KSapa Advise Invest Advocate



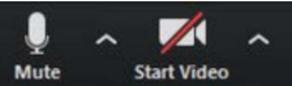
WEBINAR Human Rights Risk Remediation Across the Supply Chain

8 SEPTEMBER 2020

Online Meeting Instructions

Please note the following

- You can change your name, but it's better for everyone to know who you are!
- You are in mute mode use the chat function and main presenter may invite to speak and share a question
- Your camera is off so you keep the bandwidth and minimize your carbon footprint attending this event
- You are welcome to invite other participants
- You are welcome to use social media including @Ksapaorg so everyone can track the discussions
- Participant list is accessible through Linkedin
- A short poll will be activated. Please contribute so we can improve and connect as necessary!















Introducing Ksapa

- Our team and extended global network of experts
- Our 3 core services lines



Introducing Ksapa

Ksapa (Sioux language): Discernment, Wisdom, Soundness, Reasonableness

Our purpose is to participate in shifting the economic world towards operating and investment models performing economically, socially and environmentally.

Ksapa draws on sustainability and finance expertise and combines ESG & Interdisciplinary Sustainability consulting and Innovative Impact Investment services to design and implement scalable solutions to build more resilient, inclusive and competitive operating models.



We Advise

Ksapa provides strategic advice helping companies and investors to generate competitiveness with resilience and inclusiveness

- ESG / SDG Materiality
- Sustainability & Business Strategy
- ESG Risks assessment
 & Due Diligence



We Invest

Ksapa provides scalable innovative financing solutions and impact investing programs generating return and accelerating impact on Global Goals

- Impact Investing Fund
- Sustainability-themed Investment Program
- Active Ownership



We Advocate

Ksapa is a social purpose corporation sharing insights to show businesses and investors why and how to embed resilience and inclusiveness across investment and business decisions

- Media
- Social Media
- Blog
- Reports & Briefing Papers
- Webinars



Our Team and Network

A mission-native company headquartered in Paris

A core team of 10 complementary experts

A network of 150⁺ partnering experts worldwide across G20, Pacific Asia and Africa markets (agronomy, poverty, legal issues, contextual facilitation...)

Global strategic partnerships: Impact investors, digital solutions, data science

Ksapa offers close contextual and operational support, delivering high-quality results to global players





Ksapa's Core Commitment to Advocacy

REPORTS & BRIEFING PAPERS

ILLUSTRATIVE LIST OF BLOG ARTICLES

REGULAR WEBINARS





Climate Disobedience and Stakeholder Engagement

Boards of Directors and Adaptation to Climate Transformations

<u>Legally Binding Instrument to Regulate Business & Human Rights</u> on its Way. 6 Areas to Monitor

<u>Just Transition Offers the Opportunity to Take Responsibility on Climate</u>

How to Scale Up Tech Solutions and Amplify Their Sustainability Impacts

<u>Fighting Deforestation Across Agricultural Commodity Supply</u> Chains is Calling for Social Performance

What To Learn From France's and UK's Human Rights Due Diligence Laws?

Elimination of Child Labor: 5 Concrete Approaches for Companies

<u>Human Rights, a Source of Legal Instability for Business? Not</u> Really. What's at Stake is More Profound







Corporate & Institutional Players Ready for Change

1

Support from domestic legislations

- Allegations pertaining to Human Rights have led to highprofile transnational lawsuits
- Boards of Directors and C-Suites reacted by examining implications for their business/operations

2

Growing alignment across corporate functions

- The Human Rights lens supports internal dialog around Opex and Capex
- Proactive Human Rights risk mitigation policies decrease unnecessary costs – if they do not generate savings

3

Human Rights increasingly condition access to capital

- The Financial Crimes Enforcement Network released guidance for financial institutions to detect and report suspicious activity linked to human trafficking
- Industry stepped up efforts after the Australian government charged Westpac bank with facilitating transactions that fueled child exploitation



The 2021 EU Directive Project A Call for Meaningful Enforcement Mechanisms

The UN Guiding Principles on Business and Human Rights outline a 4-step approach:

- Identify scale, scope, remendability and likelihood of adverse impacts
- 2. Take steps to prevent and mitigate impacts
- 3. Track the effectiveness of each steps
- 4. Communicate externally, including to those impacted

Milestone promise a positive step toward mandatory due diligence in supply chains

A recent announcement from the European Commission could spell the start of a new normal for corporate responsibility writes Claire Ivers, Senior EU Adviser at Anti-Slavery International.

