



## SUSTAINABILITY CHARTER

### STATEMENT OF INTENT

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As stakeholders active in the agricultural industry, we are committed to playing a full and proactive role in the development of a sustainable global food system. We understand a sustainable food system to be one that alleviates poverty, delivers food security and nutrition, protects the environment, and ensures the long-term wellbeing of all those we touch with our operations: customers, consumers, workforce, suppliers, local communities and other stakeholders.

In accordance with United Nations (UN) Sustainable Development Goals (SDGs), we recognise the need to address the three dimensions of sustainability:

- **Economic:** our activities should generate economic benefit for all actors in the food chain.
- **Social:** our activities should provide positive socio-cultural outcomes including safe and healthy food, increased employment and decent work for all, with a specific emphasis on gender and young people.
- **Environmental:** our activities must have a neutral or positive impact on the natural environment (including biodiversity, water, soil, and climate).

Implementing good practice will enable us to contribute individually and collectively towards our shared goals. Adhering to this Charter, we are expressing our commitment to run our operations in a sustainable way and according to the principles of:

- complying with the law and behaving as good corporate citizens;
- ensuring good governance of our operations;
- being fair business partners and ensuring good labour conditions;
- protecting the environment;
- using good agricultural and manufacturing practices and ensuring safe, high quality produce.

Annex I outlines good practice towards sustainable agricultural production and trade, particularly in the context of Africa, Caribbean and Pacific (ACP) - EU horticultural value chains.

Annex II outlines the COLEAD Sustainability Self-Assessment System (SAS) that is designed to promote continuous improvement in the application and monitoring of good practice by operators in horticultural value chains, according to their individual context and means.



## **ANNEX I: GOOD PRACTICE TOWARDS SUSTAINABLE AGRICULTURAL PRODUCTION AND TRADE**

### **I. GOOD PRACTICES TOWARDS ECONOMIC SUSTAINABILITY**

- Provide written clear, fair and comprehensive contracts for suppliers and outgrowers.
- Honour contracts and commitments, pay on time and be fair, transparent and consistent about terms and conditions, price setting mechanism, and any deductions or bonuses.
- Provide outgrowers (or endeavour to help them obtain) the training and equipment they need to do their jobs in a way that is safe for themselves, others and the environment.
- Respect, and act in the spirit of, free and fair competition.
- Inform customers, suppliers and outgrowers of any issues that may affect their business, in an appropriate and timely manner.
- Be a responsible and constructive member of the local community, contributing to its well-being and long-term economic development, and assisting the local community in times of crisis.
- Ensure complaints procedures are in place and take seriously, and respond to, any complaints and grievances from business partners and other stakeholders.
- Listen and respond to the needs and interests of outgrowers, especially small-scale.
- Conduct business with integrity, avoiding conflicts of business interest and fraudulent practices.

### **II. GOOD PRACTICES TOWARDS SOCIAL SUSTAINABILITY**

#### **II.1 Labour conditions**

- Create opportunities to gain experience and decent work, with a specific emphasis on youth <sup>(1)</sup>, women and vulnerable groups.
- Provide written clear, fair and comprehensive contracts for workers in a language and format that they can easily understand.
- Honour contracts and commitments, pay on time and be fair, transparent and consistent about terms and conditions, and any deductions or bonuses.
- Provide a safe and pleasant working environment, free from any form of abuse, harassment, discrimination or bullying.
- Ensure equality, diversity and inclusion in our workforce, suppliers, including outgrowers, and take meaningful and proportionate consideration of our impacts on gender equality.

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<sup>1</sup> [https://au.int/sites/default/files/treaties/7789-treaty-0033\\_-\\_african\\_youth\\_charter\\_e.pdf](https://au.int/sites/default/files/treaties/7789-treaty-0033_-_african_youth_charter_e.pdf)



- Publicly acknowledge, respect and safeguard workers' rights as laid out in relevant ILO conventions<sup>2</sup>.
- Listen and respond to workers' needs and interests.
- Ensure all workers receive the training and equipment they need to do their jobs in a way that is safe for themselves, others and the environment.

