

ImpactBuying^{BV}

PROVEN POSITIVE IMPACT

Shrimp from Vietnam

Supply Chain Impact Assessment

Project Plan

Jumbo Supermarkets

ImpactBuying

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1. Introduction

1.1 Background

Jumbo Supermarkten is actively working to further increase its insight and understanding of the supply chains of the various products that are being sold in its supermarket outlets. Jumbo aims to improve its knowledge and reliable data on the impact that the products in the retail outlets have on people, the environment and animals along the supply chains.

Jumbo has commissioned Impact Buying B.V. to carry out this an impact. The impact assessment will identify the current impacts and potential impacts (i.e. risks) of selected suppliers where Jumbo is sourcing shrimp from Vietnam. Both positive and negative impacts will be identified and assessed. This will result in actionable recommendations for reducing negative impact and enhancing positive impact. These recommendations will be directed to Jumbo, but will also address the related suppliers and other stakeholders.

The assessment will be performed in line with the UN Principles on Business and Human Rights as well as with the human rights impact assessment framework of Oxfam.

1.2 About ImpactBuying

ImpactBuying BV is an international operating organisation that provides transparency and traceability in complex chains. ImpactBuying BV has been set up to build the bridge between sustainability goals and the purchasing department with pragmatic training programs and support. ImpactBuying BV is the dedicated partner for organizations that want to have a sustainable product assortment and as a result make a proven positive impact in their supply chains. Organizations that work with ImpactBuying BV demonstrate to their consumers, stakeholders, and suppliers that sustainability is more than a word.

2. Project Details

2.1 Rationale

Jumbo has conducted a risk analysis of the products from their assortment in 2021 using the supply chain data obtained from suppliers and products. Risks have been identified in the field of human rights, environment, animal welfare and governance. The product category of seafood has a high risk. Within this category, wild caught and farmed shrimp are of top priority.

Several negative impacts have been flagged in the supply chain of shrimp these include:

- i) human rights – low wages, resource conflicts, extensive working hours and poor working conditions;
- ii) environmental – land conversion, biodiversity loss and water pollution;
- iii) animal welfare – unethical treatment of shrimp and disease outbreaks;
- iv) governance - lack of traceability of shrimp and shrimp feed.

These, and other salient issues, are severe and affect a large scope. This is enough reason for Jumbo to initiate an **impact assessment** for these products. Vietnam supplies 96% of the volume of Jumbo's shrimp and is therefore at the forefront of this impact assessment.

2.2 Research Gap

One human rights impact assessment has been previously conducted on shrimp from Vietnam by Tesco. It will act as a basis for the research of this assessment. However, this impact assessment fills a research gap and covers new grounds through the following aspects. This assessment investigate not only into human rights, but also environmental, animal welfare and governmental issues. A larger focus will be placed identifying negative and positive impacts and evaluating in-depth their scale, scope, irremediability and root causes. Finally, community members are an important stakeholder that will be interviewed for this assessment.

2.3 Objective

At the end of this project, the impact of selected Jumbo suppliers sourcing shrimp from Vietnam is identified and evaluated. Good supply practices will be highlighted whilst negative impacts and risks will be identified and remediated through recommendations.

In line with the due diligence process, the **impact assessment** on the current shrimp supply chain in Vietnam will address these 6 core questions:

- What is the current and potential impact that the Jumbo suppliers have in Vietnam?
- Do the suppliers cause or contribute to that impact, and what is their (relative) attribution?
- What is the irremediability, scale and scope of that identified impact?
- What are the root causes to that identified impact?
- What activities are recommended to reduce negative impact and enhance positive impact?
- What is the (relative) leverage of Jumbo to reduce negative and enhance positive impact?

The concluding actionable recommendations on how to reduce negative impact and how to enhance positive impact can be used by Jumbo and its suppliers to create good supply practices (GSP).

2.4 Scope

The scope of the impact assessment will follow several selected shrimp **aquaculture farms** and **processing locations** in **Vietnam** that supply to Jumbo.

The products in scope include **shrimps**, specifically whiteleg shrimp (*Litopenaeus vannamei*). These shrimp are spawned and matured in salt-water tanks before moving to brackish water ponds for further growing. Once fully grown, they are processed at different processing locations. In the impact assessment, an elementary check will also be conducted on the traceability and sustainability **shrimp feed**.

The impact on **people, environment, animal welfare** and **governance** will be covered. Yet, particular focus is on people's working conditions and on people's health and safety at both farms and processing plants.

Salient issues will be identified through desk research and online consultations with stakeholders. The field visits will include interviews with management, employees and communities. No quantitative tests will be conducted, instead all the data gathered will be **qualitative**.

