Sourcing Target Guidance

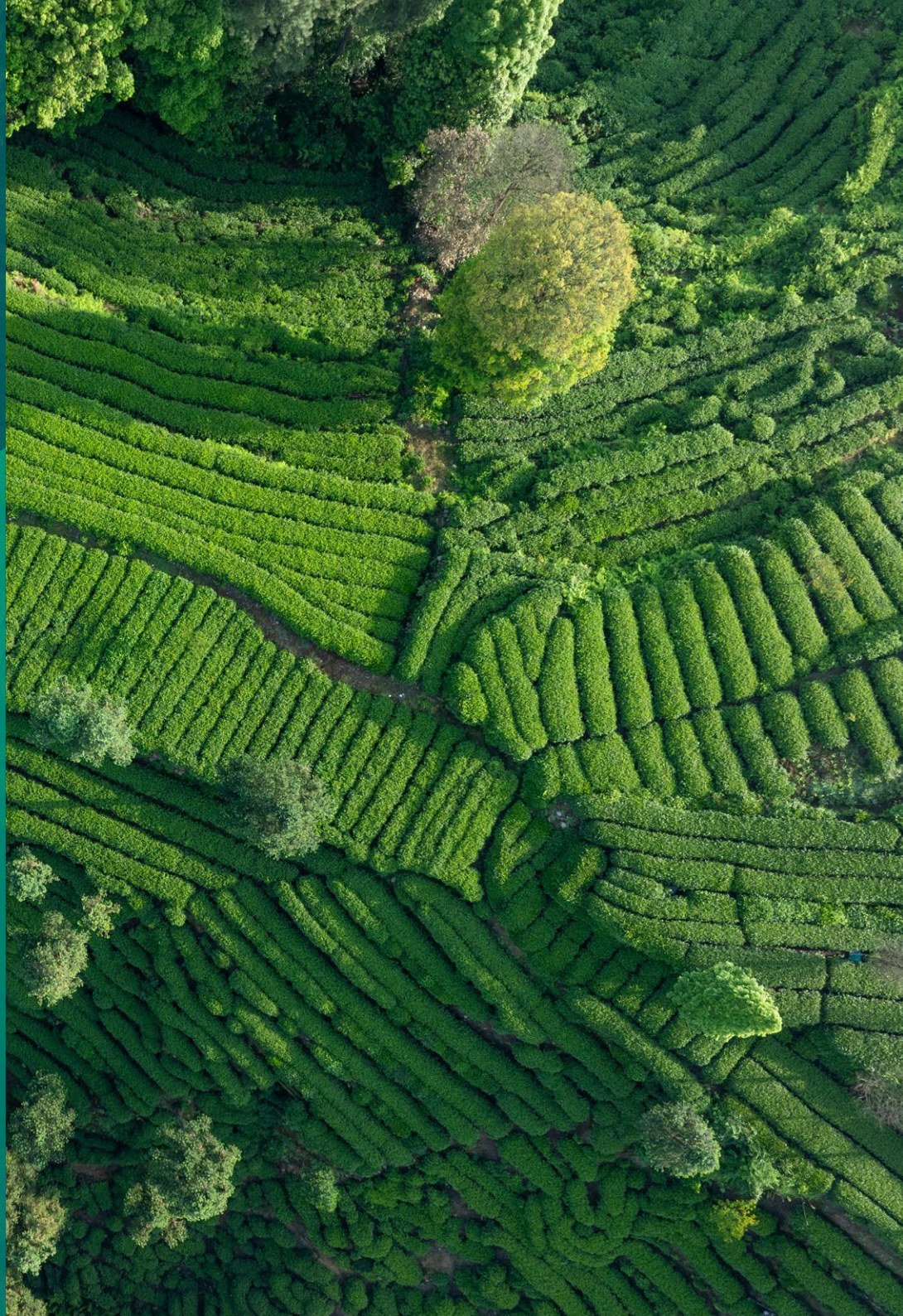# Pathways to Sustainable Sourcing

July 2025

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Contents

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Foreword

Sustainable sourcing has become a vital focus in the food and drink sector. This shift is driven by several factors, including the increasing awareness among consumers about the origins and impacts of the products they purchase, stringent regulatory pressures, and the urgent need to mitigate social and environmental impacts within supply chains. Companies are now more accountable than ever for ensuring that their sourcing practices do not contribute to deforestation, human rights abuses, or other negative outcomes.

Whether operating in local or global supply chains, sustainable sourcing, across environmental, social and economic dimensions, is something that companies of all sizes need to consider. The urgency of climate and biodiversity crises, and the ethical imperative of respecting human rights and fair conditions for everyone along the supply chain, mean that everyone must play their part. The impact of food systems in these areas is significant; food and drink companies have a real opportunity to contribute to a cleaner, fairer future. Origin Green members have the opportunity to not only meet their regulatory obligations, but to be proactive in aligning corporate strategy with ambitious sustainable sourcing goals to deliver meaningful change and positive impact.

Origin Green is Ireland's pioneering food and drink sustainability programme. The programme is the worlds' only national food and drink sustainability programme which enables the industry to set and achieve measurable sustainability targets that respect the environment and serve local communities more effectively.

The Origin Green programme now encompasses over 370 member companies comprising of manufacturers, retailers, and foodservice operators. Origin Green member companies commit to a mandatory mix of target areas specified by the **Origin Green Charters** for manufacturing, retail, and foodservice. The mandatory areas, from which targets are set, form the basis of a business's 5-year sustainability plan.

Bord Bia has created this guidance to support Origin Green members to start or go further on their journey towards sustainable supply chains. Companies who make clear and verified efforts to make their supply chains more sustainable will enhance their reputation, build consumer trust, and contribute positively to global sustainability efforts. Those who do not, face growing supply chain uncertainty, failure to comply with regulations, and risk being left behind as market demand shifts towards sustainable sourcing.

Pathways to Sustainable Sourcing provides Origin Green members with step-by-step guidance, actionable insights, and best practice examples to take action towards sustainable supply chains and drive meaningful change for a more resilient and sustainable future.

370* member companies
Manufacturers | Retailers | Food Service Operators

*370 refers to the number of Origin Green verified members at the time of print.

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1 Introduction

This guidance aims to support Origin Green members on their responsible sourcing journey by providing a reference manual to improve core food and drink sourcing practices.

The guidance outlines what sustainable sourcing is and why it is important, and provides background on the regulatory and policy environment surrounding sustainable sourcing and reporting in Ireland and the EU. Clear steps and strategies are set out to help companies navigate the complexities of sustainable sourcing, ensuring their practices are ethical, environmentally friendly, and socially responsible.

This guidance supports the identification, setting, and implementation of Raw Materials and Supplier targets for food and drink ingredient sourcing. The step-by-step guide will support you with practical tips and tools to drive action and make progress on responsible sourcing, integrated with your Origin Green Sustainability Plan, and aligned with regulation.

> **SUSTAINABLE SOURCING WITHIN ORIGIN GREEN**
> *Setting and implementing targets for sustainable Raw Material Sourcing is a key component of the Origin Green programme and is a mandatory target area for all companies. Within this area, targets are required to be set under **Raw Materials and Suppliers**, with the number of mandatory targets to be set as part of the* **Origin Green Credits System Verification Process** *varying depending on company Tier level.*

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1 Introduction

The 5-step 'How to' guide provides a flexible framework which can be adapted by Origin Green members irrespective of company size and structure. It is designed to help Origin Green members understand the issues that come under sustainable sourcing and support target setting within the Origin Green credits system.

5 Steps to Sustainable Sourcing

1 **Identify** *Sustainable Sourcing Priorities*

2 **Strategise** *Set Targets*

3 **Implement** *Actions and Engage Suppliers*

4 **Monitor** *Collect Relevant Supply Chain Data*

5 **Review and Report** *on Progress*

Figure 1: 5 Steps to Sustainable Sourcing

2 What is Sustainable Sourcing?

Sustainable sourcing refers to the process of procuring products and services responsibly across a company's entire value chain, with fundamental consideration for social, economic, and environmental factors.
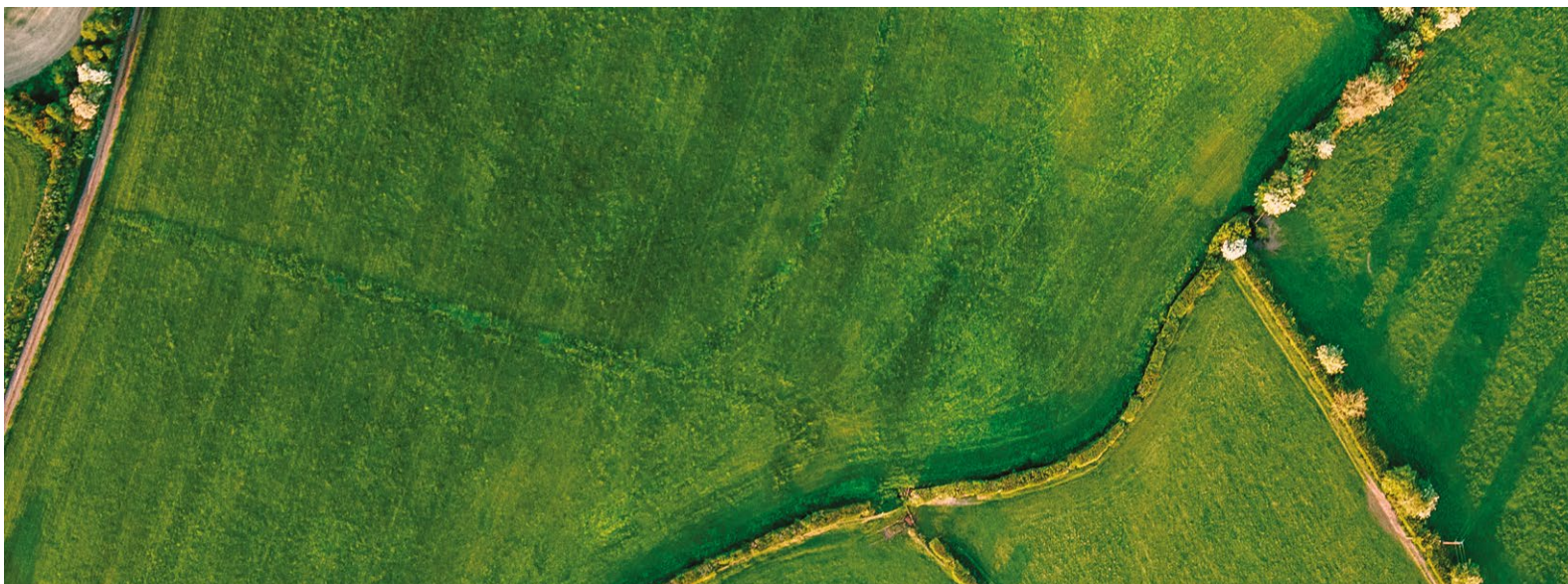
Though often used interchangeably with ethical sourcing or green purchasing, sustainable sourcing encompasses a broader approach by integrating multiple ESG (Environmental, Social, and Governance) dimensions.

Integrating Social, Environmental, and Economic Factors

Sustainable sourcing is about utilising purchasing power to address social, environmental, and economic factors across the entire supply chain—from raw materials to end-of-life. It aims to minimise negative environmental and social impacts whilst balancing cost, investment, and resources. This requires collaboration with suppliers across supply chains, products and regions, presenting both challenges and opportunities in achieving responsible, sustainable procurement. Sustainable sourcing is an umbrella term, covering many key issues that can arise in company supply chains.

EXAMPLES OF SUSTAINABLE SOURCING ISSUES

- *Environmental* factors include reducing carbon emissions, climate change, preventing deforestation, protecting biodiversity, ensuring animal welfare, and managing water and energy use.

- *Social considerations* include human rights, child labour, land rights, fair wages, safe working environments, gender equality, and community wellbeing.

- *Economic and governance* issues can include traceability, anti-corruption, anti-bribery, compliance, creating long-term value, political instability, and price volatility.

