



Earthworm

Florin, Nature and People

—
Annual report 2020

www.earthworm.org

The way EF and Florin work together

VTTV process

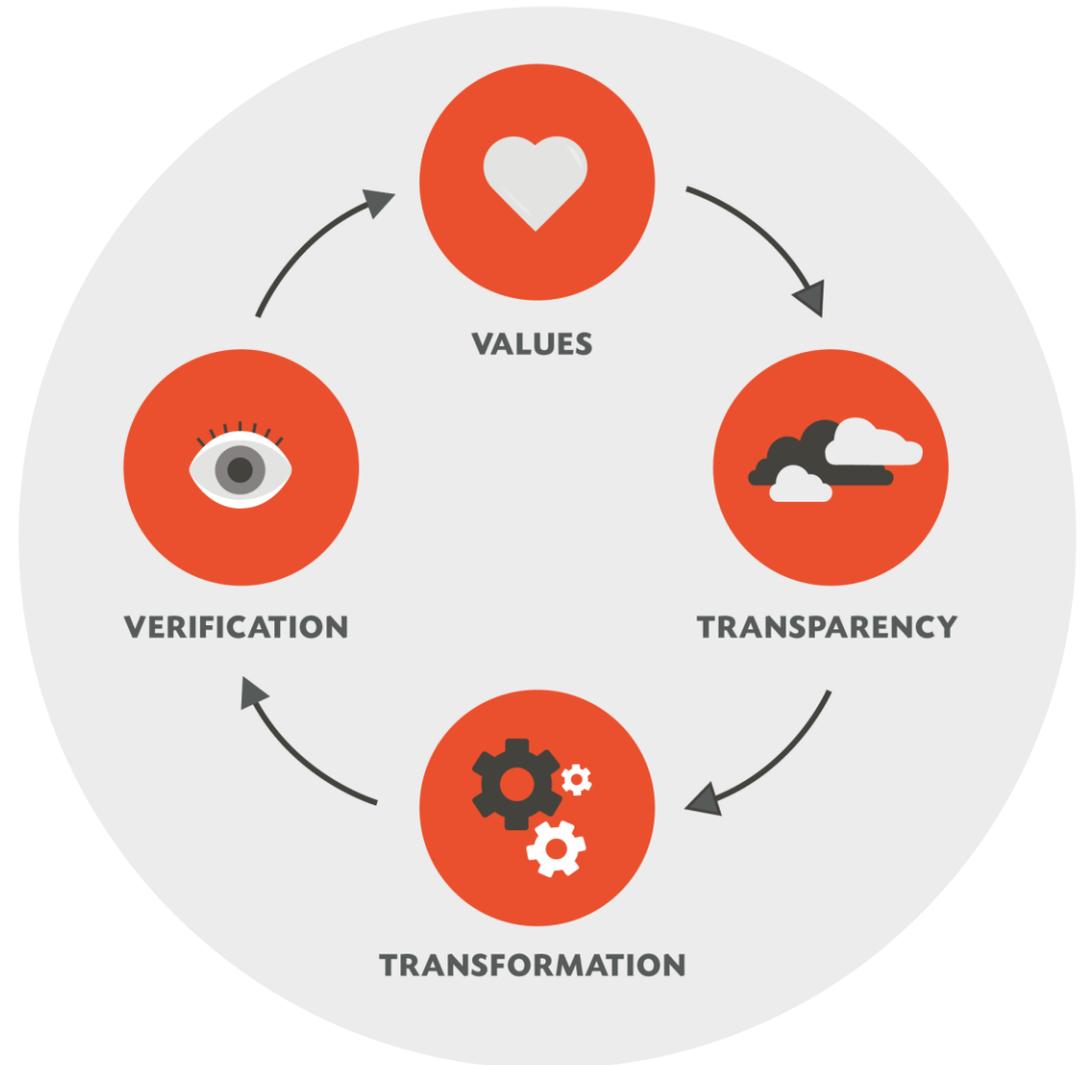
Florin became a member in 2012 and soon after developed their policy on responsible supply chains. Today, our partnership covers all four stages of the VTTV model.

