



## Case Study: CARMO FOOD

**Hvordan bruger man konkret NEPCons risikovurderinger i det daglige indkøbsarbejde?**

**Hvordan identificerer man risici, og hvad gør man for at minimere risici i det direkte arbejde med leverandørerne?**

*Smag på verden*



## Kort om CARMO FOOD:

- Startet i 1976 af Carsten Møller under navnet CM Food. I forbindelse med udvidelse af eksportafdeling skiftede selskabet navn til CARMO FOOD Nordic og CARMO FOOD International i 2016.
- 10 kolleger i CARMO FOOD International
- 37 kolleger i CARMO FOOD Nordic inkl. 6 slagtere
- Eget eksportautoriseret lager, indfrysning og opmærkning i Nørresundby
- Handler med alle former for kød
- Jeg selv har været 15 år i CARMO FOOD



*Smag på verden*



# Vores baggrund for at gå med i projektet

CARMO FOOD vil være en ansvarlig virksomhed!

- Medarbejdere
- Leverandører
- Kunder
- Myndigheder
- Dyrevelfærd
- Miljø



*Smag på verden*



# Vores baggrund for at gå med i projektet

- Vi er i dag en af de største importører af kød i Skandinavien – og det forpligter!
- Oksekød er en af de store "klima-syndere"
- Hvordan stiller man de rigtige spørgsmål?
- NEPCons artikel juli 2016



*Smag på verden*



## Samarbejdet med NEPCon

- "Hvordan kan man overhovedet tale om bæredygtighed på oksekød"?
- Godt match mellem NEPCon og CARMO FOOD
- Udgangspunkt i JBS Brazil
  - Verdens største kødkoncern
  - Største producent af oksekød i Brasilien med 42 slagterier
  - Slagter ca. 37.000 kvæg om dagen
  - Har bla. mærkerne *Friloi* og *Swift*



*Smag på verden*





# Samarbejdet med NEPCon

- Projekt inddelt i 4 faser:

1. Fastlæggelse af kriterier for ansvarligt indkøb (økonomi, socialt, miljø, dyrevelfærd)
2. Indsamling af information (Responsible Sourcing Policy, BDO-rapport og JBS Sustainability Report)
3. Identificere risici  
Bl.a. pkt. 3.3 – Amazonas deforestation commitment Oct. 2009
4. Mindske risici



# Resultaterne af projektet

	Summary of evaluation findings	Gaps / risks identified
1.1. Land Tenure	<ul style="list-style-type: none"> <li>This issue is largely covered in JBS's 'Legal Supplier' program which aims to ensure all its direct suppliers have Farm Environmental Registration (CAR) and JSB have stated from January 1, 2018 it will not purchase cattle from any suppliers that do not have a CAR. Also, it is partially covered under JBS's 'Amazon Deforestation Commitment' it has a policy on preventing using suppliers involved in slave labour and illegal real estate activities.</li> </ul>	<ul style="list-style-type: none"> <li>There is a risk that current direct suppliers of cattle do not have legal land tenure as JBS's is aiming to ensure full compliance of CAR registration of its direct suppliers by the end of 2017. (There is less risk noted for direct suppliers in Amazon biome as annual 3<sup>rd</sup> party verification is conducted.)</li> </ul>
	<ul style="list-style-type: none"> <li>The scope for its 'Legal Supplier' Program is for all its direct suppliers in Brazil and it is not clear how it will cover requirements for its indirect suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>The 'Legal Supplier' program does not explicitly cover CAR registration for indirect suppliers of cattle.</li> </ul>
	<ul style="list-style-type: none"> <li>Verification of its compliance against 'Amazon Deforestation Commitment' of a sample of JBS's direct suppliers in the Amazon Biome is conducted annually by 3<sup>rd</sup> party audit. For land tenure, the following documentation is verified: Tax invoices, GTAs (Animal Transit Form), CAR, LAR (Rural Environmental License) and CCIR (Certificate of Registration of Rural Property).</li> </ul>	<ul style="list-style-type: none"> <li>The BDO report points out that CAR does not grant land title therefore should be used in conjunction with other land tenure documentation.</li> </ul>
	<ul style="list-style-type: none"> <li>Verification checks on illegal activities linked to land tenure involve daily downloads of public lists from MTE (Ministry of Labour) and IBAMA (Brazilian Environment and Natural Resources Institute) under JBS's 'Company Social and Environmental program' which is used by cross checking registered cattle suppliers' data (Individual and Corporate Taxpayers' Registration Numbers - CPF/CNPJ) JBS immediately block any direct suppliers identified on these lists.</li> </ul>	<ul style="list-style-type: none"> <li>JBS's Social and Environmental Monitoring system employs swift and effective detention and actions to prevent using direct suppliers involved in slave labour and illegal real estate activities.</li> </ul>
1.2. Farm registration & management rights	<ul style="list-style-type: none"> <li>This issue is largely covered by JBS's 'Legal Supplier' program which aims to ensure all its direct suppliers have Farm Environmental Registration (CAR) which can be a good indicator of compliance with Brazil's Brazilian Forest Code (Act 12.651/12) is the main requirement which regulates environmental protection measures. JSB have stated from January 1, 2018 it will not purchase cattle from any suppliers that do not have a CAR.</li> </ul>	<ul style="list-style-type: none"> <li>There is a risk that current direct suppliers of cattle do not have legal land tenure as JBS's is aiming to ensure full compliance of CAR registration of its direct suppliers by the end of 2017. (There is less risk noted for direct suppliers in Amazon biome as annual 3<sup>rd</sup> party verification is conducted.)</li> </ul>
	<ul style="list-style-type: none"> <li>The scope for its 'Legal Supplier' Program is for all its direct suppliers in Brazil and it is not clear how it will cover requirements for its indirect suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>The 'Legal Supplier' program does not explicitly cover CAR registration for indirect suppliers of cattle.</li> </ul>
	<ul style="list-style-type: none"> <li>Verification of its compliance against 'Amazon Deforestation Commitment' of a sample of JBS's direct suppliers in the Amazon Biome is conducted annually by 3<sup>rd</sup> party audit. For land tenure, the following documentation is verified: Tax invoices, GTAs (Animal Transit Form), CAR, LAR (Rural Environmental License) and CCIR (Certificate of Registration of Rural Property).</li> </ul>	<ul style="list-style-type: none"> <li>The BDO report points out that CAR does not grant land title therefore should be used in conjunction with other land tenure documentation.</li> </ul>
1.3. Payment of royalties and required fees	<ul style="list-style-type: none"> <li>Category found to be Low risk under the CSR Cattle RA for Brazil.</li> </ul>	