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SPOTLIGHT

3 Regulatory Frameworks and Policy Context

General Overview

There are several upcoming regulations relevant to sustainable sourcing that many Origin Green members will have to comply with.
Among the most significant are the **EU Deforestation Regulation** (EUDR), the **Corporate Sustainability Reporting Directive** (CSRD), and the
Corporate Sustainability Due Diligence Directive (CSDDD). These regulations are key legislative components of the European Green Deal,
but currently under debate in the EU and applicability rules may change. To keep up to date with the changes to this legislation, click **here**. Hyperlink required
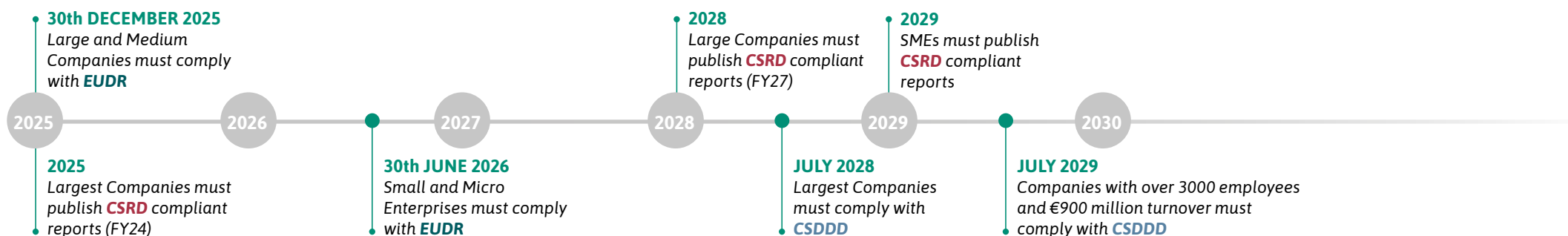
Figure 2: Timeline of Regulation Implementation

30th DECEMBER 2025
Large and Medium Companies must comply with EUDR

2028
Large Companies must publish CSRD compliant reports (FY27)

2029
SMEs must publish CSRD compliant reports

| 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |

2025
Largest Companies must publish CSRD compliant reports (FY24)

30th JUNE 2026
Small and Micro Enterprises must comply with EUDR

JULY 2028
Largest Companies must comply with CSDDD

JULY 2029
Companies with over 3000 employees and €900 million turnover must comply with CSDDD

Figure 3: Overall Aims and Objectives of the Regulations

EUDR	**CSRD**	**CSDDD**
To prevent deforestation linked to the consumption of commodities and products within the EU market.	To standardise sustainability reporting and provide transparency about risks and impacts.	For large companies to address adverse human rights and environmental impacts in their operations and value chain.

Common Objectives:
- Understand your supply chain
- Understand your direct and indirect impacts on people and planet
- Understand the risks to your business
- Mitigate those impacts and risks
- Publicly report

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SPOTLIGHT

3 Regulatory Frameworks and Policy Context *continued*

	EUDR*	CSRD*	CSDDD*
Requirements	Under the **EUDR**, relevant products must be deforestation-free, legally produced, and geolocated to the specific point of origin. Companies are required to conduct due diligence, submit a statement confirming compliance, and ensure supply chain traceability.	Under the **CSRD**, companies must publish reports on the social and environmental risks they face and the impact (including financial) of their activities on people and the environment (double materiality). This is in accordance with the European Sustainability Reporting Standards (ESRS) which expands on the **Non-Financial Reporting Directive** (NFRD).	Under the **CSDDD**, companies must adopt and implement a transition plan for climate change mitigation aligned with the 2050 climate neutrality objective, as well as targets under the European Climate Law.
Who does it apply to and when?	The EUDR applies to companies placing (operator) or making available (trader) on the EU market specific commodities. These commodities are listed in Annex 1 of the regulation text: palm oil, soy, timber, coffee, cocoa, rubber, cattle (beef and leather). **Large and medium companies must comply from 30th December 2025**, with micro and small enterprises given until 30th June 2026. EU definitions for micro, small, and medium enterprises can be found **here**. A large company is classified as exceeding two of the following thresholds: €25M balance sheet, €50M turnover, or 250 employees.	Companies in scope are large companies and Small and Medium Enterprises (SMEs). **Largest companies** (over 500 employees and are Public Interest Entities (PIEs), who were previously subject to the NFRD) are the first to publish **CSRD compliant reports in 2025**, covering the 2024 financial year.	EU companies with over 1,000 employees and more than €450 million net worldwide turnover and non-EU companies that generated a net turnover of over €450 million in the EU. These companies must satisfy the relevant criteria for two consecutive financial years to be in scope. **The largest companies, with over 5,000 employees and €1.5 billion turnover will have to be compliant by July 2027**.
What might this mean for an Origin Green member?	Although many Origin Green members may use forest-risk commodities, this does not necessarily mean they fall within the scope of the EUDR. For example, whilst soy is listed in Annex 1 its use in animal feed and for products such as yoghurt does not place the yoghurt manufacturer or seller within the regulation's scope, as yoghurt is not a relevant product under Annex 1. Understanding and engaging with your supply chain is key to supporting your own mapping and risk assessment efforts as this data may already exist. For companies supplying the UK, it is worth noting that a similar deforestation regulation has been proposed for the UK but is not yet finalised or in force.	To prepare for initial CSRD reporting, companies should carry out a double materiality assessment, engage with stakeholders, conduct a gap analysis on disclosure requirements, gather data, and prepare for digital data tagging and third-party assurance. Additionally, companies must map supply chains and engage with all supply chain actors to identify potential impacts, assess affected stakeholders, and develop mitigation strategies.	The CSDDD legally obliges companies to identify, prevent, and mitigate adverse human rights and environmental impacts within their operations and value chains. This requires companies to have visibility and accountability across their supply chains.

Correct at time of publication. These regulations are currently subject to review and not finalised.

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SPOTLIGHT

3 Regulatory Frameworks and Policy Context *continued*

Irish Policy Context

The Irish policy context will also drive and influence private sector action on sustainability and impact Origin Green members as they implement sustainable sourcing strategies. Ireland is committed to achieving a 51% reduction in emissions from 2021 to 2030, and to achieving net-zero emissions no later than 2050. The roadmap to deliver on these climate ambitions is set out in Ireland's **Climate Action Plan** and Low Carbon Development (Amendment) Act 2021. This national long-term strategy is in line with Ireland's Paris Agreement commitment, which aims to limit global temperature increase to well below 2˚C.

Ireland's **National Biodiversity Action Plan (2023-2030)** sets out the strategy to reduce the pressures on nature, ecosystems, and drivers of biodiversity loss, many of which can be linked to agriculture and food production, such as overgrazing, undergrazing, water and air pollution, and invasive species. The plan adopts a 'Whole-of-Government, Whole-of-Society' approach, and recognises the role the business community plays in promoting biodiversity. The Government provides actionable support for the business community through **Business for Biodiversity Ireland**, who provide a Nature Strategy Accelerator Programme and the ACT-D framework, to help businesses create a nature strategy in line with CSRD and TNFD (The Taskforce on Nature-related Financial Disclosures).

Green Public Procurement (GPP) based on EU GPP criteria and EU and Irish legislation, the EPA (Environmental Protection Agency) has published guidance on **green procurement for the public sector** (updated 2024) including **GPP criteria for Food & Catering Services**. This will be relevant to Origin Green members who supply, or seek to supply, food or catering services through public sector contracts. The guidance covers specifications and award criteria for sustainable sourcing of meat, poultry, dairy, eggs, fruit, and vegetables, including deforestation-free status (in line with EUDR), and sustainability, ethical and fair-trade certifications.

Regarding social sustainability, human rights, and labour elements of sustainable sourcing, the relevant Irish legislation is the **Criminal Law Human Trafficking Act 2008** (as amended 2013). Under this legislation, Irish companies or individuals can be prosecuted for trafficking or forced labour, both at home and abroad. Ireland does not currently have a Modern Slavery Act. However, under the **UK's Modern Slavery Act 2015**, any business supplying goods and services in the UK with a turnover of over £36 million (or euro equivalent), must prepare and publish on their website an annual 'Slavery and Human Trafficking Statement', stating the steps they are taking to mitigate the risk of human trafficking or modern-day slavery in their supply chain.

> **GETTING STARTED:**
> Initiatives and frameworks such as **TNFD**, **SBTi**, **CDP**, **Forest 500**, and other private sector industry commitment programmes are also driving sustainable sourcing by increasing transparency and accountability across supply chains. They enable companies to disclose environmental and social data, benchmark performance, and engage suppliers in managing risks.

✳ GLOSSARY

Double materiality, *a term used in the CSRD, incorporates impacts and risks to climate and nature (inside-out) as well as the financial risk to the enterprise (outside-in). This requires companies to assess financial materiality; the risks the business faces from changing climate and ESG matters, and impact materiality; the impacts the business may have on the climate and society.*

Due diligence, *within the context of the EU regulations, is the process of identifying and addressing adverse human rights and environmental impacts of company actions, both inside and outside the EU. It requires companies to identify, assess, prevent and mitigate actual and potential adverse impacts from their operations, business relationships and value chain.*

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4 Why Invest in Sustainable Sourcing?

The social and environmental impacts of agricultural supply chains are well documented. Increasing awareness amongst consumers, demand from shareholders and civil society, and growing regulatory pressures mean companies must become accountable for ensuring that their sourcing practices do not cause or contribute to negative environmental impacts or adverse impacts on human rights.

By investing in sustainable sourcing, businesses can not only meet regulatory requirements but also enhance their reputation, build consumer trust, and contribute positively to global sustainability efforts.

It will be challenging at times, will require an investment of resources, and may involve upfront costs. However, the benefits in terms of risk mitigation and corporate reputation make sustainable sourcing an essential investment. More importantly, it offers companies a tangible and measurable opportunity to contribute to a cleaner, fairer and more sustainable future.

Regulatory Compliance

Companies that invest in sustainable sourcing practices will have systems and verifications in place that will support compliance with corporate sustainability regulations such as EUDR, CSRD, CSDDD, and future regulation in this space. Investment in sustainable supply chains and ensuring you meet or exceed regulations now, will help you get ahead and avoid future penalties and operational disruptions.

Risk Mitigation

Recent crises like COVID-19, the Suez Canal blockage, and the Russia-Ukraine war exposed supply chain vulnerabilities. Increasing extreme weather events and long-term climate change impacts have brought greater uncertainty and price volatility to agricultural supply chains. Sustainable sourcing enhances supply chain resilience and can help

mitigate some of these risks by promoting stability and transparency and encouraging supplier diversification. At the same time, building long-term trusted supplier partnerships increases confidence and improves risk management, while scenario planning and risk modelling can help prepare for future disruptions.

Reputation

Taking action on sustainable sourcing, and reporting and communicating clearly on progress, can enhance corporate reputation across key audiences; customers, civil society, shareholders, and current and potential employees.

Market demand: Consumers are increasingly aware of negative environmental and social impacts of supply chains. With rising demand for transparency, customer contracts now often include sustainability criteria. Demonstrating sustainable sourcing can help meet market demand, win business, and meet Green Public Procurement standards.

Stakeholder trust: Investors are increasingly looking to invest in companies with clear sustainability credentials. Civil Society Organisations and NGOs are calling out companies whose supply chains have negative environmental or social impacts. Across a range of stakeholder audiences, clear action and open communication on sustainable sourcing can build confidence, enhance reputation, and position your company as an industry leader.

Recruitment: A growing number of professionals are seeking to work with companies that reflect their ethical values. Sustainable procurement is a tangible action that can help attract purpose-driven talent and foster greater employee satisfaction and retention.

✳ MARKET DEMAND

Sustainable sourcing demand is often driven by customers and their sustainability targets. Retailers in particular are increasingly asking their suppliers to address environmental and human rights impacts and improve standards to support them in achieving sustainable sourcing goals. See for example Sainsbury's pledge to make their own brand products deforestation and conversion free by 2025 and Tesco UK's Future Dairy Partnership to drive emissions reductions.

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4 Why Invest in Sustainable Sourcing? *continued*

A Sustainable Future

By taking action on sustainable sourcing, companies can create pathways towards a cleaner, fairer, more sustainable future; where everyone working in food and agricultural supply chains has safe working conditions and a living wage, where nature and biodiversity are enhanced, and where precious environmental resources are protected.

Sustainable procurement supports the transition towards net zero: working with suppliers to reduce upstream scope 3 emissions. Integrating sustainability criteria into procurement processes and working closely with suppliers is essential for the successful implementation of a net zero emissions strategy.

LONG-TERM OUTLOOK OF SUSTAINABILITY INVESTMENT

"Sustainability projects are not always a quick and easy win, payback can happen over a longer period of time, but they are worth investing in as they can mitigate risk, attract investments, and improve reputation."

Origin Green member.

5 How to Implement Sustainable Sourcing

5 Step Guide

This five-step guide looks at turning intent into action. Each step describes the processes required, questions to be asked, and examples of best practice to integrate responsible sourcing.[1] The guide offers a flexible framework for Origin Green members of all sizes, sectors, and structures. Whilst it covers core steps, additional considerations may apply depending on specific sector, customer, or regulatory needs.