Values – Florin and EF work together to disperse ownership of their Responsible Sourcing Guidelines across the company and their suppliers.

Transparency – EF supports Florin with their transparency commitments, within their prioritized suppliers.

Transformation – EF supports Florin with transformation on the ground, principally with their prioritized Palm Oil & Coconut Oil suppliers.

Verification – Florin and EF are working on an approach that takes into consideration certification as a verification tool together with other tools that go beyond standards to meet Florin's commitments.



Florin's Global Presence

Florin sources numerous products around the world – these being:

- Palm Oil
- Sunflower Oil
- Coconut Oil
- Groundnut Oil
- Rapeseed Oil
- Soy Oil
- Olive Oil

2020 Priority

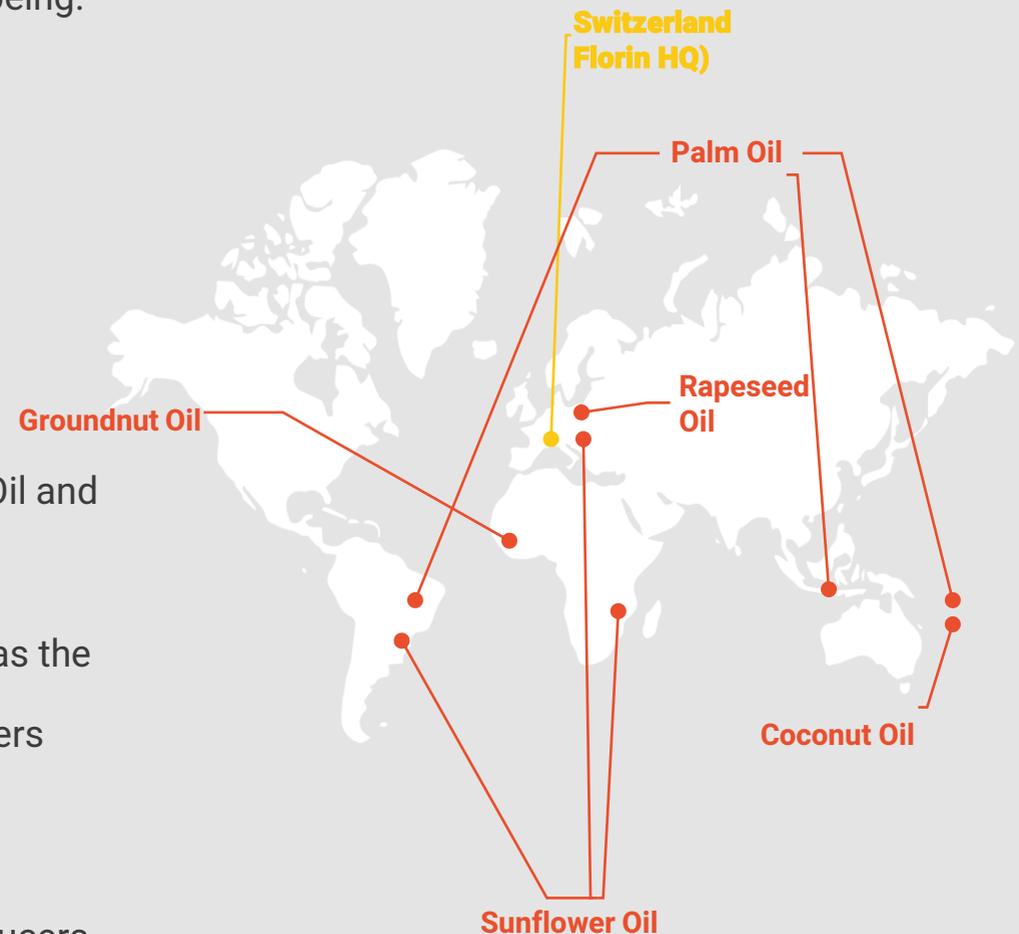
In 2020 the workplan between EF & Florin focussed on Palm Oil and Coconut Oil.