3. Project Methodology

For this assessment, ImpactBuying will apply various ways of working. The approach is aligned with the OECD Due Diligence Guidance for Responsible Business Conduct and the Oxfam human rights impact assessment framework.

3.1 Impact Assessment

The first step of the impact assessment will be a desk study on the supply chain context, known as a **context analysis**. Policy reviews, existing reports and documents on shrimp sourced from Vietnam will be analysed as starting point to identify human rights, environmental, animal welfare and governance issues, and their saliency. A description of the framework of the potential risk areas utilized in this step is described in section 3.3.

Secondly, a **supply chain analysis** is carried out with mapping of the suppliers and their relationships in a chain structure. Documentation and certification evidence will be provided by each of the suppliers for a compliance analysis. The compliance analysis establishes the social and environmental compliance scores of the suppliers and their production locations over time (from first-, second-, and third-party audits). It is also analysed whether salient issues are sufficiently covered by applied standards and certifications, or whether there are gaps in coverage.

Thirdly, the findings will be cross-checked through a **stakeholder analysis** with the suppliers involved, experts, and other relevant stakeholders through (online) consultations. Stakeholders that will be communicated with include workers associations, trade unions, women's rights organisations, government representatives, local authorities, labour inspectors and company representatives. Environmental and animal welfare experts in the field of aquaculture will also be interviewed. Stakeholders in and around the supply chains are identified with their stakes or interests in the supply chain. The relative power structures amongst stakeholders are also analysed.

Impact of the shrimp industry in Vietnam will be assessed during **site visits**. More information on this is described in section 3.1.1.

Subsequently, impact findings are **validated and assessed** for scale, scope, root causes, and drivers. A root cause analysis will be conducted based on the literature for the risks identified. The suppliers visited will be invited to a closing meeting to share their input on the results of the report for validation.

Lastly, **conclusions** will be drawn and actionable recommendations will be provided. The recommendations will cover all of the human rights impacts identified and may be gender specific. Recommendations will be addressed to both the supplier and to Jumbo. Recommendations will be prioritized based on which impact had the largest scale, scope and irremediable character. Specific practical action plans will be developed for Jumbo on the recommendations with top priority. These will include activities, duration, estimation of costs, materials, responsible actors, KPI's for a monitoring plan and desired outcomes. Jumbo is suggested to integrate these action plans into their

due diligence processes. The results of the impact assessment will be shared to the stakeholders and suppliers involved in the assessment. Jumbo will publish the assessment as part of their due diligence process.

Thus, broadly this impact assessment consists of **5 complementary parts** with related **activities**:

- | | | |
|-------------------------------|----|---|
| a. Context analysis: | by | desk research, consultations, data policy reviews |
| b. Supply chain analysis: | by | consultations, compliance analysis, data analysis |
| c. Stakeholder analysis: | by | consultations, data collection |
| d. Site visits | by | interviews, qualitative data collection |
| e. Validation and assessment: | on | scope, scale, root causes and impact drivers |
| f. Conclusion: | by | reporting & actionable recommendations |

3.1.1 Site Visits – Qualitative Data Analysis

The suppliers and sites to be visited are yet to be determined. However, a representative sample will be used for the field visits.

The field visit will occur in the period between March to June when shrimp are collected from the aquaculture ponds and processed for export in the factories.

Complementing its desk research, compliance analysis and consultations, the ImpactBuying team will collect data and cross-check its preliminary findings through site visits during the production season. The supplier visits will include aquaculture ponds/farms and processing plants. Meetings will be held with company management, worker (representatives) and amongst others. Additionally, site visits will be held within the community and with relevant authorities, labour union representatives and/or civil society organisations.

A Vietnamese consultant will be temporarily sub-contracted to support the team in interviews with managers, workers, communities, civil society organisations, labour unions and relevant authorities.

Interviews will be conducted with individuals as well as groups from 3 to 10 people. The interviews will be conducted both on-site and off-site. Company representatives will not be present during the interviews so that workers feel safe to express their opinions without retaliation. No questions will be asked about a workers' personal details to keep their identity confidential. The interviews are not recorded and direct quotes will not be written down to provide anonymity. The workers and other relevant stakeholders that will be interviewed can speak their own language through the help of a contracted translator. Women will be able to speak with a female consultant privately so that they feel more comfortable discussing issues that may be sensitive. The ImpactBuying team will ensure that workers and other people will not face consequences of the input given in interviews.

The interviews that will be conducted on the field visit will consist of a balanced representation of the company staff according to worker positions, gender and age. This will be followed by asking the supplier for data on its employees then creating a representative sample as a guidance for who to conduct interviews with. This will ensure equality in gender in the data consideration and engagement.