This guide should be considered within the context of the regulatory requirements and will show how each step supports company preparations for regulatory compliance.

This 5-step guide is not a strictly linear process. Origin Green members may enter at different points depending on the maturity and current state of their sourcing strategy. Members who set targets for Raw Material Sourcing will also address issues in Step 1 as part of that process.
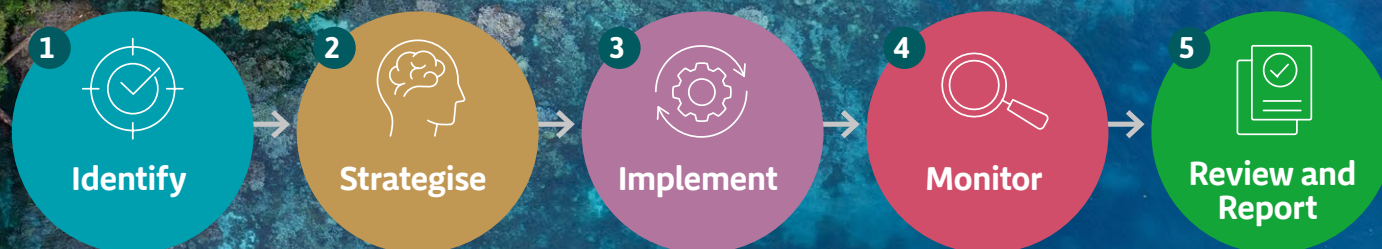
1 Identify → **2** Strategise → **3** Implement → **4** Monitor → **5** Review and Report

Figure 1. 5 Steps to Sustainable Sourcing

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1. The company case studies included throughout the document have been selected as examples of actions, they are not an endorsement of a company's overall performance.

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5 How to Implement Sustainable Sourcing *continued*

Step 1: Identify Sustainable Sourcing Priorities
Map Your Supply Chain and Assess Risk

Defining the scope of a company's sustainability sourcing strategy is essential for identifying priority areas in both the short and long term, and will help to determine potential supply chain impacts allowing the business to set relevant and credible targets. Supply chain mapping is an essential tool in this process as it helps to improve visibility of materials and suppliers, which is also critical for meeting traceability and due diligence requirements under regulations such as CSDDD, CSRD, and EUDR. Determining which raw materials you depend on also helps to identify any vulnerabilities, risks, and opportunities.

PHASE 1: Map Your Supply Chain

Begin by mapping what is known to the business, and add layers of detail as you progress. Breaking the task down into a series of elements will make it more manageable.

1. **Start** at the point where your organisation sits within the supply chain and map 'upstream' towards your suppliers all the way to the point of primary raw material production.

    Identify all suppliers from raw material to finished product. Many Origin Green members will have a range of direct and indirect suppliers across Tier 1, Tier 2, and Tier 3 (and beyond). Prioritise Tier 1, where you have most direct influence and control, and gradually progress through the supply chain.

2. **Map all key product categories and suppliers**, prioritising those with the greatest potential impact, such as high-procurement spend, core business products, or those with limited supplier options. Note products from regions or sectors linked to known environmental or social risks, such as forest-risk commodities (e.g. soy, palm oil) or those associated with labour concerns (e.g. cocoa, coffee).

3. **Document gaps in data** and where there is a lack of transparency. Even with detailed mapping, challenges remain as raw materials may be mixed with unidentified, unverified, or unmapped sources. Engage with your suppliers to help fill these gaps. This information can be gathered via a survey, audits, and/or questionnaire or through phone calls and emailing depending on your usual means of communication.

4. A **visual map of your product supply chain** can help to set out the components, identify data gaps, and prioritise areas for action. It will also help with communicating internally and with external stakeholders.
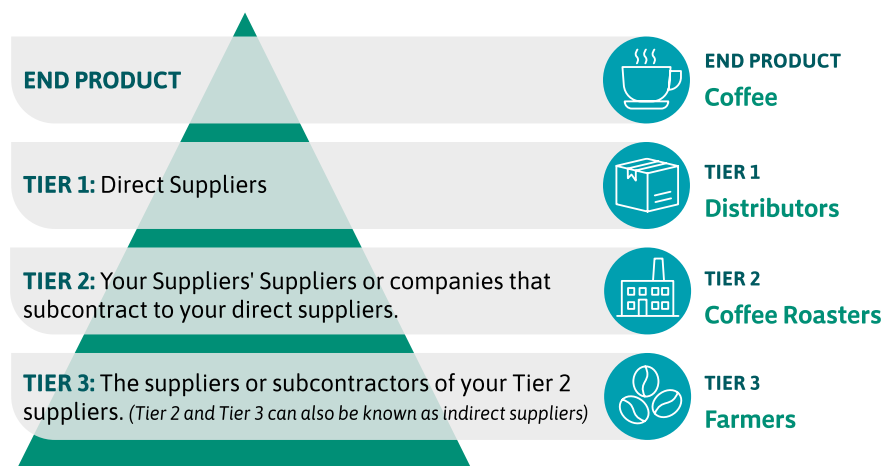

END PRODUCT	**END PRODUCT** Coffee
TIER 1: Direct Suppliers	**TIER 1** Distributors
TIER 2: Your Suppliers' Suppliers or companies that subcontract to your direct suppliers.	**TIER 2** Coffee Roasters
TIER 3: The suppliers or subcontractors of your Tier 2 suppliers. *(Tier 2 and Tier 3 can also be known as indirect suppliers)*	**TIER 3** Farmers

1 Identify *Sustainable Sourcing Priorities*

Figure 4: Examples of Supplier Tiers

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5 How to Implement Sustainable Sourcing *continued*

Step 1: Identify Sustainable Sourcing Priorities
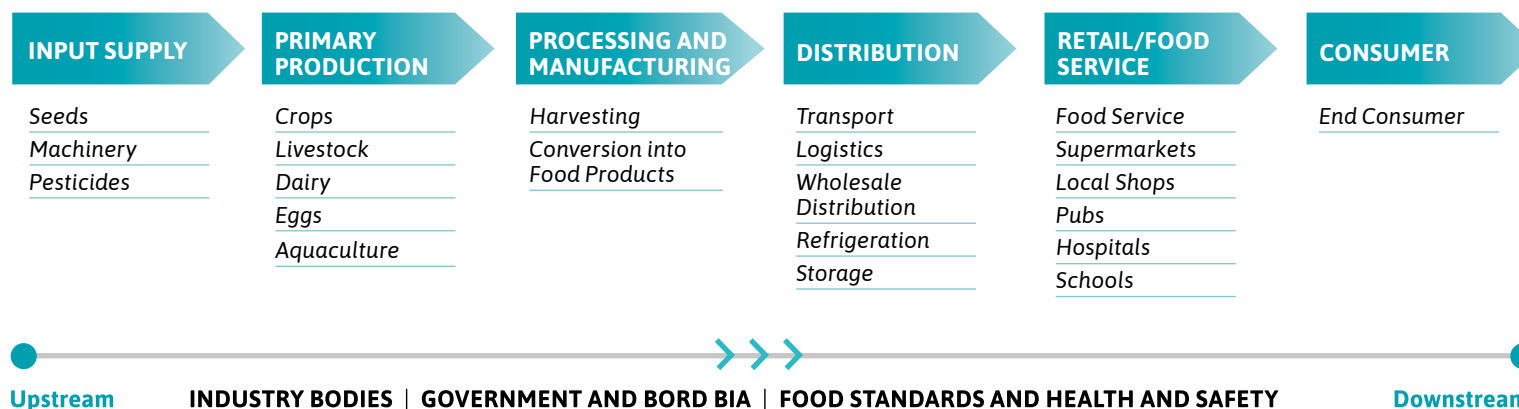### Map Your Supply Chain and Assess Risk

DETERMINING THE SCOPE

"We started by conducting a risk assessment to identify the key topics to look at and used Origin Green's responsible sourcing target to help develop our framework. The risk assessment process has been interesting and insightful."

Origin Green member.

✳ **Examples include** a **cocoa** industry value chain, a food supply chain hypothesis (**Global Canopy**, page 32), general farm to retailer supply chain (**WRI**). and value chain map from **St. Austell Brewery** in the UK (page 11).

✳ **Industry Practice:** Companies are increasingly publicly disclosing material origins and suppliers, see for example **Primark's Global Sourcing Map**, **Unilever's Tier 1 palm oil suppliers**, and Co-op's map and list of Tier 1 suppliers.

Key Challenge
Maintaining oversight and transparency of growing and complex supply chains.

Figure 5: Example of an Agri-Food Value Chain

INPUT SUPPLY	PRIMARY PRODUCTION	PROCESSING AND MANUFACTURING	DISTRIBUTION	RETAIL/FOOD SERVICE	CONSUMER
Seeds	Crops	Harvesting	Transport	Food Service	End Consumer
Machinery	Livestock	Conversion into Food Products	Logistics	Supermarkets	
Pesticides	Dairy		Wholesale Distribution	Local Shops	
	Eggs		Refrigeration	Pubs	
	Aquaculture		Storage	Hospitals	
				Schools	

Upstream ›››→ **Downstream**

INDUSTRY BODIES | GOVERNMENT AND BORD BIA | FOOD STANDARDS AND HEALTH AND SAFETY

1 **Identify** *Sustainable Sourcing Priorities*

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5 How to Implement Sustainable Sourcing *continued*

Step 1: Identify Sustainable Sourcing Priorities
Map Your Supply Chain and Assess Risk

PHASE 1: Map your Supply Chain *continued*

Getting started

? GUESTIONS TO ASK AS YOU MAP YOUR SUPPLY CHAIN

1. *Which **commodities** and **raw materials** are included in the supply chain?*

2. *What is the **volume and spend** associated with each commodity?*

3. ***Who are the immediate suppliers?*** *Who are the **Tier 2** and **Tier 3** suppliers, and what level of communication exists with them?*

4. *From which countries are **key raw materials sourced**?*

5. *Where is the greatest exposure to risk within these supply chains? Is there a clear understanding of the risk factors and levels associated with different materials and their source regions?*

6. *What is the organisation's **role in the supply chain for each commodity** (e.g., producer, processor, trader, manufacturer, retailer)?*

PHASE 2: Identify and Assess Risks

A supply chain map will provide your company with insight into the agricultural raw materials used and their origins. The next step involves assessing the associated risks. A comprehensive understanding of your supply chain enables the identification of potential issues, and the risk levels linked to each priority product. Additionally, this process may reveal previously overlooked opportunities.

A product risk assessment is a practical tool for identifying and managing potential risks associated with the production and supply of goods within your supply chain. This process facilitates the identification of high-risk products that should be prioritised for mitigation planning. A similar assessment may be used to evaluate supplier-related risks, with a focus on prioritising suppliers that pose the greatest potential for negative impacts. A useful starting point is to assess the country, region, and sector from which goods are sourced, as this helps identify where high-risk suppliers are most likely to be located.

7. **Develop a list of key raw material**s and/or ingredients, based on your supply chain mapping exercise. This could include anything from coffee, cocoa, soy, and palm oil, to milk, tomatoes, pork, poultry, seafood, or wheat.

8. **Define the risk categories** which will cover the key issues to assess. For example, the key areas to assess could be environmental, social, economic, or reputational risks, or a combination of several types of risk categories. To support this step, review some of the common risks and consider any particularly pertinent to your business or sector.

1
Identify
Sustainable Sourcing Priorities

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5 How to Implement Sustainable Sourcing *continued*

Step 1: Identify Sustainable Sourcing Priorities
Map Your Supply Chain and Assess Risk

PHASE 2: Identify and Assess Risks *continued*

3. **Gather insights on potential risks** from inside and outside the business to help assess the risk. Start with what you know – use knowledge from your procurement team or colleagues who are closer to suppliers. Then move on to gathering insights from stakeholders who have knowledge on issues upstream (e.g. trade associations or NGOs).

4. **Assess** each raw material and/or ingredient against the defined risk criteria, using credible sources such as NGO and industry reports, third-party databases, certifications, and supplier-provided data. Establish a clear methodology for categorising or scoring the risk levels; the simplest being no/low, medium, and high risk. Also consider the following factors: the potential severity of the impact on business operations and long-term viability, the significance of the risk to key stakeholders, the likelihood of the risk materialising, and the availability of viable substitutes in the event a product or supplier becomes unavailable.