On Palm Oil this focussed on:

- Florin's strategic vision and approach to meet their as well as the Swiss market's Responsible Sourcing expectations
- The establishment of a new strategy to engage with suppliers based on verification and joint transformation
- Supplier engagement & action plan follow up

On Coconut, this focussed on:

- Rurality – building resilience with smallholder coconut producers



Palm Oil – Responsible Sourcing Policy

Strategic vision and approach – In 2019 Florin and the Swiss Roundtable on Palm Oil signed their joint commitments for a sustainable palm oil supply chain of the Swiss market <https://palmoelnetzwerk.ch/>. These commitments are aligned as well with Florin’s sustainable sourcing policy.



In 2020, Florin established a triangular collaboration with SGS and EF to work on the implementation of these commitment through a **verification and transformation approach**. Policy commitments going over and above RSPO certification criteria are communicated to and discussed with suppliers. Suppliers are then verified against these commitments and challenges are addressed by providing support to transformation work on the ground. While SGS fills the role of the verifier, EF is taking over the direct transformation work with supplier. In 2020, Florin, SGS and EF have worked on defining the additional criteria for verification and transformation. Following this, Florin has taken up communication with selected suppliers to start rolling out the process.



Suppliers are provided with an explanation of the policy commitments, certification criteria and explanation of the different steps to undertake by all partners.

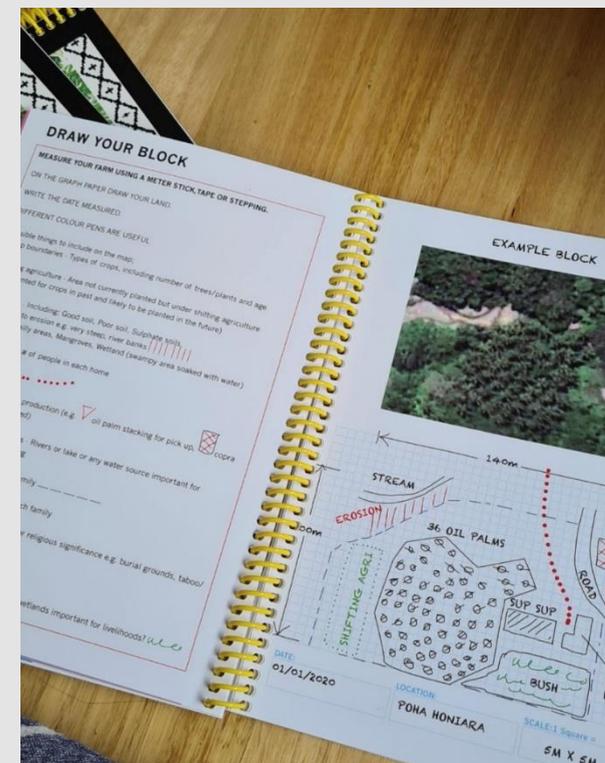
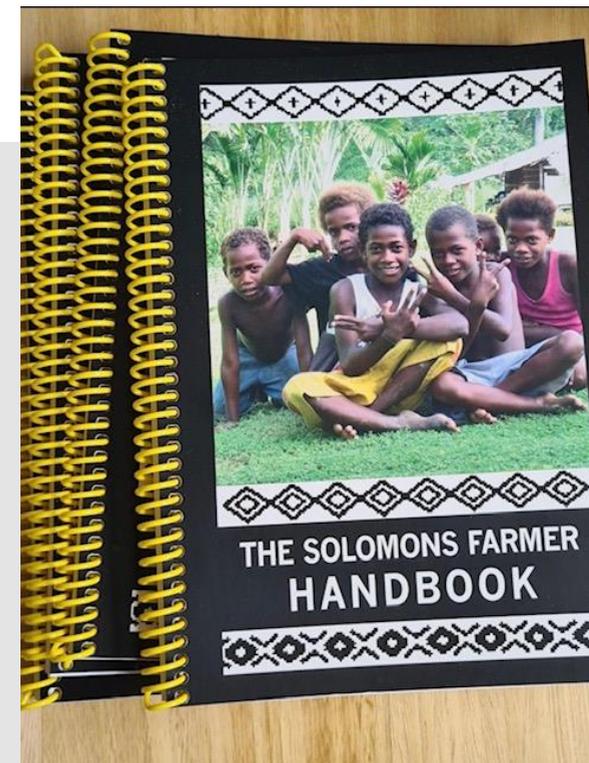
Preliminary assessments of suppliers and sourcing regions are scheduled for early 2021.