PRESENTATION AND DISCUSSION WITH
COMMISSIONER FOR JUSTICE DIDIER REYNDERS
ON DUE DILIGENIE STUDY
HOSTED BY RESPONSIBLE BUSINESS CONDUCT WORKING GROUP

#duediligence #bizhumanright

Slating a mandatory Human Rights
Due Diligence Directive in the EU Justice
Commission's 2021 Workplan addresses
a major gap in:

Enforcement Mechanisms

Civil Liability
Provisions



A Call for Meaningful Enforcement Mechanisms

- Lagging Risk Mapping
 Across Businesses
- Corporate Reporting disconnected from risk mapping

Unanswered Stakeholder Aspirations

- Most companies start by publishing public commitments and adjoining Human Rights Policies
- Few are able to demonstrate they have identified the scale, scope, remendability and likelihood of adverse impacts
- Fewer can explains their steps they have taken to prevent and mitigate impacts and track the effectiveness of these measures
- Most describe enterprise-wide risk management processes and training sessions provided, without specifying how these systems effectively and specifically address identified risks
- Action plans must be detailed or, by proxy, concrete examples may be shared to demonstrate actual implementation efforts
- Few companies can justify the appropriate level of granularity in risk mapping, strategy, action plans or enforcement mechanisms
- Fewer still have the capacity to engage with stakeholders to pinpoint risks locally, embed feedback in mitigation measures and involve stakeholders in implementing and tracking progress
- Misalignment in policy, action and reporting creates frustration and threatens the credibility of the entire organization for civil society and investors alike

3



Panel Discussion

Facilitation: Farid Baddache, CEO, Ksapa

Update on legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises

Covid-19: Learning from recent controversies



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Human Rights Risk Remediation Across the Supply Chain

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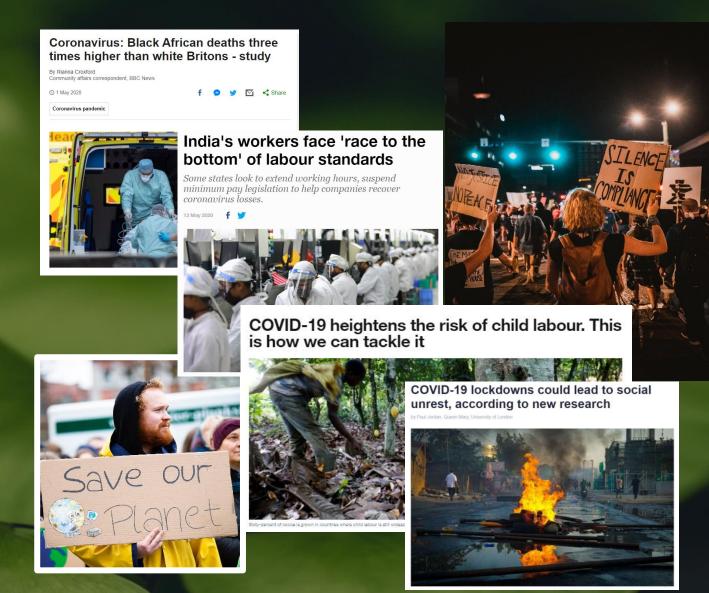
SALIL TRIPATHI SENIOR ADVISER ON GLOBAL ISSUES

1



A Call for Meaningful Enforcement Mechanisms: Addressing Likely Covid-19 Impacts

- We are entering a massive recession due to Covid-19 related lockdown and looming stop-andgo prevention measures
- Policy-makers and business leaders may question Human Rights regulation as countries sacrifice labor laws to Covid-19
- Social unrest to protest growing inequalities is on the rise
- More, not less, institutional and business efforts are needed, to give societies a chance to recover





Controversy Lies At The Sensitive Interface Between Pandemic Crisis Management And Human Rights

Businesses Bear Primary Responsibility For Crisis Management With Regards To Their Employees, Suppliers And Broader Communities

Some opted to maintain their jobs and support their business partners. Others, in similar circumstances, have made mass layoffs - leaving their employees without social security in the midst of a pandemic crisis - or sinking strategic partners by suddenly terminating business relationships.



JBS, a Brazilian multinational accounting for 25% of the global beef market, was sued for allegedly violating the rights of 40 Kaingang factory workers by laying them off during the Covid-19 pandemic



1150 textile mills in Bangladesh have reported the suspension or cancellation of orders from major brands such as C&A, Levi's Strauss and Gap, in excess of \$3.18 billion, which affected 2,28 million workers



In Leicester, Covid-19 revealed thousands textile workers were paid £3.50 per hour. Boohoo has since been boycotted by Amazon, Zalando and others while stock prices tanked after Standard Life Aberdeen sold all shares.



Human Rights Risk Remediation Across the Supply Chain

- Necessary but Insufficient: Renewing the Code— Standards—Audits Triptych
- 2. Three Solutions For Responsible Supply Chain Management To Address Real-Economy Challenges
- 3. Panel Discussion



Human Rights Risk Remediation Across the Supply Chain

Necessary but Insufficient:
Renewing the Code—Standards—Audits Triptych

- The New Frontier For Business: Converging On Sectorial And Territorial Expectations And Supplier Engagement
- 3 Keys Motivations For Business To Renew the Current Code—Standards—Audits Triptych



The New Frontier for Business: Converging on Expectations & Supplier Engagement

Corporate accountability has drastically improved in the past 20 years, thanks to the mainstreaming of the Code—Standards—Audits triptych.

Corporate policies, supplier codes and contractual clauses structure buyers' expectations in terms of the socio-environmental practices and performance of their suppliers.