RISK ASSESSMENT

" Conducting a risk assessment is a great way for companies starting out on their journey as it indicates what companies should be looking out for."

Origin Green member.

? WHAT SOURCING RISKS?

When identifying risks and opportunities for improvement and positive impact in the food and drink sector, some areas of environmental, social and economic risks to consider include:

- *Physical climate* – including severe weather events and long-term climate changes.
- *Transition climate* - including policy, legislative, regulatory, and market changes to support a just transition.
- *Land use change* – including deforestation and ecosystem disruption.
- *Water scarcity and overuse* – including water availability and impacts on local ecosystems.
- *Pollution*– including from chemical discharge, waste, and emissions.
- *Biodiversity loss* – including loss of ecosystem services, such as reduced pollination, resulting from harmful agricultural practices or land conversion. Also includes soil degradation affecting agricultural productivity.
- *Human and labour rights violations* – including child labour, forced labour, unfair wages, and poor working conditions.
- *Occupational health and safety* – including hazards related to materials, equipment, lack of training, and working conditions.
- *Geopolitical and governance risks* – including political instability, corruption, or weak regulatory enforcement.
- *Regulatory and financial risks* – arising from tightening legislation and investor expectations.

1

Identify
Sustainable Sourcing Priorities

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5 How to Implement Sustainable Sourcing *continued*

Step 1: Identify Sustainable Sourcing Priorities
Map Your Supply Chain and Assess Risk

✳ **Industry Practice:** These documents from **Aldi Nord** and **Princes Group** provide examples of detailed impact assessments of human rights risks in their respective seafood (Aldi Nord) and pulse (Princes Group) supply chains. See pages 26-27 of **Thai Union** Sustainability Report for examples of risk and double materiality assessment.

❯ **Resources:** A list of useful publicly available resources can be found in the resources section at the end of this guidance document.

A risk matrix can determine where your business can have the greatest influence, which products or raw materials require priority action, and where the most significant opportunities for positive impact exist.

❯ **Resources:** Many Origin Green members utilise platforms such as **SEDEX** or **EcoVadis** to support carrying out a risk assessment.

	BIODIVERSITY	DEFOREST-ATION	CLIMATE RISK	GHG EMISSIONS	MODERN SLAVERY AND CHILD LABOUR	HEALTH AND SAFETY	GEOPOLITICAL ISSUES	RISK SEVERITY	RISK LIKELIHOOD
Cocoa	🔴	🔴	🟠	🟠	🔴	🟠	🔴	Medium	High
Palm Oil	🔴	🔴	🔴	🔴	🟠	🟠	🟠	High	Medium
Soy	🟠	🔴	🟠	🔴	🟢	🟠	🟠	Medium	Medium
Sugar	🟠	🟢	🟠	🟢	🟢	🔴	🟠	Low	Medium
Wild Caught Seafood	🔴	🟢	🔴	🔴	🔴	🔴	🔴	Medium	High

Figure 6[2] is a simplified risk heatmap example which distils complex risk assessments into a clear visual, highlighting priority issues such as sourcing from biodiverse ecosystems (e.g., soy from the Amazon), politically unstable regions (e.g., cocoa from West Africa), or labour and human rights concerns (e.g., seafood, palm oil, or coconut farms using exploitative practices).

2. Figure 6 is for illustrative purposes only and is not necessarily reflective of actual risks associated with these commodities.

1 Identify *Sustainable Sourcing Priorities*

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5 How to Implement Sustainable Sourcing *continued*

Step 1: Identify Sustainable Sourcing Priorities
Map Your Supply Chain and Assess Risk

⟩ SUPPORTING DATASETS AND TOOLS

- *Consumer Goods Forum's **Converged Human Rights and Environmental Due Diligence (HREDD) Assessment Tool** helps businesses identify, prevent, and address potential risks to human rights and the environment across their business operations and supply chains.*

- ***Fairtrade** risk map supports companies and farmer organisations in assessing their human rights and environmental risks.*

- ***IBAT (Integrated Biodiversity Assessment Tool)** holds data for IUCN Red list of Threatened Species, the World Database on Protected Areas, and the World Database of Key Biodiversity Areas. IBAT provides access to global biodiversity data and reports.*

- ***LandMark** maps indigenous and community lands. Companies can use the information to better understand the land rights situation in a particular country, including where and how much land is held and used by Indigenous Peoples and Local Communities (IPLCs)*

- ***SEDEX** provides an introduction to risk assessment on human rights and environmental issues in supply chains.*

- *The **Responsible Sourcing Tool** provides country level data on the risk of child and forced labour in commodity supply chains for food and beverage supply chains.*

- ***WWF Biodiversity Risk Filter** is a free online tool that enables companies to assess biodiversity risks and inform decision making.*

REGULATION	HOW **Step 1** SUPPORTS COMPLIANCE
CSDDD	Provides data related to 'chains of activities' by assessing and mapping impacts across (1) own operations, (2) operations of subsidiaries and (3) the operations of business partners. This supports the risk-based approach which is required for CSDDD.
CSRD	Enables an assessment of upstream and downstream value chain actors and provides evidence for the double materiality assessment and ESRS disclosures.
EUDR	Supports identifying key commodities which could have a high-deforestation risk and facilitates mapping suppliers back to the farm level, supporting eventual traceability to the point of origin.

1

Identify
Sustainable Sourcing Priorities

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5 How to Implement Sustainable Sourcing *continued*

Step 2: Strategise - Develop a Sustainable Sourcing Strategy
Set Policies, Ambitions, and Targets

PHASE 1: Define your Strategy

Once sustainable sourcing priority areas (e.g. raw materials, geographies, and issues) have been identified, the next step is to start clarifying the strategy and programmes required to address these priorities. A robust sustainable sourcing strategy links procurement decisions with environmental and social impacts and enables companies to mitigate against supply chain risks, stay ahead of regulatory requirements, and proactively manage reputational risks.

? SUSTAINABLE SOURCING AS CORE STRATEGY

Many emerging food and drink companies and SMEs have built their entire corporate strategy around sustainability and social purpose, with transparent and sustainable sourcing at their core. Some UK-based examples include: **Hodmedod's**, *who champion pulses and grains grown with agroecological and regenerative practices on UK famers;* **Toast Brewing**, *who brew beer from leftover bread to prevent food waste;* **Rubies in the Rubble**, *rescuing surplus fruit and vegetables and turning them into condiments, and* **LoveCocoa**, *a* **B-Corp certified company**, *founded with the ambition to make chocolate more ethical and sustainable, by working with farmers to improve production practices, paying farmers a higher price, planting trees, and* **pledging 1% of sales to the planet**.

Ferrero *offers a well-structured overview of its responsible sourcing strategy, detailed from page 33–52 of its report. It outlines its approach to sourcing raw materials, highlighting the origins of these materials, and tracking progress against KPIs. Additionally, Ferrero addresses material sustainability topics, describes its process for assessing suppliers, and directs stakeholders to additional policies and charters that guide its sourcing practices.*

2

Strategise
Set Targets

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5 How to Implement Sustainable Sourcing *continued*

Step 2: Strategise - Develop a Sustainable Sourcing Strategy
Set Policies, Ambitions, and Targets

PHASE 1: Define your Strategy *continued*

A good sustainability sourcing strategy should be unique and recognise the company's own specific strengths and opportunities and respond to identified risks in the supply chain (as identified in Step 1). It should have a hierarchy and focus, and the focus should be on the issues that matter most to the company.

The next step is to define the level of ambition and what role you want to play, and then develop a strategic framework that aligns to this, groups together the different issues, and sets out how the company plans to address them.

? QUESTIONS TO CONSIDER:

1. *What is the appropriate level of ambition? Transformational leadership, in line with peers, minimum legal compliance?*
   - *What level of impact is intended over the short- and long-term?*

2. *Are the necessary resources in place to align with the level of ambition?*

3. *Does the defined level of ambition cover all activities and issues that are required by law?*

Getting Started: Bring in perspectives from external stakeholders, such as suppliers, to help define your ambition. Suppliers are often closer to the issues your strategy is trying to address and may have greater expertise and knowledge about what's possible and by when.

Identify exactly where responsibility sits for sustainable sourcing and develop clear accountabilities for due diligence. Education is also a vital step to ensure that business leaders understand not just the requirement for sustainable sourcing, but also the potential impact on the business if it is not conducted effectively.

2 **Strategise** *Set Targets*

5 How to Implement Sustainable Sourcing *continued*

Step 2: Strategise - Develop a Sustainable Sourcing Strategy
Set Policies, Ambitions, and Targets

PHASE 2: Develop Policies

A sustainable sourcing policy is an integral part of a robust due diligence system and aims to:

1. Clearly articulate sustainability goals to the company's business partners, investors, lenders, and stakeholders;

2. Clarify the company's expectations for its suppliers;

3. Support accountability and tracking of progress toward goals; and

4. Support constructive engagement with stakeholders.

Getting Started: Prior to writing the policy, gather as much information as possible internally and externally in relation to agricultural production and sourcing. This could include identifying external standards and regulatory requirements (e.g. EUDR, CSDDD, CSRD) that affect a company's obligations related to sourcing. It can also help to review what peers are doing to understand how they structure their policies.

➤ The **Accountability Framework Initiative** (AFi) provides guidance on writing an ethical supply chain policy.

✻ KEY CONSIDERATIONS TO KEEP IN MIND:

- **Frame the context:** Set the scene and provide a summary of the environmental and social risks the policy addresses. Reference any relevant regulations, standards, or frameworks it aligns with.

- **Define the scope:** Indicate whether the policy is general or commodity specific. In either case, clearly outline which products, business units, activities, and suppliers the policy applies to.

- **Outline commitments:** State your commitments with clear, time-bound targets. Tailor goals to each raw material or issue and include (qualitative or quantitative) milestones to track progress. Examples of commitments include: no deforestation, no conversion, protect biodiversity, respect human rights, reduce agricultural greenhouse gas emissions, and sourcing from areas with sustainable water management.

- **Mechanisms for implementation:** Outline the mechanisms for implementing and monitoring the commitments, such as supplier engagement, audits, third-party certifications, strategic partnerships, training initiatives, and regular reporting.

- **Regulatory alignment:** Identify the relevant regulations and incorporate any specific reporting criteria into policies to clearly communicate compliance expectations to all suppliers.

2

Strategise
Set Targets

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5 How to Implement Sustainable Sourcing *continued*

Step 2: Strategise - Develop a Sustainable Sourcing Strategy
Set Policies, Ambitions, and Targets

PHASE 3: Set Targets

Targets are the backbone of an effective sustainable sourcing strategy and form a mandatory part of the Origin Green charter. Targets are a sign of ambition and provide suppliers with a definitive roadmap to follow.

When developing a target for each of your priority areas (either umbrella sourcing targets or product/ingredient specific), consider these elements:

1. **Use clear, measurable targets:** Prioritise quantifiable, time-bound targets—especially for environmental goals. Social targets may be harder to quantify but avoid vague or misleading targets which are hard to measure against.

   · **Ensure targets are impactful**: Targets should be realistic yet ambitious, stretching the company beyond business-as-usual to make a real impact and providing long-term direction and ambition.

2. **Define KPIs:** Use key performance indicators to track and monitor progress. These effectively refer to 'what' you are measuring.

> **Resources: SBTi FLAG Guidance** defines requirements, recommendations and methodologies for setting science-based FLAG targets and the **Science Based Targets Network's** provides information to make the target-setting process as accessible and actionable as possible.
>
> **Section 6 of this guidance provides a detailed example of setting and implementing a Sustainable Sourcing Target.**

SUSTAINABILITY ACROSS THE WHOLE COMPANY

" Internal communications around the whole company in getting everyone involved lets all employees know the importance of these processes."

Origin Green member.

2

Strategise
Set Targets

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5 How to Implement Sustainable Sourcing *continued*

Step 2: Strategise - Develop a Sustainable Sourcing Strategy
Set Policies, Ambitions, and Targets

PHASE 4: Secure Buy-In and Ensure Alignment with Stakeholders

Securing **senior management** buy-in is essential to the long-term success of a sustainable sourcing strategy. Clearly communicate the business benefits, such as regulatory compliance, highlight quick wins, and emphasise the long-term value and impact of responsible sourcing to gain leadership support.

Engaging **colleagues** in sustainable sourcing can be challenging due to differing departmental priorities. Sustainable sourcing success requires cross-functional collaboration, involving teams such as procurement, commercial, marketing, legal, and operations. Early engagement of these functions helps to build alignment, particularly as some may be directly responsible for related commitments, aligns goals with broader business objectives, and embeds sustainable sourcing across the company, rather than confining it to the sustainability team.

