contribution of Agrolead was to establish direct linkages in the chain in order to create transparency and build trust and long-lasting relationships among the chain actors. ICCO and Agrolead set up and trained cooperatives of collectors. They were trained in the principles of fair trade, in quality requirements and in governance. In the processing factory in Kyrgyzstan, the nuts are peeled, processed, sorted and packed in preparation for export. The company Vega + pays the cooperatives a fair price for their nuts.

ICCO has helped match the buying and selling parties, to facilitate and negotiate between the different parties involved. After two years of preparations, in January 2015 the first batch of walnuts was sent to Intersnack. Their quality has been approved and the walnuts are ready for sale in Europe. ICCO is also involved in the plans for the business’s long-term future, which include planting new walnut trees within the forest.
**Better control of shea nut supply in Burkina Faso**

The shea nut, widely collected in Burkina Faso mostly by women, is a popular ingredient in the cosmetic industry. The French company Olvea wanted better control of its shea butter supply, but in a way that meant fair prices for the local farmers/collectors in Burkina Faso. The aim was to improve not only the sustainability of the value chain, but also the livelihood of people involved in the supply chain.

Local and international demand for shea butter is high, but local farmers/collectors did not necessarily benefit from it. As they were not well organized, it was difficult for buying companies like Olvea to work directly with these producers. Instead, traders and middlemen bought the shea nuts from the women and sold them to processing companies. The women didn’t get fair prices for their products. Also, buyers didn’t get consistent quality.

This is why in 2009, the farmers’ organization FADEFSO established a partnership with Olvea Burkina Faso for a pilot project. This linked the shea nut collectors and their organization with Olvea, thus guaranteeing a sustainable supply chain. Olvea now works with six farmers’ organizations, of which four already meet Olvea’s requirements.

The other two have great potential, but need 2-3 years’ guidance to establish production management and full traceability of the nuts. The contract between Olvea and the farmers’ organization stipulates that when the shea nuts meet the quality requirements, the women producers receive a premium. The organization’s board determines how the premium contributes to schooling, health services, etc.

ICCO works with the women’s cooperatives, in a number of ways:
- Linking them with Olvea
- Improving their capacity building
- Developing their skills
- Strengthening their governance
- Co-funding the project

Initially, ICCO provided 40% of the funds and Olvea 60%. Now, Olvea’s share has increased to 70%, ICCO also plays a monitoring role to ensure that the partnerships between Olvea and the women’s cooperatives are respected.
Alpine Coffee from Nepal

Alpine Coffee is a dynamic new Nepalese company founded by a couple of young Nepalese entrepreneurs. They set the company up as a social enterprise, with the aim to create an environment-friendly business that benefits local farmers and create social impact. They developed a business plan for a high quality specialty coffee; green bean coffee, organically grown in Nepal.

In 2013, Alpine Coffee linked up with local farmers’ cooperatives and trained the members in the production, processing and packaging of green coffee beans. Today, some 1,500 farmers are supplying green beans, which are roasted and packaged and sold to the tourist sector in Nepal, for example to hotels in Kathmandu. The company is now in the process of obtaining fair trade and organic certification.

ICCO provides Alpine Coffee with expertise and advice on how to organize a business and monitors social progress. ICCO also facilitates capacity building for the farmers’ cooperatives, thus assisting them to improve their production processes.

ICCO Investments contributes equity. ICCO has invested approximately €165,000 over a two-year period in Alpine Coffee.
WHAT CAN ICCO DO FOR YOU?

Have you ever thought of what a non-governmental organization (NGO) like ICCO Cooperation can do for you as you embark on CSR.

But first, who are we? ICCO Cooperation, a Dutch-based NGO for development cooperation, was founded in 1964 with the aim of eradicating poverty and injustice, and has been working with the private sector since the 1990s. Our mission has not changed, we consider working with the private sector a means to achieve our goal.

“I was impressed by the quickness of ICCO’s efforts to organize the farmers.”

Sander Bokelman, Logistics & Purchasing Manager, Heineken
As a partner to enterprising people, we seek parties that share our ideas of creating a world without poverty and injustice. We offer support to local partner organizations in 44 countries in Africa, Asia and Latin America in order to create sustainable livelihoods, and promote justice and dignity for all.

"ICCO has been a main catalyst and played a key role both as donor and facilitator. Without ICCO’s expertise and support the project would have not taken off."

Daria Toschi, Sustainability Manager Intersnack Procurement

Thanks to our local knowledge and presence, ICCO Cooperation is able to act as the linchpin between companies and local communities. We can advise companies on their risk assessments, stakeholder dialogue and remediation efforts. We can also provide financial services. And there is more.