# Resultaterne af projektet

1.4. Value added taxes and other sales taxes.	<ul style="list-style-type: none"> <li>This issue is addressed under JBS's 2015 sustainability report – which states: 'All JBS Foods (Brazil) suppliers contractually commit to complying with fiscal, tax, employment and environmental legislation.' JBS also has a register of its cattle suppliers' Individual and Corporate Taxpayers' Registration Numbers (CPF/CNPJ) and is used under its 'Company Social and Environmental program'.</li> </ul>	<ul style="list-style-type: none"> <li>CPF/CNPJ tax registration covers all direct suppliers in Brazil but 3rd party verification related to tax payment was only record for direct suppliers in the Amazon biome. There is a gap in information regarding verification checks related to tax payments by direct suppliers outside the Amazon biome.</li> </ul>
	<ul style="list-style-type: none"> <li>The policy applies for all of Brazil but does not distinguish whether suppliers included both direct and indirect cattle suppliers.</li> </ul>	<ul style="list-style-type: none"> <li>It is not clear if JBS's global policy on tax applies to its indirect suppliers.</li> </ul>
	<ul style="list-style-type: none"> <li>Verification of its compliance against 'Amazon Deforestation Commitment' of a sample of JBS's direct suppliers in the Amazon Biome is conducted annually by 3<sup>rd</sup> party audit. For land tenure, the following documentation is verified: Tax invoices, GTAs (Animal Transit Form), CAR, LAR (Rural Environmental License) and CCIR (Certificate of Registration of Rural Property).</li> </ul>	
1.5. Income and profit taxes	Category found to be Low risk under the CSR Cattle RA for Brazil.	
1.6. Trade and Transport	<ul style="list-style-type: none"> <li>The issue is covered by JBS complying with the requirement of the Ministry of Agriculture, which provides in Decree No. 5.741 of March 30, 2006 the surveillance of animal transit, for acquiring only animals (cattle) with a GTA (Animal Transit Form), that is, for all transit of cattle interstate and intrastate. JBS's also provides its customers and consumers with a simple and transparent method for tracking the source of their meat, called the "Sourcing Trust" program. Information, such as the JBS meatpacking plant where the product was processed and the farm where the raw material was obtained, is available from</li> </ul>	<ul style="list-style-type: none"> <li>Verification of the GTA documents by 3rd party auditors were only identified for audits of direct suppliers located in the Amazon biome. There is an information gap on what GTA verification outside the Amazon biome.</li> </ul>
	the <a href="http://www.confiancadesdeorigemjbs.com.br/">http://www.confiancadesdeorigemjbs.com.br/</a> website. Users simply fill out the SIF (Ministry of Agriculture Federal Inspection System) number and the manufacturing date (both numbers are printed on unprocessed JBS products) or by using a smartphone app to read the QR Code printed on the packaging.	<ul style="list-style-type: none"> <li>It is not clear if JBS 's GTA requirement covers indirect suppliers.</li> </ul>
	<ul style="list-style-type: none"> <li>JBS's GTA documentation is used for all of Brazil.</li> </ul>	
	<ul style="list-style-type: none"> <li>Verification of its compliance against 'Amazon Deforestation Commitment' of a sample of JBS's direct suppliers in the Amazon Biome is conducted annually by 3<sup>rd</sup> party audit. For land tenure, the following documentation is verified: Tax invoices, GTAs (Animal Transit Form), CAR, LAR (Rural Environmental License) and CCIR (Certificate of Registration of Rural Property).</li> </ul>	