Getting Started: Frame the sourcing strategy to align with each department's priorities, using language that resonates with their commercial goal, such as risk reduction, regulatory compliance, investor expectations, customer satisfaction, brand and reputation protection, and efficiency improvements.

Get involved with industry working groups and sustainability sourcing coalitions. These can help to offer key insights and in-depth knowledge and expertise on food sector sourcing-related trends and developments.

REGULATION	HOW Step 2 SUPPORTS COMPLIANCE
CSDDD	Supports the embedding of due diligence procedures into sustainability sourcing strategies which is a key requirement of CSDDD. The creation of time-bound targets also supports the requirement to set time-bound targets related to climate change for 2030 *(e.g. setting no-deforestation targets in line with SBTI FLAG).*
CSRD	Provides evidence of sustainability sourcing priority areas which supports the double materiality assessment required for CSRD and establishes clear policies and KPIs which facilitates reporting against ESRS standards.
EUDR	Developing policies around high-risk raw materials and geographies supports preparations for EUDR compliance and provides an opportunity to communicate new EUDR commitments, data requirements, and sourcing expectations to suppliers.

Key Challenge

Gaining buy-in is challenging - show business value and engage with key people early on to align goals and foster collaboration.

2

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SPOTLIGHT

5 How to Implement Sustainable Sourcing *continued*

Certifications

Sustainability certifications, typically verified by independent third parties, can help Origin Green members demonstrate and communicate their commitment to sustainable sourcing, enhance brand credibility, and enable market access. These certifications typically cover environmental and social issues, making them a useful tool, especially for those early in their sustainability journey, as they require fewer resources than managing processes and ensuring compliance internally.

Sustainability sourcing certifications also help customers monitor suppliers by adding a layer of credibility to supplier claims. Certified suppliers often maintain detailed records and undergo regular certification audits or inspections which improves traceability of materials and practices.

The European Commission recognises certification and third-party verification schemes as providing useful information for compliance with the EUDR, by adding value in supporting evidence that products are legal and deforestation-free. However, certification is not an automatic guarantee of EUDR compliance.

Many certifications are well recognised and can provide a clear way for Origin Green members to communicate their sourcing commitments to stakeholders.

POSITIVES OF CERTIFICATION SCHEMES

❝ Certifications are a good way for companies who lack resources to start out on their journey as they highlight best practice.❞

Origin Green member.

EXAMPLES OF CERTIFICATION SCHEMES:

- **ASC:** The Aquaculture Stewardship Council (ASC) certification indicates seafood has been farmed responsibly and sustainably.

- **Bord Bia Sustainable Quality Assurance Schemes:** Quality Assurance Schemes exist for the following product sectors: beef, lamb, dairy, pigmeat, poultry, eggs, feed, fresh produce, mushroom compost and casing manufacturers, and ornamental plant producers. The schemes are built on best practice in farming and processing, current legislation, relevant industry guidelines and international standards.

- **Fairtrade:** Fairtrade sets social, economic and environmental standards for the companies and farmers involved in the supply chain. For farmers and workers, the standards include protection of workers' rights and the environment, for companies they include the payment of the Fairtrade Minimum Price safety net and an additional Fairtrade Premium.

- **FSC:** The Forest Stewardship Council (FSC) certifies forests to ensure their environments are responsibly managed and meet the highest environmental and social standards.

- **Organic**: Any food product sold as 'organic' in Ireland must comply with EU Organic Regulations and be certified by an approved body such the **Irish Organic Association** or **The Organic Trust**.

- **MSC:** This certification ensures that wild-caught seafood has been caught from a fishery that meets the Marine Stewardship Council's (MSC) standards for sustainable fishing practices.

- **Rainforest Alliance:** Global certification system that focuses on sustainable agricultural practices, biodiversity conservation, and improving the livelihoods of farmers and workers.

- **RSPO:** This is a global certification system for certified sustainable palm oil. It includes the assurance that the company has committed to and complied with sustainability requirements.

5 How to Implement Sustainable Sourcing *continued*

Step 3: Implement
Getting Your Supplier Base on Board

Implementing your sustainable sourcing strategy and achieving your ambitions relies heavily on engaging with suppliers in your value chain, offering practical support, and making strategic decisions on how and to whom you source. This type of engagement supports transparency, ensures sourcing practices are effective and responsible, and can mitigate risks by gathering real-time information from suppliers to identify issues before they escalate.

Upskilling procurement teams is crucial to advancing sustainable sourcing, as their close supplier relationships enable them to influence and drive responsible practices. Providing targeted sustainability knowledge, through training, masterclasses, or information drop-ins, ensures alignment on goals and that sustainability considerations are embedded into the procurement process.

Supply Base Engagement

Outlining expectations to suppliers on sustainable sourcing is a critical step and the most successful companies take a structured, transparent, and collaborative approach to bringing them on board.

- These relationships can take time to build but effective supplier management is essential for obtaining accurate and timely information to support reporting, due diligence, and data collection.
- Supplier engagement should go beyond compliance, fostering proactive collaboration on sourcing issues, understanding challenges, and developing mutually beneficial solutions.
- Streamlining tools and sharing information on common suppliers can reduce the reporting burden, particularly for suppliers with limited resources.

- Communication should be open and reciprocal, aligning goals and ensuring that purchasing practices, such as payment terms or pricing, do not negatively impact the supplier.

Embracing sustainability offers suppliers clear benefits. Those with strong practices may gain a competitive edge through longer contracts, increased volumes, or co-investment in sustainability programmes. Sustainability can also drive cost savings for suppliers through efficiency improvements and continued market access as regulatory expectations increase. Origin Green members could also provide supplier support through training, toolkits, or funding to help build internal knowledge and skills.

Getting Started: Active and meaningful engagement with suppliers is a key part of developing and implementing a sustainable sourcing strategy.

Gathering robust, real-time, and relevant information from suppliers helps to make informed decisions and identify any potential risks with your products and/or suppliers. If you only have access to Tier 1 suppliers, engaging with them helps to build up your understanding of how indirect suppliers further upstream are being managed.

Key Challenge
Engaging suppliers can be time-consuming and difficult. It requires structured communication and collaboration to encourage positive relationships.

3

Implement
Actions and Engage Suppliers

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5 How to Implement Sustainable Sourcing *continued*

Step 3: Implement
Supply Base Engagement *continued*

WAYS TO COMMUNICATE SUSTAINABLE SOURCING EXPECTATIONS TO YOUR SUPPLIERS:

1. **Onboarding:** Introduce new suppliers to your sustainability policies, standards, and reporting processes. Ensure procurement teams understand and communicate these requirements.

2. **Supplier code of conduct:** A supplier code of conduct sets clear expectations on issues like health and safety, labour rights, ethics, and environmental sustainability. It typically references key standards (e.g. ILO, OECD, UNGPs, ISO14000) and should include a confidential grievance mechanism accessible in appropriate languages.

3. **New policies or standards:** Notify suppliers of any updates (e.g. EUDR requirements) with clear guidance on how suppliers can align.

4. **Commercial contracts:** Embed sustainability criteria (e.g. deforestation-free soy, certifications) into contracts. Coordinate with commercial teams for timely inclusion.

5. **Data collection:** During reporting cycles, gather supplier data and communicate updated KPIs or reporting expectations.

6. **Training:** Training offers a valuable way to engage and upskill suppliers on complex sustainability sourcing topics like deforestation, regenerative agriculture, and human rights.

Not all suppliers are the same and engagement will need to be tailored to each relationship. While there are many new platforms being developed to streamline supplier engagement, in some instances communicating directly with suppliers via phone or email can be the quickest way to build relationships and obtain the information you require.

Getting Started: If a supplier is reluctant to engage it can help to share more information on the issue and help them to understand the mutually beneficial outcomes. Positive relationships should be rewarded and highlighted where possible (e.g. supplier awards).

✳ **Industry Practice:** see **Asda** Standards for Suppliers and the Supplier Code of Conduct from **First Milk**, a British Dairy Cooperative, for examples of how companies communicate their minimum standards and expectations for suppliers.
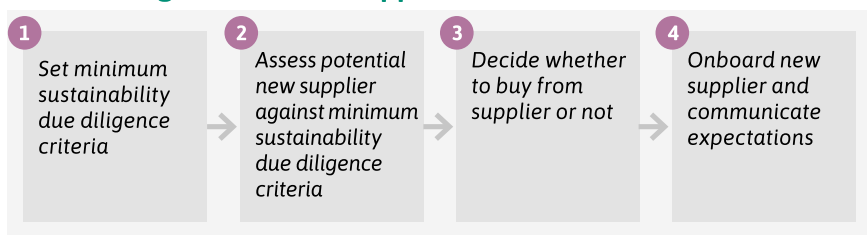
3
Implement
Actions and Engage Suppliers

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5 How to Implement Sustainable Sourcing _continued_

Step 3: Implement
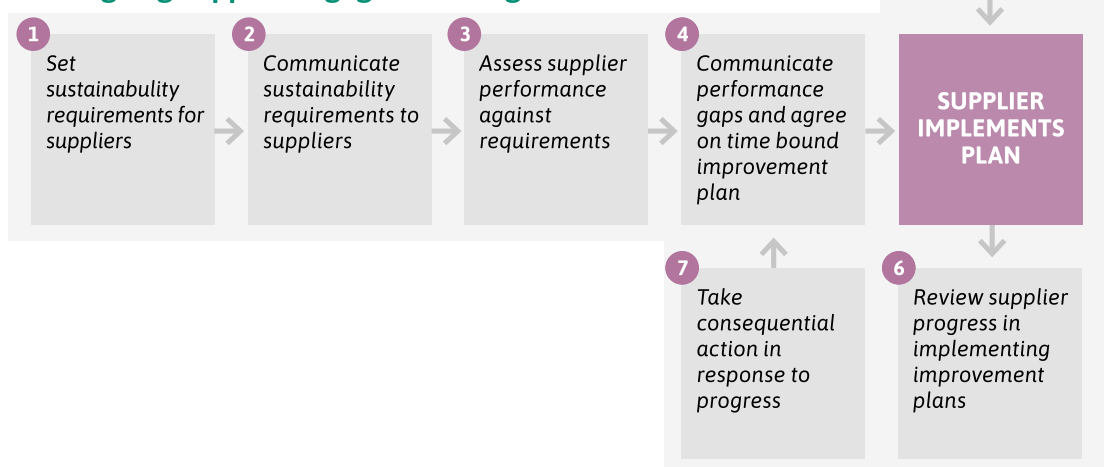### Getting Your Supplier Base on Board

WAYS TO COMMUNICATE SUSTAINABLE SOURCING EXPECTATIONS TO YOUR SUPPLIERS: _continued_
Proforest has published guidance to help downstream companies implement supplier engagement. Further details are available **here**.

A. Due Diligence for New Suppliers

1 Set minimum sustainability due diligence criteria

2 Assess potential new supplier against minimum sustainability due diligence criteria

3 Decide whether to buy from supplier or not

4 Onboard new supplier and communicate expectations

B. Ongoing Supplier Engagement Progess

1 Set sustainability requirements for suppliers

2 Communicate sustainability requirements to suppliers

3 Assess supplier performance against requirements

4 Communicate performance gaps and agree on time bound improvement plan

SUPPLIER IMPLEMENTS PLAN

5 Communicate performance gaps to suppliers and agree on timebound improvement plan

6 Review supplier progress in implementing improvement plans

7 Take consequential action in response to progress

TRACK AND REPORT EFFECTIVENESS

BENEFIT TO THE SUPPLIER ENGAGEMENT PROCESS

"A positive thing discovered during this process was seeing the work suppliers are already doing on sustainability, it was great to uncover the projects that are already there."

Origin Green member.

3 Implement
Actions and Engage Suppliers

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5 How to Implement Sustainable Sourcing *continued*

Step 3: Implement
Getting Your Supplier Base on Board

AGNAV

AgNav is a digital platform focused on farm sustainability developed in partnership between Bord Bia, Teagasc, and the Irish Cattle Breeding Federation (ICBF). It is a farmer-centric sustainability support framework, utilising the three agencies' collective knowledge, data, support tools, and other resources.

The platform provides an interface where farmers can Assess, Analyse, and Act on key environmental indicators such as greenhouse gas emissions, ammonia emissions, and nutrient balance. The forecasting function helps farmers understand the potential impact of specific actions, allowing them to create a tailored farm sustainability action plan.