Streamlining &
Strengthening Supplier
Relations

Converge on sectoral & territorial expectations

Increases production quality/yield

Improves supply mapping/traceability

Builds trust b/t businesses, suppliers and consumers

Social Audits & Evaluations

Social & Environmental Reporting Activities

Supplier Engagement Adapt training & technological solutions

Supports risk management/remediation = supply mapping & alert mechanisms

Activate purchasing lever to align with societal commitments



3 Keys Motivations For Business To Renew Its Code—standards—audits Triptych

The Code-standard-audit Triptych Is Useful And Will Continue To Be Finetuned.

While It Lends Direction And Allows For Practices To Converge,

It Remains Insufficient

Sharing Writings Does Not Manufacture Supplier Buy-In

Recurring Issues
Call for More Than Auditing

Harness Disruptive Approaches, Not Just Continuous Improvement Legally-binding codes and contracts ≠ field action

- 1. Explain and train suppliers for them to translate issues in their operating methods
- 2. Support local management to affect endemic issues

Audits alert to recurrent issues, ex: overtime

- 1. Address overarching purchasing practices
- 2. Develop complementary programs to adapt purchasing practices and productivities processes

Collaborative initiatives alone ≠ innovation

- 1. Leverage continuous improvement to lead a large community toward best practices
- 2. Combine disruptive approaches to effectively address endemic, complex issues to hit your targets



Human Rights Risk Remediation Across the Supply Chain

- 3 Solutions For Responsible Supply Chain Management To Address Real-Economy Challenges
- Human Rights Remediation Solutions at Ksapa



3 Solutions For Responsible Supply Chain Management To Address Real-Economy Challenges

Use The SDG To Address Pain Points Identified by Audits

Prioritize Action On Strategic Categories

Embrace Big Data, Digital Collection and Virtual Reality

A Comprehensive Framework

- 1. Work at the intersection of directives & mandatory practices to comply and address endemic issues (e.g.: work on Gender, Climate or Decent Work)
- 2. Address interconnected SDG to align with societal commitment

Work with strategic and vulnerable suppliers

- 1. Adapt to cost-cutting, innovation, quality impacts and deadlines as well as growing uncertainty
- 2. Secure the availability and price of strategic supplies
- 3. Lend supplier the capital or expertise to make required investments & adapt production facilities

Manage supply complexity at an acceptable cost

- 1. Combine contextual data and learning machines to predict the occurrence of risks
- 2. Adapt audit planning accordingly, to focus on high-risk suppliers, categories or supply references with targeted audits & assessments
- 3. Activate digital data collection across the value chain
- 4. Leverage digital technologies to transfer technical knowledge locally in combination with face-to-face coaching and mentorship



Panel Discussion

Facilitation: Farid Baddache, CEO, Ksapa

Use The SDGs To Address Pain Points

Prioritize Action
On Strategic
Categories

Embrace Big Data,
Digital Collection
and Virtual Reality



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Summary: Human Rights Risk Remediation Across the Supply Chain

Focus

Address Pain

Points

Use The SDG To

Prioritize Action On Strategic Categories

> Embrace Big Data, Digital Collection and Virtual Reality

Illustrative Action Plans

- Prioritize SDG most relevant to core business, to maximize credible and address interconnected goals
- Include robust impact measures processes to demonstrate effective progress on priority SDG
- Engage with stakeholders, to identify risks on the ground, design mitigation measures & track progress
- Identify Human Rights risks across the value chain
- Comprehensively describe potential and actual risks, mitigative measures and progress
- Communicate measures and progress externally, including sharing information on enforcement mechanisms and civil liability provisions with impacted right holder groups
- Adapt remediation solutions to the global pandemic, including grievance mechanisms
- Collaborate with industry and investors, to best adapt risk mitigation measures to key sector and the specificities of local operations
- Manage carefully related data privacy issues!

Ksapa Solutions



- SDG roadmap and action plan
- Stakeholder Engagement Strategies Design & Activation



- Human Rights risk-mapping across operations, supply chains, communities and customers
- Corporate Duty of Vigilance Plans, complete with effective enforcement mechanisms

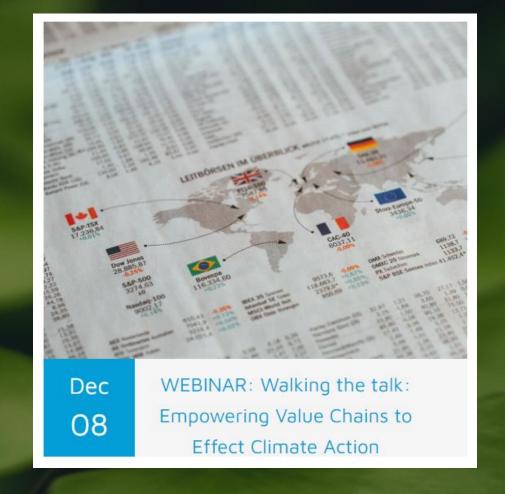


- In-person & digital training on Covid-19 for smallholders
- Innovative schemes to finance adaptative measures collaboratively



Stay Appraised of New Developments Upcoming Ksapa Webinars







Questions & Answers

Getting in touch

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