Palm Oil – supplier engagement

Our work with GPPOL in 2020

Global travel restrictions due to the outbreak of COVID 19 in early 2020, required an adjustment in the engagement strategy with GPPOL. Building on the priorities established jointly with GPPOL in 2019, EF ensured follow up on the various work items, checking in regularly with the GPPOL team. The following has been achieved:

- **Smallholder Training** – Identified as a priority between Florin and GPPOL as a means to further engage the smallholder farmers within the supply chain and landscape to improve practices. We developed the Solomon's Farmer Handbook with 100 copies distributed to GPPOL in preparation for training. Given COVID precautions the trainings were postponed from 2020 to 2021 and a further 150 copies of the handbook will be distributed to the network of 250 farmers. An in-depth communications piece on this activity will be produced in 2021.
- **Quarterly progress updates** - EF and Florin engaged with GPPOL throughout 2020 on progress on the smallholder training activity as well as updates on adaptation of FPIC procedure to the Solomon's context for new planting, HCV/HCS, One Hour Principle and Living Wage requirements in line with Florin's Responsible Sourcing Policy.
- **Swiss Roundtable for Palm Oil** – the Swiss market is demanding further requirements for imports of vegetable oil. Florin and GPPOL have been engaging in a process to align with and verify these requirements in 2021 and beyond.



Engagement of coconut farmers in Solomon Islands

The EF Rurality program, focused on smallholder coconut farmers in the SICPL supply chain, continued in 2020 adapting to the challenges caused by the global pandemic.

Since start of project, **2,392 farmers families** (with **over 8,700 family members**) have regularly and actively participated in the project.

Key achievements in 2020:

- All participating farmer families (2392) received training from SICPL and EF in at least one topic relevant to coconut farming
- 5 new model farms were developed - summing up to a total of 14 since start of project
- A total of 153 lead farmers (including 47 women) were identified and received training for trainers
- 2 new COPRA solar driers were built and are in use today
- 19'735 ha of coconut plantations were mapped
- A Rural Dynamic Diagnostic for new expansión área was conducted and will guide activities in 2021.



[Women saving club set up with support of project](#)



Key successes

- **Collaboration** – Florin engages with key partners like EF and SGS to meet promote and meet new policy commitments with suppliers. There’s a strong alignment as well with all members of the Swiss Palm Oil Network.
- **Collaboration** – continued with Lindt, EF and Coconut suppliers to implement the Rurality programme and build resilience in smallholder supply chains.
- **Presence on the ground** – despite the COVID pandemic, presence in Coconut sourcing region was maintained and important milestones have been met.
- **Raising the bar** – aligned with Swiss Palm Oil retailers, manufacturers, refiners and traders, EF and SGS supported Florin in starting to improve sourcing requirements and clarify new criteria to be worked on with suppliers.



Challenges

- **COVID** – 2020 was a challenging year to implement activities, which meant we had to postpone some e.g. smallholder training with GPPOL to 2021
- **Prioritisation** – with our global presence and variety of products, but limited resources, it is challenging to ensure that we are addressing the most relevant issues in supply chains.
- **Engagement of supplier** – engaging suppliers into a joint commitment to raise the bar on sustainability requires the creation of good relationships and the joint definition of priorities and first steps
- **Scaling up** – solutions will need to be identified to address environmental & social challenges for a broader reach within our global chains.
- **Market Demands** – the Swiss market requirements for PO are changing and clarity is needed on the specific support and funding from downstream customers to support suppliers meet these expectations.



Goals for 2021



- Continue scale up of Rurality smallholder project in Solomons Islands with SICPL
- Role out verification and transformation framework developed by Florin, SGS and EF for palm oil supply chain.
- Increase engagement in oil palm sourcing regions where important challenges persist.
- Provide guidance to oil palm suppliers in relevant sustainability issues, like HCS and smallholder engagement
- Engage with suppliers of sunflower oil, also with the goal to work towards a replication of the verification and transformation framework.
- Communicate about successes

“
Cultivating life in
value chains”