## II.II Human rights

- Support and respect the protection of internationally proclaimed human rights and ensure no complicity in human rights abuses.
- Only utilise land and business premises where the right to use is uncontested.
- Empower economically vulnerable players in value chains, including smallholder outgrowers.

## II.III Food safety and quality

- Comply with all relevant and applicable food safety, hygiene, trade and phytosanitary regulations.
- Manage food safety and other aspects of product quality in a systematic way and in close coordination with customers.
- Ensure product traceability, at least one step forward and one step back in the supply chain.

## III. GOOD PRACTICES TOWARDS ENVIRONMENTAL SUSTAINABILITY

- Systematically identify, document and monitor any negative environmental impacts resulting from operations, and take steps to remove, reduce or mitigate these impacts.
- Engage with and support existing conservation initiatives in areas around the business operations, including reforestation and biodiversity restoration.
- Protect designated areas of high conservation value.
- Start operations only on green field development sites, or land that has been newly converted to agriculture, if there is documented and satisfactory evidence that all environmental and social impacts have been duly assessed and managed.
- Use inputs and natural resources efficiently.
- Recognise indigenous technical knowledge and practices and their positive contribution to sustainable production.
- Adopt sustainable production practices, in particular by protecting and managing soil, water sources, water quality, and biodiversity; by the efficient use of energy; and by using the best available methods for management of hazardous and non-hazardous waste.
- Adopt practices that reduce greenhouse gas emissions and contribute to carbon sequestration.

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<sup>2</sup> Relevant ILO Conventions are: ILO Conventions 29 and 105 & Recommendation 35 (Forced and Bonded Labour); Convention 87 (Freedom of Association); Convention 98 (Right to Organise and Collective Bargaining); Conventions 100 and 111 & Recommendations 90 and 111 (Equal Remuneration for male and female workers for work of equal value; Discrimination in employment and occupation); Convention 138 & Recommendation 146 (Minimum Age); Convention 182 & Recommendation 190 (Worst forms of Child Labour); Convention 81 (Labour Inspection); Convention 122 (Employment Policy). Although not core ILO conventions, other ILO standards are relevant: Convention 155 & Recommendation 164 (Occupational Safety & Health); Convention 190 & Recommendations (Safety and Health in Agriculture); Convention 154 (Collective Bargaining); Convention 131 (Minimum Wage Fixing); Convention 183 (Maternity Protection).



- Avoid produce loss or waste at any stage of the supply chain.
- Use best available knowledge, advice and innovation for the management of planting, soils, irrigation, nutrients, pests, harvesting, post-harvest handling, and varietal selection. Ensure that this knowledge and advice is extended to suppliers (including smallholder outgrowers) and contractors.
- Operate appropriate management systems and procedures for the rational use of inputs such as water, nutrients, pesticides, and energy, with clearly assigned responsibilities and records.
- Use Integrated Pest Management (IPM) for pests, diseases, weeds and invasive species.
- Actively phase out the use of agrochemicals categorised as World Health Organisation Type IA or IB, or listed by the Stockholm or Rotterdam Conventions.
- Select, store and handle agrochemicals, fuels and other dangerous substances responsibly and in a way that minimises the risk to human health and the environment.
- Avoid use of fire for waste disposal, land clearing or replanting, except when strictly necessary.
- Make every effort to reduce disturbance to neighbouring communities from activities such as noise, traffic, and odour.

#### IV. GOOD GOVERNANCE PRACTICES

- Keep informed of, and operate the business in accordance with, all relevant applicable laws and regulations.
- Put in place appropriate management and documentation systems to monitor all matters covered by this Charter.
- Ensure proper disclosure of these commitments to shareholders, clients, suppliers, contractors and outgrowers with an expectation that they will follow equivalent best practice, and that they actively address any discrepancies.
- Apply best practice in all areas of management and strive to continuously increase the sustainability of the business.



## ANNEX II: SUSTAINABILITY SELF-ASSESSMENT SYSTEM

### I. BACKGROUND

The COLEAD Sustainability Self-Assessment System (SAS) is designed to promote continuous improvement in the application and monitoring of good practice by producers and MSMEs in horticultural value chains. It has been developed in the context of COLEAD technical assistance, which provides supply chain operators with the knowledge and tools needed to function competitively, profitably, and sustainably.