No environmental testing will occur for this impact assessment. Risks and impacts for the environment will be analysed through qualitative interviews.

3.3 Framework on Risk Areas

As part of the impact assessment, the **context analysis** will investigate potential risks present in the shrimp supply chain. To support this research, a framework on the potential risk areas has been developed to act as a starting guideline. The framework, presented in the table below, encapsulates all the potential risks or issues that may be identified for human rights, the environment, animal welfare and governance. This is not yet specific to the shrimp supply chain. Throughout the course of the research, all relevant risk areas for shrimp from Vietnam will be highlighted to narrow the scope. Only relevant risk areas and salient issues will be investigated for the impact analysis and country comparison analysis.

The framework contains all internationally recognized human rights issues. Relevant country specific legislation and requirements will be later identified during the assessment.

It is important to note that all the salient issues identified in the framework are often inter-related and have complex connections with one another. A single situation can have an impact on several human rights, environmental, animal welfare and governance issues. This must be considered when identifying, prioritizing and remediating salient issues throughout the project.

Risk Areas	Sub Risk	Relevant Legislation or Sources
Human Rights Issues	Occupational Health and Safety	ILO C155 – Occupational Safety and Health Convention, 1981 (No. 155) ILO C184 – Safety and Health in Agriculture Convention, 2001 (No. 184)
	Wages and Benefits	ILO C131 – Minimum Wage-Fixing Convention, 1970 (No. 131) ILO C095 – Protection of Wages Convention, 1949 (No. 95) ILO C100 – Equal Remuneration Convention, 1951 (No. 100)
	Discrimination	Article 7 of the International Covenant of Economic, Social and Cultural Rights ILO C111 – Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
	Harassment and Abuse	Article 7 of the International Covenant of Economic, Social and Cultural Rights ILO C190 – Violence and Harassment Convention, 2019 (No. 190)
	Freedom of Association and Collective Bargaining	ILO C011 – Right of Association (Agriculture) Convention, 1921 ILO CO-141 – Rural Workers' Organisations Convention, 1975 ILO C087 – Freedom of Association and Protection of the Right to Organise Convention, 1948
	Bonded or Forced Labour	ILO C029 – Forced Labour Convention, 1930 (No. 29) Article 7 of the International Covenant of Economic, Social and Cultural Rights
	Working Hours	ILO C001 – Hours of Work Convention, 1919 (No.1)
	Child Labour and Special Protection for Young Workers	ILO C138 – Minimum Age Convention, 1973 (No. 138) ILO C182 – Convention on the Worst Forms of Child Labour, 1999 (No.182)
	Women's Rights and Gender Equality	Rights of women Convention on the Elimination of All Forms of Discrimination Against Women, 1979 ILO C100 – Equal Remuneration Convention, 1951 (No. 100) ILO C183 – Maternity Protection Convention, 2000 (No. 183) ILO C156 – Workers with Family Responsibilities Convention, 1981 (No. 156)
	Terms of Employment	ILO C122 – Employment Policy Convention, 1964 (No.122)
	Grievance Mechanisms	ILO C130 - Examination of Grievances Recommendation, 1967 (No. 130)
	Migrant Labour	ILO C143 – Migrant Workers Convention, 1975 (No.143) ILO C097 - Migration for Employment Convention, 1949 (No. 97)

	Rights of Indigenous Peoples and Local Communities	
Environmental Issues	Climate Change Attribution	National Climate Change Strategy, 2022 (Vietnam)
	Water Pollution, Use and Conservation	The Law on Water Resource, 1998 (No.8) (Vietnam) Decree on Clean Water Production, Supply and Consumption, 2007 (No.117) (Vietnam)
	Waste Generation and Management	The Circular Economy Development Scheme, 2022 (No. 687) (Vietnam) Law on Environmental Protection, Article 3, 2020 (Vietnam)
	Air Pollution, Quality, and Atmospheric Integrity	Air Quality Management Action (2020) (Vietnam)
	Soil Pollution, Quality and Conservation	Law on Environmental Protection, Decree No. 1797, 2020 (Vietnam)
	Noise and Light Pollution	Law on Environmental Protection, 2020 (Vietnam)
	Biodiversity Loss and Ecosystem Conversion	Law on Environmental Protection, 2020 (Vietnam) Biodiversity law, 2008 (No.20) (Vietnam) Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (Vietnam joined in 1994) Convention on Biological Diversity (CBD) (Vietnam joined in 1994)
	Natural Resource Use and Conservation	Law on Natural Resources and Environment of Sea and Islands, 2015 (No.82), (Vietnam) Law on Environmental Protection, 2020 (Vietnam)
Animal Welfare	Animal Living Environment and Facilities	EU Convention for the Protection of Animals kept for Farming Purposes, 1976 Animal Welfare Certifications Criteria
	Animal Nutrition	EU Convention for the Protection of Animals kept for Farming Purposes, 1976 Animal Welfare Certifications Criteria
	Animal Wellbeing, Natural Behaviour and Entertainment	EU Convention for the Protection of Animals kept for Farming Purposes, 1976 Animal Welfare Certifications Criteria
	Animal Health, Treatment and Handling	EU Convention for the Protection of Animals kept for Farming Purposes, 1976 Animal Welfare Certifications Criteria
	Management and Procedures	EU Convention for the Protection of Animals kept for Farming Purposes, 1976 Animal Welfare Certifications Criteria
Governance	Supply Chain Transparency	Responsible and Sustainable International Business Conduct, 2021 (Netherlands)
	Compliance with National Legislation and Universal Rights	Laws in Vietnam