15,000 Farmers Registered

8,432 Farm Sustainability Plans

29,073 Sustainability Action Commitments

Currently, AgNav is fully functional for beef and dairy, and will soon incorporate tillage enterprises. Development is also underway to launch models for sheep, pig, poultry, horticulture, and forestry enterprises. Further developments will incorporate a wider range of forecasting functions, and will incorporate new indicators on biodiversity scores, renewable energy usage, and economic performance.

For companies sourcing direct from farmers, AgNav can help better track and understand where supply is coming and give a clear overview of sustainability criteria. AgNav supports processor/ farm sustainability programmes and can be used for monitoring verification and reporting of the farms.

For further information go to **www.agnav.ie**

REGULATION	HOW **Step 3** SUPPORTS COMPLIANCE
CSDDD	Enables a review of all relevant policies, codes of conduct, standards, and supplier contracts which provides an opportunity for Origin Green members to ensure that human rights and environmental due diligence is integrated into business risk management and due diligence procedures.
CSRD	Provides evidence for ESRS disclosures by demonstrating how sustainability sourcing actions are integrated, and resources are allocated in relation to relevant ESRS requirements. Supplier engagement also provides stakeholder insights and supports companies to assess their risks as part of the double materiality assessment.
EUDR	Provides Origin Green members with insight into supplier readiness for EUDR compliance and helps to establish a clear framework for data collection which can support future EUDR due diligence compliance.

3

Implement
Actions and Engage Suppliers

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5 How to Implement Sustainable Sourcing *continued*

Step 4: Monitor
Collecting Relevant Data and Monitoring Your Suppliers

Monitoring suppliers and collecting relevant data enables companies to ensure compliance, manage risks, meet regulatory and reporting requirements, and deliver on commitments. Step 4 supports this by showcasing ways to collect data and manage suppliers which will help Origin Green members navigate the complexities that surround monitoring supplier performance.

Effective monitoring provides an insight into supplier performance, highlights areas needing attention, and supports transparency. It also helps identify issues, such as suppliers sourcing from water scarce areas, allowing you to take targeted action and keep your sustainability goals on track.

Monitoring of suppliers will differ for each Origin Green member. Origin Green members that source directly from farmers may find it easier to monitor at the farm level, while those members sourcing indirectly through processors, traders, or manufacturers may need tools that collect data from multiple supply chain stages.

CHOOSING THE RIGHT TOOLS FOR SUPPLY CHAIN DATA COLLECTION

• Gathered data will be of varying qualities and in different forms depending on what it is required for and who it is collected from.

• Origin Green members who have short and/or uncomplicated supply chains may be able to rely on straightforward tools, such as spreadsheets. This tends to be a low cost, flexible, and a familiar way for monitoring supply chain data.

• For members with more complex supply chains, perhaps covering different regions and multiple tiers of suppliers, it is likely you will need a more specific, fit-for purpose tool that can support you as you gather and process data. These solutions will typically have more options for real-time data inputting, greater integration with other tools, and increased collaboration compared to spreadsheets.

✱ **There are many different platforms and tools available that can help companies to:**

• Manage and report on sustainable sourcing.

• Share access across stakeholders, internally and externally.

• Collect, analyse, and securely store large amounts of data and information from suppliers, including certifications, production methods, emissions data, origin, and compliance with international standards.

4

Monitor
*Collect Relevant
Supply Chain
Data*

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5 How to Implement Sustainable Sourcing *continued*

Step 4: Monitor
Collecting Relevant Data and Monitoring Your Suppliers

Getting started: How to select the right supply chain management tool or data monitoring solution?

? QUESTIONS TO ASK:

1. *How does the tool integrate with existing systems and platforms used by the organisation?*

2. *Does the service align with the specific needs of the business? Is a customised solution required, or is an off-the-shelf service sufficient?*

3. *Is the service user-friendly, accessible, and easily understood by employees?*

4. *What level of support is required from the service provider?*

5. *Does the tool address the relevant products, commodities, and regions of interest to the organisation?*

6. *How is information collected from both direct and indirect suppliers?*

7. *What is the method by which suppliers will access the platform? Does the platform enable communication with suppliers when necessary?*

8. *What measures are in place to protect confidential data, such as sensitive information from farmers?*

9. *Does the system capture all necessary evidence for organisational requirements, and can supporting documentation be uploaded and securely stored?*

EXAMPLES OF SUPPLY CHAIN MANAGEMENT TOOLS OR DATA MONITORING SOLUTIONS

Digital tools and solutions are valuable for gathering data from many suppliers as they can remove the need for manual requests and streamline the collection process. These tools can help with supplier onboarding, tracking of sourcing progress, compliance (and storing evidence), and providing traceability records (e.g. through blockchain technologies).

- **Audits:** Conducting a thorough supply chain audit is essential for suppliers to stay compliant with industry standards and company expectations. Audits should be a means for continuous improvement and not a tick-box exercise. A risk-based approach, prioritising ongoing due diligence and supplier dialogue to understand their challenges, should guide the use of audits. Supporting guidance includes the **SMETA Best Practice Guidance** which outlines the essential steps of planning, executing, and documenting a SMETA audit. Examples from **Kelloggs** illustrate what a sourcing audit report could look like while **Unilever** provides insight how sourcing audit requirements are defined.

- **Blockchain technologies:** This technology can enable real-time tracking of products by verifying authenticity and transparently tracing the product from production to the consumer. Examples of providers include **IBM Food Trust**, **Provenance**, **ubloquity**, and **Verifact**.

- **Remote monitoring technologies:** Companies may wish to use satellite imagery tools to assess risks, traceability, or monitor supplier performance in relation to deforestation, ecosystem conversion, and human rights violations in association with commodity production. This information can then be fed back into due diligence processes. A non-exhaustive list of providers includes **Ad Astra/Orbae**, **Global Forest Watch**, **Starling**, **Trase**, and **WHISP**.

4

Monitor
Collect Relevant Supply Chain Data

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5 How to Implement Sustainable Sourcing *continued*

Step 4: Monitor
Collecting Relevant Data and Monitoring Your Suppliers

EXAMPLES OF SUPPLY CHAIN MANAGEMENT TOOLS OR DATA MONITORING SOLUTIONS continued

- **Self-assessment questionnaires:** This type of monitoring helps collect standardised data from suppliers across regions, enabling you to track progress on issues like emissions or deforestation over time. Questionnaires may focus on specific topics or cover broader sustainability practices. Suppliers are often scored based on their responses. This can be done manually or through digital platforms like **SEDEX**, **Foods Connected**, **Responsible Sourcing Tool**, or **EcoVadis**.

- **Sourcing risk assessment tools:** These solutions help to identify sourcing risks by pulling together publicly available information. This can help with your risk assessment (Step 1) but also form part of your continuous monitoring of suppliers. Examples of tools are **Maplecroft**, **Preferred by Nature Sourcing Hub**, **Responsible Sourcing Tool**, **Global Slavery Index**, and **World Bank Governance Indicators**, **Global Rights Index**.

> ⓘ *Relying solely on self-assessment questionnaires can lead to biased or incomplete risk information without proper scrutiny. For high-risk suppliers or sourcing regions, third-party assessments with stakeholder engagement may be necessary to fully understand potential adverse impacts.*

EXAMPLES OF DATA TO BE COLLECTED AND MONITORED, ALIGNING WITH REGULATORY REPORTING REQUIREMENTS, MAY INCLUDE:

Environmental:
GHG emissions for scopes 1, 2, and 3; water usage per unit of production; pollution to soil, water, and marine ecosystems; suppliers monitored; size of commodity footprints (e.g. by sourcing origin, % that is deforestation and/or conversion free, % traceable to source); activities negatively affecting biodiversity-sensitive areas.

Social:
Suppliers monitored for human rights risks; grievances reported; commodities where there is a risk of child labour or forced labour; compliance with local laws, community impact; employee training on human rights.

Governance:
Evidence of compliance with local regulations; certifications and audits; anti-bribery and corruption compliance; grievance mechanisms; supplier codes of conduct; business ethics.

④
Monitor
Collect Relevant Supply Chain Data

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5 How to Implement Sustainable Sourcing *continued*

Step 4: Monitor
Collecting Relevant Data and Monitoring Your Suppliers

REGULATION	HOW **Step 4** SUPPORTS COMPLIANCE
CSDDD	Enables continuous risk monitoring of environmental and human rights impacts across the entire value chain. This could enable detection of supplier non-compliance and verify the effectiveness of the measures taken to prevent, mitigate, and cease the adverse impacts – all elements of CSDDD's due diligence requirements.
CSRD	Supports the collection of accurate and auditable quantitative data from suppliers which may feed into reporting on ESRS indicators. For example, scope 3 GHG emissions (ESRS E1-6), engagement with value chain workers (ESRS S2-2), and land conversion over time (ESRS E4-5). Establishing robust supplier data collection processes also supports the documentation requirements for external assurance.
EUDR	Digital tools and satellite monitoring help to assess the risk of deforestation and identify geolocation that can support the data collection, risk assessment and mitigation requirements of EUDR.

4
Monitor
Collect Relevant Supply Chain Data

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5 How to Implement Sustainable Sourcing *continued*

Step 5: Report
Review and Report on Progress

Transparent reporting on sustainable sourcing progress is not only key to regulatory compliance, but it also enhances reputation, builds trust, and keeps corporate sustainability commitments on track.

Origin Green members can demonstrate progress towards sustainable sourcing of raw materials through accurate and verifiable reporting which allows stakeholders to make decisions based on credible information and assures the public that the company are acting on their commitments.

As with broader sustainability reporting, comprehensive reporting on sustainable sourcing is necessary for:

- **Transparency and accountability:** Transparency involves openly disclosing on your performance, and making your sourcing reporting publicly available is a key part of the communication and accountability process. Accountability involves taking responsibility for strategies, actions, and commitments and showing how you are tracking progress and taking corrective action where required. This includes when issues are raised in your supply chain, see how **Co-op** (page 12) and **Tesco** (page 22) publicly report on potential cases of modern slavery or other labour rights issues.

- **Meet stakeholder expectations:** Stakeholders are not only asking for more disclosure but reviewing it with greater scrutiny. Reports serve as a valuable tool for holding companies to account in meeting their commitments and allows stakeholders (e.g. investors, board members, employees) to gain insights into how your company is managing its sustainability sourcing strategy. It helps to inform decisions and builds trust. **Unilever** provides examples of how

businesses can describe their approach to stakeholder engagement and addressing stakeholder needs. **Nestlé** (page 69) and **Tesco** also publish a list of the sustainable sourcing stakeholder initiatives or programmes they are involved in.

> **Resources:** See the Global Business Initiative on Human Rights' **guidance** on what good looks like for meaningful stakeholder engagement.

- **Regulatory compliance:** Even if not legally required, many companies are increasingly encouraged to report on sustainable sourcing due to increasing expectations - from investors, customers, and consumers - and supply chain demands. The direction of travel shows that sustainability reporting should be closely integrated with financial reporting.

- **Internal improvement:** The rigorous data collection and analysis required for reporting enables companies to track progress, improve data visibility, and drive better data management. This process can identify areas of poor performance, risks, and opportunities. For example, Carrefour has implemented a **transparency platform** which monitors global deforestation alerts, such as those related to beef and soy, and enables Carrefour to strengthen its sourcing policies and prioritise actions based on the alerts received.

Key Challenge

Improved data collection and reporting may require significant investment in technology and internal training.

5

Review and Report
on Progresss

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5 How to Implement Sustainable Sourcing *continued*

Step 5: Report
Review and Report on Progress

EXAMPLES OF KPIS THAT COULD BE REPORTED ON:

- Percentage of wild caught seafood certified by MSC.
- Percentage of farmed seafood certified by ASC.
- Percentage of fresh food sourced from Ireland.
- Percentage of soy footprint verified deforestation-free and conversion-free (segregated certified or verified deforestation and conversion free sourcing - excludes mass balance).
- Percentage of paper/wood products certified by FSC or PEFC or a recycled scheme.
- Percentage of palm oil certified by RSPO.
- Percentage of high-risk Tier 1 supplier sites with audits in the last year.

KEY COMPONENTS OF SUSTAINABLE SOURCING REPORTING

- **Accessibility and clarity for all:** ensure that language used is not overly technical and information is presented well.
- **Accurate:** high quality sourcing data must be timely, relevant, and accurate. Incomplete or inconsistent data can lead to gaps in reporting and a lack of compliance with regulatory requirements.
- **Align with frameworks:** where applicable, align reporting to global frameworks. In addition to the regulations set out in Section 3, this could also include science-based targets, Forest, Land and Agriculture (FLAG) climate targets, TCFD, TNFD. Disclosing using standardised and commonly used reporting tools such as AFi metrics can also help companies to use indicators that support clear and consistent information.