# Resultaterne af projektet

Yderligere spørgsmål til JBS:

## **Land Tenure and farm registration:**

To what extent do you control that the indirect farmers have the required CAR-registration and do you know what percentage of your direct and indirect farmers has a CAR-registration?

## **Tax payments:**

Can you confirm if JBS Global policy on tax includes indirect suppliers when you state in your contracts that “All JBS Foods (Brazil) suppliers contractually commit to complying with fiscal, tax, employment and environmental legislation”?

## **Trade & Transport:**

Can you clarify if the verification of the GTA (animal traffic) also covers indirect suppliers?

## **Legal employment:**

Can you clarify if JBS’s Global policy on legal employment also covers your indirect suppliers?

## **Health & Safety:**

Can you clarify If JBS’s Health & Safety requirements also includes your cattle-suppliers? And if yes, how do you monitor these?

*Smag på verden*





# Resultaterne af projektet

## **Environment:**

JBS has ISO9001 certification on 5 out of 42 slaughterhouses in Brazil.

What environmental requirements does JBS have to the remaining slaughterhouses?

How does JBS monitor that your direct and indirect suppliers outside the Amazon Biome are in compliance with JBS's policies?

Does JBS have a policy on biodiversity protection?

## **Farm establishment**

How do you monitor that you do not purchase cattle from indirect farmers that are not in compliance with the Amazon Deforestation commitment?

## **Protected sites and species:**

How many of your suppliers are in compliance with your 2018-target of 100% CAR-registration?

## **Food safety:**

What safeguards has JBS put in place after the meat contamination incident earlier this year?