4. Deliverables

This assessment is expected to deliver a report with the following output:

Impact Assessment

1. a written analysis of negative impact of shrimp suppliers in Vietnam to people, community and natural environment along with their occurrence, scale, scope, attribution and root causes, as well coverage by applied standards;
2. a written analysis of positive impact of shrimp suppliers in Vietnam to people, community, and natural environment along with their extension, endurance and attribution;
3. actionable recommendations for Jumbo and the suppliers to reduce negative impact and enhance positive impact of shrimp suppliers in Vietnam along with: **a.** related activities, **b.** KPIs, **c.** responsible actors, **d.** timings and **e.** gender specificities.

5. Team

Jumbo has commissioned Impact Buying B.V., an independent organization, to carry out this impact assessment.

The ImpactBuying team to carry out this impact assessment consists of:

1.	Roos Vergeldt	Project Lead	ImpactBuying	Dutch
2.	Emily Belonje	Lead Consultant	ImpactBuying	Dutch
3.	To Be Decided	Translator and Co-Consultant	To Be Decided	Vietnamese

A local translator and co-consultant will be contracted by ImpactBuying for this assessment. This consultant will support in researching and interviewing stakeholders for an accurate representation of the Vietnamese supply chain. Additionally, they will provide assistance in translating during the worker interviews and stakeholder consultation.

The consultants that will be conducting this impact assessment are experienced in conducting impact assessments and have experience in the aquaculture industry of South East Asia.

6. Detailed workplan

A detailed workplan for delivering the results, is given below:

Phases and timing	Topics covered	Activities
0. Scoping December 2022 – February 2023	Intake interview with client and supplier(s), preliminary scoping, supply chain mapping, final scoping and planning, client approval	Meetings and discussions with suppliers
Context analysis December 2022 – March 2023	DESTEP: demographic, economic, social, technological, ecological and political factors that influence the production of aquaculture in Vietnam.	desk research, literature review, consultations, data analysis supplier interviews, expert interviews
Supply chain analysis March 2023	<p>Identification of (direct) actors and their relations in the supply chain</p> <p>Identification of the organisation and contractual structures within the supply chain</p> <p>Analysis of social compliance and environmental (ASC) status from first-, second-, and third-party audits</p> <p>Analysis of coverage of salient issues by applied standards and certifications</p> <p>Estimation of supply chain transparency: up to what level and of what quality is data available</p>	consultations, compliance analysis, expert and business interviews, site visits
Stakeholder analysis March 2023	<p>Identification of community stakes, influential organisations and other relevant stakeholders, and their relations in the supply chain</p> <p>Identification of past and current influencing of the supply chain</p> <p>Identification of attribution to impact and contribution to impact action by relevant stakeholders and experts</p>	consultations, data collection, expert interviews, CSO and stakeholder interviews, labour union interviews, site visits
Site visit – qualitative data analysis April 2023	<p>Site visit to aquaculture ponds and processing locations.</p> <p>In-person interviews with stakeholders.</p>	Information collection, interviews

	Identifying and assessing positive and negative impacts.	
Validation & Assessment	<p>Cross-check of findings and results with suppliers, external experts and stakeholders</p> <p>Validation of findings and results</p> <p>Debriefing of suppliers at the end of site visit</p> <p>Assessment of impact findings based on their:</p> <ul style="list-style-type: none"> - scope, - scale, - root causes, - attribution, - leverage of Jumbo and suppliers. 	<p>Cross-checking</p> <p>Critical evaluation, rating and prioritisation of impact and risks</p>
Conclusion & Presentation	<p>Formulation of draft reports, including actionable recommendations on prioritised impact per supplier</p> <p>Presentation of draft reports to Jumbo and suppliers for feedback</p>	<p>reporting & actionable recommendations</p>