- **Common definitions:** use clear and well-defined terminology. AFi provides **definitions** for some key terms related to sustainable sourcing.
- **Completeness:** ensure all priority sustainable sourcing topics and goals are included. Clearly define the scope, issues covered, and reporting period, avoiding any omissions of relevant information.
- **Consistency:** accurate and up to date information on goals, commitments, and KPIs should be reported reliably and consistently to enable stakeholders to compare progress over time (and compare with similar businesses).
- **Leadership support:** ensure that your report is reviewed and signed off by senior management and/or your board if applicable. This means that the leadership team is formally responsible for approving the report, accuracy, and completeness. This gives stakeholders confidence that sustainability sourcing is integrated into the corporate strategy and treated as a core business goal.

✳ **Industry Practice:** Reporting on sustainable sourcing can take various forms. In addition to including sourcing information in general reports, some companies publish commodity specific reports to provide more detailed insight.

For example, Sainsbury's reporting on **soy** and **beef**. Others publish thematic reports, such as **Nestle's Forest Positive Future Report** which covers all its deforestation progress. Additionally, companies like **Waitrose** produce performance data reports that clearly outline progress against raw material sourcing KPIs.

5

Review and Report
on Progresss

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5 How to Implement Sustainable Sourcing *continued*

Step 5: Report
Review and Report on Progress

REGULATION	HOW **Step 5** SUPPORTS COMPLIANCE
CSDDD	Public reporting on due diligence processes, risks, and corrective actions (amongst other elements of CSDDD) aligns with the obligation for companies to 'monitor' (Article 15) and 'communicate' (Article 16).
CSRD	Structured, complete reporting on defined KPIs aligns with certain relevant ESRS reporting indicators. For example, reporting on deforestation can align with ESRS E1 (Climate Change) and ESRS E4 (Biodiversity and Ecosystems).
EUDR	Reporting and monitoring on targets and KPIs can support ongoing due diligence, as required by the EUDR. This information can then be reported to customers who may require it to support their own due diligence statements and EUDR compliance.

5

Review and Report
on Progresss

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6 Setting and Implementing Sustainable Sourcing Targets

Target Examples

Company A is a fictional large food manufacturer, headquartered in Ireland, with operations in the UK, and a local and global sourcing footprint. Having mapped their supply chain and carried out a risk assessment the company identified soy and palm oil as key ingredients within a large range of their products including meat products (e.g. soy in animal feed) and cakes and biscuits (e.g. soy flour and palm oil). It also identified water as an integral resource for agricultural production and its manufacturing process.

Setting and Implementing a Deforestation Target for Company A

TARGET DESCRIPTION:

- *Commit to sourcing 100% of soy and palm oil, direct and embedded, from deforestation and conversion-free sources by the end of 2025. This includes all forms of deforestation (legal and illegal), with a cut-off date of 2020.*

- *Commit to support broader industry efforts to encourage production and consumption of sustainable soy and palm oil, and to communicate the steps they are taking with their customers and the final consumer.*

TARGET RATIONALE:

- Soy and palm oil are the biggest volume commodities potentially linked to deforestation and thus present the greatest exposure for the company and opportunity to use the company's leverage to support change.

- It is important to adopt targets that include both deforestation and conversion of other landscapes such as native savannah where biodiversity and GHG emissions are equally important. In addition, it is important to include both legal and illegal deforestation and land conversion, given that nearly a third of tropical deforestation is considered legal under local laws.

- The company does not consider it sustainable to substitute away from soy or palm as these are efficient crops in land use terms, are able to be produced sustainably and avoiding deforestation, and the alternatives may have other detrimental environmental impacts.

- Similarly shifting sourcing towards lower risk geographies (e.g. to North American soy) or excluding all suppliers with links to deforestation and conversion, will not also solve the problem.

- Sourcing sustainably within the companies' own supply chain is critical, but broader industry engagement will be necessary to support sector change and long-term resilience in the supply of palm oil and soy that are critical ingredients to the business. The company will look at opportunities to promote others to take similar action, to inform consumers, and for opportunities to support sustainable production in key landscapes in the commodities' country of origin.

- These targets and the cut-off date of December 2020 are in line with the AFI, the company's SBTI FLAG targets, compliance with the EU Deforestation Regulation, and requests from customers.

6 Setting and Implementing Sustainable Sourcing Targets

Setting and Implementing a Deforestation Target for Company A *continued*

INITIATIVE	RESPONSIBILITY	MILESTONE DATE	VERIFICATION	
			METRIC	**METHOD**
Work with suppliers to ensure 100% of soy and palm* are deforestation and conversion free**, cut-off date December 2020	Procurement	31st December 2025	% of ingredients by business unit covered by certification	Palm oil: certification (RSPO or equivalent) through a segregated chain of custody where available, or mass balance.[1] Soy: certification through a scheme that has been successfully benchmarked against the **FEFAC Soya Sourcing Guidelines 2023** including the conversion free module through mass balance, area mass balance, or regional credits.
Support broader industry efforts to encourage production and consumption of sustainable soy and palm oil	Sustainability team	End of 2025	Company supports an initiative promoting sustainable soy production in South America.	Investment in the **Responsible Commodity facility** supporting low interest loans for sustainable soy farmers in Brazil. Carry out wider industry engagement, for example with the UK Sustainable Commodities Initiative on palm oil and soy.
Communicate the steps we are taking with our customers and peers	Operations and marketing	2025	Publication of goal progress on company website.	Publish commitment and progress towards 100% on company website and make this visible to customers through communications and QR code on packaging. Publish progress in annual sustainability report.

*   In alignment with the Accountability Framework (AFI), no-deforestation commitments for a given commodity should cover a company's entire inventory of that commodity—that is all volumes that a company produces or sources, whether in raw, processed, or embedded forms.

** In alignment with the Accountability Framework (AFi) defining deforestation as the loss of natural forest due to conversion to agriculture, tree plantations, or severe degradation and conversion as the replacement of a natural ecosystem with agriculture or other land use, or a significant, sustained change in its species composition, structure, or function (e.g., the Cerrado in Brazil).

Industry Examples:

Danone: has a 2025 deforestation- and conversion- free target with a cut-off date of 31st December 2020 at the latest. Danone uses the following key metrics to monitor progress: high risk supply (%), verified deforestation- and conversion-free (%), suppliers matching Danone's commitments (%), risk assessment of top suppliers of each commodity, disclosure of actions taken within the supply chain, and traceability mapping for each commodity.

Pladis: Its responsible sourcing priorities are centred on its key ingredients, including a commitment to achieving 100% deforestation-free cocoa and palm oil sourcing by 2030. Pladis works with the RSPO and Earthworm on the use of innovative technologies for mapping and supporting farmer resilience programmes in Côte d'Ivoire.

1   The term 'chain of custody' refers to the process of transferring, monitoring, and controlling materials and their associated information throughout the supply chain, from origin to final product. Four commonly recognised chain of custody models are: identity preserved, segregated, mass balance, and credit trading, as defined by AFi.

6 Setting and Implementing Sustainable Sourcing Targets

Setting and Implementing a Water Use Supply Chain Target for Company A

TARGET DESCRIPTION:

- *Commit to 50% of fresh food to be sourced from areas with sustainable water management by 2030.*

- *Commit to minimise use of water in own operations, towards water neutrality by 2040.*

TARGET RATIONALE:

- Water is a natural resource that has been identified as critical for food production. Therefore, the availability of clean water is essential to maintaining a safe, reliable, and affordable supply of high-quality fresh produce, ingredients, and other products.

- As agriculture accounts for roughly 70% of freshwater withdrawals (UNESCO), the growing demand across supply chains is placing increasing pressure on this resource, making the challenge of sustainable water management more urgent than ever. A company's supply chain can contribute the vast majority of its total water footprint. For example, **Target**, the American retailer, estimates that its supply chain constitutes 99% of its overall water use.

- Water security is a human rights issue, as many local communities rely on clean and sustainable water supplies for income, water, sanitation and hygiene, and food production.

- Water is a key ingredient in many products, helping to irrigate crops and supporting manufacturing processes, such as washing.

- These targets are in line with the UK Food and Drink Water Pact, make an important contribution towards UN Sustainable Development Goal 6 (to ensure universal access to clean water and sanitation), and contribute to net zero goals through the implementation of nature-based solutions.

Industry Examples:

Asda: identified Southern Spain as a key supplier of fruit and vegetables, but also as a water-stressed region affecting UK supply. In response, Asda committed three years of funding to the Water Stewardship in South Spain project. This initiative supports collective action to increase water collection at the catchment or river basin level and other interventions such as local farmer engagement, and promoting nature-based solutions.

Sainsbury's: recognises that water risk poses social and environmental problems, impacting not only its operations but also water use and availability across its supply chain. To address this, Sainsbury's set targets both in and beyond its operations. Using the **Water Footprint Calculator**, it measures embedded water hidden in products, services, and processes. Sainsbury's is a signatory to the Courtauld 2030 Water Roadmap, the WWF Sustainable Basket, the WWF's Retailers' Commitment for Nature, and is a member of the FNET Climate and Human Rights working group.

6 Setting and Implementing Sustainable Sourcing Targets

Setting and Implementing a Water Use Supply Chain Target for Company A *continued*

INITIATIVE	RESPONSIBILITY	MILESTONE DATE	VERIFICATION	
			METRIC	METHOD
Work with suppliers to ensure that 50% of fresh food will be sourced from areas with sustainable water management	Procurement	2030	% of fresh food sourced that is considered to be from an area with sustainable water management	The **WWF Water Stewardship Ladder** defines steps businesses can take to reduce exposure to water risk. Companies should assess their water use at landscape and regional level, not just on individual farms or sites. Conduct risk mapping and identify water risk hotspots using tools such as **WWF Water Risk Filter*** or the **WRI's Aqueduct water risk atlas**. Engage with and support suppliers to disclose their water actions, for example through **CDP**. Work with farmers to identify opportunities, develop action plans, and ensure farmers have the correct equipment and training to fulfil water goals. Contribute to collective action projects that are informed by stakeholder research to ensure local contexts are understood.
Work within own operations to minimise use of water, driving towards water neutrality	Sustainability team	2040	% reduction in water usage across sites	Assess water footprint and manage usage. Implement systems to reduce water consumption such as rainwater harvesting systems and offset any remaining water demand through projects that create new water supplies. Perform regular assessments of local water resources and water use inside and outside factories, including possible future risks. Collaborate with industry associations to advocate for high water efficiency standards.
Support broader industry efforts to encourage sustainable water management and stewardship	Sustainability team	Ongoing	Number of water infrastructure projects supported locally and internationally	Become a signatory to the **WRAP 2030 Water Roadmap**, a food and drink industry roadmap towards water security. Support global water stewardship projects which could include supporting basin management, strengthening catchment water cycle, or diffusing river pollution.
Communicate the steps being taken with customers and peers	Operations and marketing	2030	Publication of goal progress on company website (minimum annually)	Publish progress towards targets on company website and in annual sustainability report. Raise awareness of the problem of water security and water stewardship** within agricultural supply chains.

* The WWF Risk Filter tools are aligned to and support key global initiatives and reporting frameworks such as the Taskforce on Nature-related Financial Disclosures (TNFD), Science Based Targets for Nature (SBTN), Alliance for Water Stewardship (AWS), and the European Sustainability Reporting Standards (ESRS).

** Water stewardship is defined as using water in a way that is socially equitable, environmentally sustainable and economically beneficial (UNIDO).

7 Communicating your Sustainable Sourcing Process

Telling Your Sustainable Sourcing Story

As demand for sustainable supply chains grows, it is essential that companies effectively communicate their sustainable sourcing progress. Telling your sustainable sourcing story is important and can help you capitalise on consumer demand for sustainable products. How and what you communicate will depend on the audience, which could range from shareholders and potential investors (who may review annual corporate reports) to Civil Society Organisations and NGOs (who may report on the sustainability progress of sectors or individual companies), to business customers and the end consumer, and to your own team. In all cases, while the level of technical detail may vary, transparency in communication is key.

According to Sustainable Nutrition customer research commissioned by Bord Bia in 2023:

Amongst 200 business buyers in the UK and Germany:

84% *said it is important that their supplier has a transparent verifiable supply chain*

83% *said it is important to them that their products are fully traceable*

TRANSPARENT

Think about what the intended audience really wants or needs to know and provide that information transparently. Information such as the origin of key products, their production methods, and whether they are subject to any certification, will help consumers to make an informed choice about their purchase.