*Smag på verden*

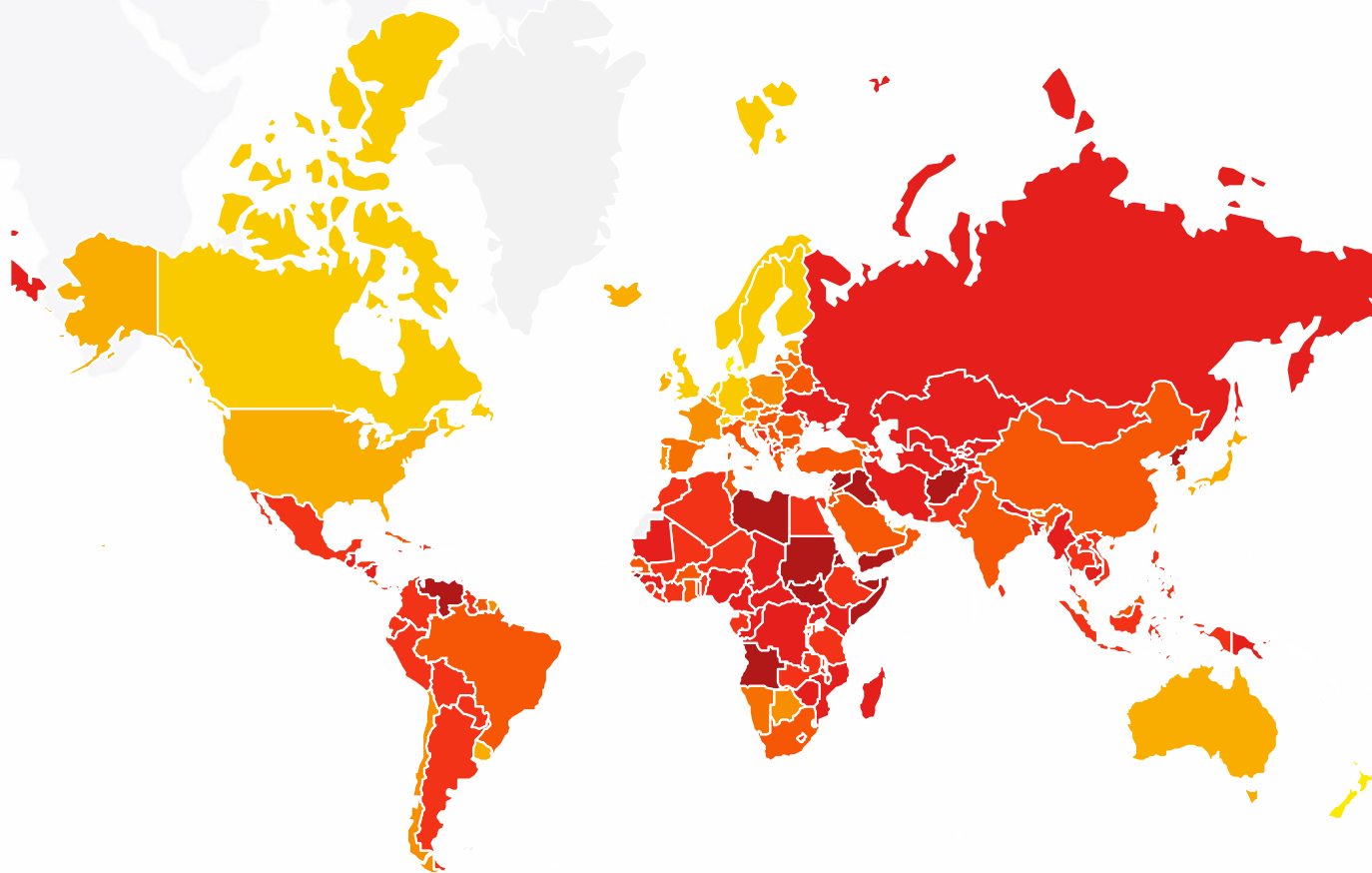




## Hvad bruger vi projektet til i dag?

- Fastlæggelse af ansvarlig indkøbspolitik tilpasset "vores verden" (leverandørers økonomiske ansvar, socialt ansvar, miljø, dyrevelfærd)
- Detaljeret spørgeskema i forbindelse med nye og eksisterende leverandører
- Bedre identifikation af risici (Herunder inddragelse af Transparency Internationals "Corruption Perception Index")

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*Smag på verden*

# Ansvarlig indkøbspolitik

- Økonomiske forhold
- Social ansvarlighed
- Miljømæssigt ansvar
- Dyrevelfærd

ISO 22000 udvides til IFS-certificering

Certificeringer kan ikke stå alene!



*Smag på verden*



# Hvad bringer fremtiden?

- Fødevareshandaler i de kommende år?
- Endnu tættere samarbejde med nøgleleverandører (fortsat masser af rejseaktivitet)
- Mere fokus på ansvarlighed via bæredygtighed, miljø, økologi, dyrevelfærd og etik



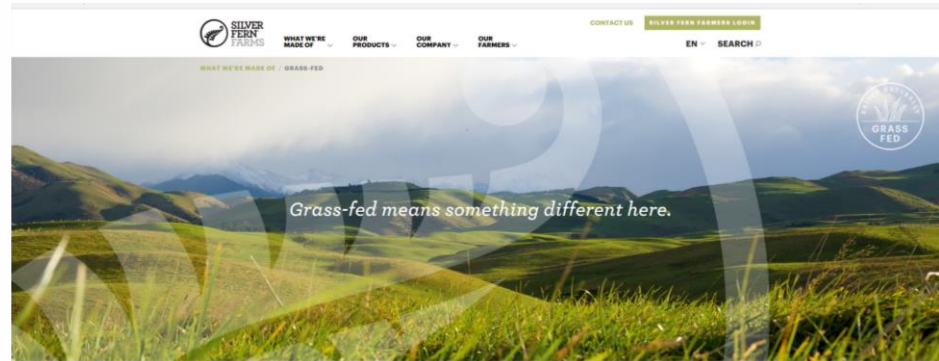
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# Hvad prioriterer I fremover?

- Rene varer
- Dyrevelfærd
- Pris
- Troværdighed og etik
- Økologi
- Lokale varer
- Fødevarer sikkerhed
- Madspild
- Miljø
- Emballage
- Transport
- Convenience
- Risiko for husdyrsygdomme
- Bæredygtighed
- Minimering af risici
- Den gode historie



Silver Fern Farms grass-fed  
IN NEW ZEALAND



*Smag på verden*

