

# AIM-PROGRESS RESPONSIBLE SOURCING FORUM

## 25 JULY 2019, SAO PAULO, BRAZIL



On 25 July 2019, 280 delegates from suppliers to brands attended the [AIM-PROGRESS](#) Responsible Sourcing Supplier Forum in São Paulo, Brazil to discuss common challenges around responsible sourcing and learn about practical tools and processes they can develop to improve their business practices. The forum was sponsored by **seven AIM-PROGRESS members: Britvic, Diageo, McDonalds, Nestlé, PepsiCo, RB, Unilever**, and supported by **ELEVATE**.

The day kick-started with a **leadership panel of the co-sponsors to emphasize the importance of responsible sourcing for brands**. Following an introduction to AIM-PROGRESS, the co-hosting organizations presented their commitments and **progress on responsible sourcing and shared the value of audits and mutual recognition**.

**Rafael Machado** from **Nestlé** and **Stenio Zanin** from **PepsiCo** presented how they integrate Responsible Sourcing into their supply chains and how AIM-PROGRESS membership can support a robust system and facilitate mutual recognition of audits to alleviate audit fatigue caused by suppliers passing through similar audits several times. The mutual recognition process of AIM-PROGRESS allows for brands to base their

decisions on audits that other brands have implemented.

In the session on Value of Audits, **Tomas Wilkinson from RB** introduced the main steps of mutual recognition of audits, while three suppliers, **All4Labels, BR Foods and Pirisa**, showed how a progressive perception of audits can help leverage their internal sustainability programs. External audits are often aligned with internal KPIs and allow the companies to generate positive results in their working climate, safety management or in their environmental performance. Wilkinson also showed how companies can benefit from mutual recognition of audits as today around **21.000 audits can be shared between member companies of AIM-PROGRESS**, helping reduce duplication.

The morning ended on two key topics: addressing **forced labour and anti-corruption**. **Rodolpho Simas** from **Unilever** gave a short introduction on how Unilever addresses the aspects of child and forced labour. Legal expert, **Luiz Eduardo Almeida**, shed light on the roots of corruption in Brazil and how companies can pro-actively manage the issue through a solid compliance management system. **Diageo and Unilever** showed how these compliance controls are applied in their company and extended to their suppliers and partners.



280 delegates from suppliers and brands participated at the AIM-PROGRESS Supplier Forum at Hotel Maksoud Plaza in São Paulo, Brazil.

The one-day forum also provided a series of practical deep-dive workshops on three major topics: forced labour and child labour, wages and working hours, as well as health and safety.

#### Addressing forced labour and child labour

This session talked about how forced and child labour are still present in today's economy and in specific risk areas of supply chains in Brazil. Between 1995 and 2016, 52.000 workers were rescued from conditions of forced labour. Adriano Diniz Costa, auditor and human rights specialist, shed light on how companies can address both issues through effective tools and policies, as well as standards, to effectively mitigate and remediate the problem.

#### Wages and working hours

Beat Grüninger, Partner of BSD Consulting, looked at the specifics of pay slips, benefits, overtime and minimum wage, as well as late payments, which can significantly affect worker health, turnover, as well as quality and satisfaction of the workforce. A specific discussion focused on fair remuneration and decent wages, which is often an element overlooked by audits, but where companies can undertake steps to ensure a decent wage which may vary from the local minimum wages. Official data shows that there is a significant gap between the legal minimum wage and the living wage in Brazil.

#### Health and safety

**Stella Mello, H&S Manager of Nestlé**, led a deep-dive discussion on fire safety (aisles, exits, evacuation plans, drills, fire extinguishers, alarms); chemical safety (PPE, secondary containers, MSDS); machine safety; and health and safety training for workers, as well as necessary certificates and documentation.

She gave examples of how to address non-compliances. In the case of Nestlé, workers are reminded after holidays and weekends of the main H&S-issues, which has helped reduce incidents significantly. Marco Perez of BSD Consulting completed the workshop introducing a **methodology to engage workers in H&S-improvements more effectively** using of worker engagement methods and 100-day plans. He showed examples of companies who surpassed their goals using this effective approach and demonstrated sustained performance.

## Improving practices

The event closed with a feedback session from the sponsors reporting on the discussions in the workshops, followed by a networking reception where suppliers and brands could continue to exchange on their practices and programs.

Participating suppliers confirmed that the event was adding value and inspiring them to further improve their practices. "Since I passed through the first audit, I could increment my client base constantly, as I am prepared to meet the client's expectations from the start", said Hélio Camilo Marra, a transport entrepreneur.

AIM-PROGRESS organizes supplier events globally to provide a forum for suppliers to learn, network and share best practices, while engaging with customers from the branded consumer goods sector. The intent of the Brazil event series is for supplier representatives to gain a better understanding of labour rights issues in Brazil and concrete actions that can be taken to drive change and build more sustainable supply chains within their own and extended value chains.



\*AIM-PROGRESS members as of July 2019



***AIM-PROGRESS is a forum of consumer goods companies assembled to enable and promote responsible sourcing practices and sustainable production systems.***

***It is a global initiative supported and sponsored by AIM in Europe.***

***For more information about AIM-PROGRESS, please visit [www.aim-progress.com](http://www.aim-progress.com)***