Communicate improvements you have made, provided they can be substantiated with data, and explain their positive impact. But also be honest about where targets have not been met or where improvements are still needed – this can help build trust.

CLEAR AND ACCESSIBLE

Sustainable sourcing can be complex. Use clear and concise language that consumers can understand, but ensure your claims are not vague and can be backed up. Use data and statistics that are accessible and make it easy for consumers to understand your progress or compare with other products.

RELIABLE AND VERIFIABLE

Be aware of risks of straying into 'greenwashing' by making claims that are not fully backed up. Advertising and marketing is a regulated space (see page 40), so ensure your environmental/green claims are substantiated by scientific evidence and that this is available to the end consumer. Be consistent in what you communicate– it is important to maintain and report on consistent targets and not shift the baseline.

RECOGNISED AND RESPECTED

Achieving recognised certifications and approvals, relevant to your target audience (e.g. consumer or B2B), can be an effective way to quickly communicate sustainable sourcing credentials through labelling, especially for companies who may not have the budget for large scale marketing campaigns on individual sustainability achievements. At the same time, avoid using unrecognised symbols that could imply environmental claims or cause confusion.

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◀ **Back to contents**

SUSTAINABLE SOURCE TARGETS 40

7 Communicating your Sustainable Sourcing Process

Telling Your Sustainable Sourcing Story *continued*

COMMUNICATE ACROSS CHANNELS

Provide clear messaging or certification on packaging and concise messaging across communications channels; traditional advertising, or social media platforms. Use your website to provide back-up data to this messaging and to illustrate your sustainable sourcing credentials and progress to those who want to go deeper.

TELL A STORY – PAINT A PICTURE

The most effective communication is done through storytelling. Aim to illustrate in a tangible way how the changes you have made, based on independently verified data, have improved lives, enhanced nature, or improved the environment. Graphic illustrations of your supply chains or your sourcing improvements can help consumers understand otherwise complex issues.

> ### EU GREEN CLAIMS DIRECTIVE
>
> *The **EU Green Claims Directive**, introduced in 2023, aims to combat 'greenwashing' by preventing companies from making unsubstantiated or misleading claims about the environmental merits of their products or services. The Directive aims to protect consumers from being misled and empower them with trustworthy information, by requiring companies to provide scientific evidence of claims. It also intends to provide a more harmonised framework for environmental labels across the EU, regulating environmental schemes and labels to ensure transparency and reliability, and to restrict the development of new schemes to ensure consistency and minimise confusion. Micro-enterprises are exempt from the requirements of the Green Claim Directive but can voluntarily opt to receive a certificate of conformity to back up their environmental claims. The Directive came into effect in 2024, and EU member states have until 2026 to enact their own legislation to meet the Directive's goals.*
>
> *In the meantime,* **Ireland's Advertising Standards Authority's** *Code of Standards for Advertising and Marketing Communications include specific advertising requirements in relation to Environmental Claims to protect consumers from being misled.*
>
> ***More detailed Origin Green Guidance on Communicating Sustainability can be found in the* Origin Green Academy**.

7 Communicating your Sustainable Sourcing Process

Communication Success - Best Practice Examples from Global Food and Drink Companies[*]

EXAMPLE 1

OATLY

Accessible messaging, transparent data, and owning success and failures

Oat drink company, **Oatly** was one of the first brands to communicate a "climate product footprint" to consumers in Europe. Oatly reports 'climate impact per produced litre', providing kilograms of carbon dioxide equivalent (CO_2e) per litre annually, based on a life cycle assessment originally carried out with **carboncloud.com** (a tool to calculate and reduce the climate footprint of food products), as well as their overall 'corporate climate footprint'. These metrics, presented as year comparison graphs on their website, make their progress clear and transparent for customers.

The sustainability section of **oatly.com** presents 'bite-sized stats' on their sustainable sourcing efforts, with links to more detailed documents with information on everything from their expectations of suppliers, and the sustainability platforms and certifications they have joined (e.g. RSPO, Sustainable Coconut Partnership), to countries of origin for their key ingredients, and their promotion of regenerative practices at the farm level. They also report on progress on key targets such as water usage, waste reduction, and sustainable transport.

Where Oatly's communication stands out is their entertaining relatable tone and their use of well-designed graphics and visuals; using the entire space of their packaging as a communications channel and carrying this through to their website with maps of where their oats are sourced, and a scrollable sustainability progress line. Despite their informal and friendly tone, they have also built trust by providing the detail behind their claims and reporting not only on their successes, but being transparent and forthright about where they have failed to meet their targets and where there is room for improvement, presenting these on their website as a list under 'Success!' and 'Fail!'.

THE ORIGINAL OATLY!

[*]These case studies are included as examples of effective communications on sustainable sourcing and do not constitute endorsement or verification of company data or messaging.

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7 Communicating your Sustainable Sourcing Process

Communication Success - Best Practice Examples from Global Food and Drink Companies*

EXAMPLE 2

TONY'S CHOCOLONELY

Transparency in sourcing communication

Tony's Chocolonely has built its global chocolate brand on a bold mission: **to make 100% slave-free chocolate the industry norm**. Its sustainability communication focuses on confronting specific problems such as child labour, living income, and deforestation within the cocoa value chain.

Through multiple channels, including annual reports, public campaigns, and digital platforms, Tony's educates consumers on the realities of cocoa production while promoting its sourcing model—Tony's Open Chain. This model is based on five clear principles: traceable cocoa beans, paying a higher price, investing in farmers to enhance farming practices, establishing long-term supplier relationships, and improving quality and productivity. Tony's encourages other chocolate brands to adopt these principles, aiming to drive systemic change across the chocolate industry. Tony's is still scaling its business with a slave-free model and **they report annually on KPIs related to child labour cases in their supply chains**.

Tony's also communicates bad news. When removed from a 'Slave-Free Chocolate' list due to alleged labour abuses regarding its supply partnership with a major producer, Tony's issued a public statement, openly addressing the complexities and reaffirming its commitment to making slave-free chocolate the norm. It has also transparently acknowledged the presence of 387 cases of illegal child labour in its supply chain but states that they are actively working to solve these issues through a monitoring and remediation system, emphasising how their 100% traceable supply chain means they take 100% accountability for eradicating the problem.

EXAMPLE 3

WAITROSE

Using certifications and industry collaborations to communicate on responsible sourcing

UK supermarket chain **Waitrose** claims that **"All of our fish is responsibly sourced"** in its communications on responsible sourced seafood, using certifications and supplier standards to provide an evidence-based, partnerships-focused tone in its communications. As clearly set out in its communications, internal standards, industry collaboration (the Sustainable Seafood Coalition), and third-party certification (Global Gap certification, Global Aquaculture Alliance, and RSPCA) form part of Waitrose's strategy to ensure that its claim can be upheld and reflect its commitment to higher animal welfare practices.

*These case studies are included as examples of effective communications on sustainable sourcing and do not constitute endorsement or verification of company data or messaging.

8 Key Takeaways

This Guidance document provides Origin Green members with best practices, tips, and tools for sustainable sourcing practices and supplier engagement. It serves as a guide to help companies develop or refine their strategies and address sourcing challenges.

1

Identify:
SUPPLY CHAIN MAPPING, AND IDENTIFYING AND PRIORITISING RISK

Supply chain mapping: Mapping the supply chain from raw materials to finished products improves transparency, helps identify strategic suppliers, supports traceability, and is essential for compliance with regulations like CSRD, CSDDD, and EUDR.

Identify risks and opportunities: Carrying out a risk assessment helps prioritise and manage sourcing risks associated with the production of a product in your supply chain, helping to focus mitigation efforts and identify opportunities.

Build a picture of your supply chain: Actively engaging with suppliers and beginning to fill data gaps are essential steps to support risk management and develop credible sourcing actions and goals.

2

Strategise:
DEVELOPING YOUR SUSTAINABLE SOURCING STRATEGY

Policies provide direction: A sustainable sourcing policy communicates expectations, outlines commitments, and provides a framework for supplier engagement, regulatory compliance, and monitoring your progress.

Targets make your sourcing strategy actionable: Setting measurable, time-bound, and realistic (yet ambitious) targets is critical for driving progress, ensuring transparency, and signalling ambition to internal and external stakeholders.

Stakeholder engagement and cross-functional buy-in is critical to success: Securing support from leadership and embedding sustainable sourcing into other business functions helps ensure long-term success, engagement across teams, and alignment with commercial goals and regulatory requirements.

3

Implement:
GETTING YOUR SUPPLIER BASE ON BOARD

Actively engaging suppliers is crucial to sustainable sourcing: It helps companies to gather robust and accurate data, manage supply chain risks, and aligns supplier activity with your sourcing goals and requirements.

Collaborative approaches with stakeholders can deliver greater value: Supplier engagement should go beyond compliance to find sustainable sourcing solutions that benefit both parties.

Technology can enhance data monitoring and impact: Digital tools like AgNav offer valuable solutions to monitoring farm-level data (including greenhouse gas and ammonia emissions) and improving visibility of supply chains to help farmers (and companies sourcing direct from farmers) understand the impact of specific actions.

4

Monitor:
COLLECTING RELEVANT DATA AND MONITORING YOUR SUPPLIERS

Data monitoring is a key part of risk management and compliance: Monitoring supplier performance is a key part of a sourcing strategy as it helps to manage risks (e.g. deforestation, water scarcity, and human rights violations), meet reporting requirements, and keep businesses on track with goals.

The most suitable tools will depend on the complexity of your supply chain: The type of data monitoring strategy you implement will vary depending on if you have a simple supply chain or a complex, multi-tiered supply chain.

There is a myriad of solutions available: Choosing the right data management tool depends on your business needs, industry, data requirements, and resources. Consider compatibility with existing systems, ease of use, supplier access, data security, and resources required before selection.

5

Review and Report:
REPORTING ON PROGRESS

Reporting holds you to account: Tracking progress towards sustainable sourcing goals demonstrates accountability, meets stakeholder expectations, and shows that you are taking sustainability sourcing seriously.

Reporting can help to win new business and keeps you ahead of tightening regulations: Even if not legally required, sustainability sourcing reporting is increasingly being expected by investors, customers, and consumers.

Reporting is only as valuable as the data you collect: Sourcing reporting must be based on data that is accurate, complete, up-to-date, and relevant to ensure there are no gaps in your reporting.

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9 Additional Resources and Support

ORIGIN GREEN GUIDANCE

Animal welfare

Biodiversity

Communicating Sustainability

Packaging

All **Origin Green Target Guidance** documents are available online **here**

REGULATION GUIDANCE

EFRAG Materiality Assessment Guidance

EUDR webpage

CSDDD explained

CSRD webpage

Deforestation evidence tool for EUDR

Due Diligence Toolkit

ESRS Standards

Ibec CSRD guide for business

The European Green Deal

GENERAL SUSTAINABLE SOURCING RESOURCES

ALIGN Tool for agri-food companies, and living wage and income

AFi e-learning platform

AFi guidance on writing a supply chain policy

AFI guidance on writing a supplier code

AFI risk assessment, traceability, and monitoring tools

AFi key definitions

Climate Trace provides transparent and accessible emissions data

Converged Human Rights and Environmental Due Diligence (HREDD) Assessment Tool

Ergon's good practice note on managing risks associated with modern slavery

EU Observatory on deforestation and forest degradation

Fairtrade risk map

Global Forest Watch

Global Living Wage

Global Rights Index

Global Slavery Index

IBAT (Integrated Biodiversity Assessment Tool)

LandMark

Modern Slavery in Ireland

Natural Geographic's map of Earth's biomes

Proforest Academy on responsible sourcing and production

Proforest guidance on embedded soy

Proforest supplier engagement guidance

Responsible Sourcing Tool

SBTi FLAG Guidance

Science Based Targets Network's target setting guide

SME Climate Hub helps small to medium sized companies to take climate action

Trase monitoring deforestation tool

UN Guiding Principles company guidance

Verité Forced Labor Commodity Atlas

WBCSD Scope 3 action for the agrifood sector

World Bank Worldwide governance indicators

World Benchmarking Alliance SDG company benchmarks

WRAP Scope 3 GHG measurement and reporting protocols for food and drink businesses

WRI Aqueduct tool to identify water risks

WWF Biodiversity Risk Filter

WWF guidance on deforestation and conversion free supply chains