The SAS covers all areas in the COLEAD Charter including food safety and good social, environmental and business practices. Following the philosophy of all COLEAD technical assistance, each entity can tailor their use of the SAS according to need and circumstances, selecting the areas that are most relevant, and for which they see clear benefit.

The first version of the SAS was modelled on the Sustainable Agriculture Initiative (SAI) Platform Farm Self-Assessment (FSA), the primary global food & drink value chain initiative for sustainable agriculture. The FSA is widely accepted in the food manufacturing industry to assess, improve and communicate on-farm sustainability. COLEAD adapted this approach to the horticultural sector in ACP countries, aligning it with the COLEAD Charter. Later versions of the SAS have adapted to new EU policies, as well as trends in buyer sustainability requirements (for example GLOBALG.A.P. IFA Version 6).

While mainstream sustainability assessments tends to be designed around consumer and retailer expectations, and the avoidance of bad practice, the SAS focuses on promoting good practice that can provide real commercial, social, and environmental benefits at the production level.

### II. MODUS OPERANDI

The SAS is an online tool consisting of:

- **a checklist** (series of questions) on social, environmental and business practices;
- **metrics**: objective measurements that calculate key performance indicators such as profit, yield, use of inputs, staff retention, and soil health;
- **guidance** to clarify the meaning and significance of the questions, and how to implement improvements;
- **reporting mechanism** that generates a summary of current status, and identifies areas for improvement.

After completing the SAS, a report is automatically generated to provide users with easily accessible feedback, and an overview of their performance in key areas of sustainability. Repeating the SAS at regular intervals allows users to visualise and track progress over time, and to develop a business profile through which they can demonstrate to their customers and their partners their use of responsible and sustainable practices.



### Examples of calculated key performance indicators (KPIs)

Environmental indicators	Social indicators	Economic indicators
Energy use (MJ/t & MJ/ha)	Lost time to injuries (employees)	Yield harvested (t/ha)
% renewable energy	Lost time to injuries (seasonal/casual workers)	Yield loss pre-harvest (t lost/ha)
Soil organic matter as % of a target value	% female staff (by role)	Turnover (EUR)
Irrigation water (m <sup>3</sup> /t & m <sup>3</sup> /ha)	% female outgrowers	EBITDA (EUR)
Fertiliser use	Staff retention (%)	Net income (EUR)
Pesticide use		Profit margin (%)
Land area used (ha/t)		Operating costs (EUR/ha and EUR/t)

### III. OBJECTIVES AND OUTCOMES

#### i. Facilitate continuous improvement

The SAS is designed so that the questions are progressive and help operators make tangible improvements, step by step. They start by addressing the basic level (e.g. taking soil samples), and end with the application of more complex management systems (e.g. implementing a soil and nutrient management plan). Within topics there is also room for development (e.g. starting with soil improvement on 10% of the farm, and gradually working towards 100%). The guidance explains the importance and benefits of progressing from one step to another. For producers and MSMEs in receipt of COLEAD technical assistance, resources and training aligned with the SAS are also available.

#### ii. Enhance business planning

The SAS metrics and calculators help producers and MSMEs to monitor costs & revenues, and identify areas for improvement. For many strands of sustainability, there is a strong business case to use good practice (e.g. rationalising energy, water, fertiliser use). Keeping a track of key metrics helps to identify opportunities to save costs, increase income, and enhance resilience, as well encouraging adoption.



iii. Align practices with regulations and industry norms

The SAS checklist addresses the main sustainability practices expected by global markets (e.g. by aligning with the SAI FSA and new GLOBALG.A.P. environment and sustainability criteria). The SAS can be used to help operators work towards meeting buyer demands, especially for high-end and export markets.

iv. Evidence good practice to clients

The SAS reports can be used to share sustainability progress with clients/investors/donors. Sustainability data is already essential to enter high-end niche markets, but these demands are now becoming mainstream. Operators that are already tackling these issues, and have systems in place to record and communicate their progress, are in a stronger position to supply global markets.

v. Identify and orientate technical and financial support

In the case of development projects, SAS assessments help to identify areas where improvements are needed, and to orientate and monitor training and support actions. Having historical records of costs, revenues, and performance also strengthens the position of enterprises to access finance.