Do you want to:
› Make sure that the land you are leasing or purchasing is obtained fairly? Often cases of land grabbing are well documented by NGOs. If you want to be sure whether the land you are leasing or purchasing has been obtained fairly, ICCO can check this for you. Please email info@icco.nl or call +31 30 692 7811.

› Obtain advice on how to source locally? Need to know which certificate is required to become sustainable? Want to know how to increase productivity by paying more attention to gender? Want to be linked to trustworthy key players abroad? Fair & Sustainable Advisory Services (FSAS) established by ICCO in 2010 offers consultancy services to companies with the objective of creating economic opportunities for people in developing countries. Call +31 30 234 8281 or

READ MORE
Receive advice on land rights issues? Together with our local partners we have developed a global lobby and advocacy strategy on Human Rights and Business with a special focus on access and control over land for smallholders. We are well informed since we organize expert meetings and round tables in different regions on a regular basis. We can link you to the right resource persons. Please email Femmy.Bakker@icco-cooperation.org or call +31 30 692 7811.

Learn how to make sure human rights are respected in your business operations? We offer training on how to make your supply chain human-rights proof in accordance with the UN Guiding Principles on Business & Human Rights. Sign up for the course. READ MORE

Know how frontrunners perform? Together with the Dutch Association of Investors for Sustainable Development (VBDO) we did a comparative study of CSR in the supply chain of 40 multinationals. This report gives you some insights. READ MORE

Exchange thoughts and ideas with other companies, governments, independent consultants and NGOs? Every year we organize a multistakeholder conference on Human Rights and Business in the Netherlands with PwC (accountants), VBDO and CNV Internationaal (the international branch of one of the main trade unions in the Netherlands) on practical implementation of the UN Guiding Principles by companies. You are welcome to register for the conference, which will take place in June in Amsterdam. Please find details on our website. READ MORE
Get access to finance for starting up your new business? ICCO can boost your agribusiness to help make new business initiatives in developing countries bankable. Often, new startups and early phase businesses are faced with a lack of options: they do not have access to funding for growth and they need to grow before they can access more funding. This the true missing middle for SME businesses in developing countries. ICCO’s Agribusiness Booster supports these companies in a unique blend of both investments (loans and equity) and business development services.

Do you want to know what we can do for your start up? Please email Jaap.Jan.Verboom@icco-cooperation.org or call +31 30 692 7811.

Make your business operations climate neutral? To offset your emissions FairClimateFund (100% daughter of ICCO) offers fair traded carbon credits. People get a better health, less deforestation and extra income. That way your compensation makes a difference for the climate and poverty reduction. Please email info@fairclimatefund.nl or call +31 30 234 8210. READ MORE

Obtain investment possibilities for your business? ICCO Investments manages impact investment funds which provide loans and equity to finance businesses that can generate both profit and social impact. ICCO Investments offers a combination of products to finance companies that have little or no access to affordable finance. Please email info@icco-investments.org or call +31 30 692 7801. READ MORE
ICCO is active in 44 countries throughout the world.

> ICCO - The right way to do business
Overcoming poverty is not a task of charity, it is an act of justice. Like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings.

Nelson Mandela

Selected reading material

› UN platform for companies and civil society
  READ MORE

› The UN Guiding Principles on Business and Human Rights
  READ MORE

› Guidance standard on social responsibility
  READ MORE

› Declaration of principles concerning multinational enterprises and social policy in 11 languages
  READ MORE

› Secure and equitable land rights in the post 2015-agenda
  READ MORE

› Guidelines for multinational enterprises
  READ MORE

› Research by the Danish Institute for Human Rights
  READ MORE

› Guide to Human Rights Impact Assessment and Management
  READ MORE

“ Overcoming poverty is not a task of charity, it is an act of justice. Like slavery and apartheid, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of human beings. ”

Nelson Mandela
Report: Integrating human rights due diligence into corporate risk management processes
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Report: The state of play of Human Rights Due Diligence
READ MORE

Overview of National Action Plans on Business and Human Rights
READ MORE

Survey amongst US executives on CSR
READ MORE

On YouTube

Animated film as an introduction to UN Guiding Principles on Business and Human Rights

Animated film (in English with French and Spanish subtitles) to raise awareness on Business and Human Rights

Human rights and transnational corporations (John Ruggie)

The business case for human rights (Wendy Cukier)

On the ICCO website

What do you need to know about CSR?
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'Every company gets to deal with human rights'
READ MORE

How can NGOs and business team up?
READ MORE