

BSI Stakeholder Outreach Meeting:

Geneva 29 May 2009

Meeting Report

Background

Currently there is approximately 18million hectares of land under sugar cane production with another seven million hectares of land projected to come on stream as demand for especially ethanol from a largely non-food source grows.

The environmental consequences of uncontrolled expansion into new sugar cane lands could impose; important constraints on natural biodiversity, conversion of primary forest habitats, soil erosion and degradation, agrochemical use, organic matter from processing effluents and Greenhouse Gas Emissions, and have a potential adverse effect on water and other natural resources such as air quality unless new investments are made through environmental initiatives such as the BSI Standard

The emphasis on sustainability is growing rapidly.

Sugar consumption is increasing globally and the markets in developed countries can play an instrumental role to ensure the sustainable production of sugar cane. A number of large corporate consumers want to be able to certify that sugar cane and other ingredients in their products are produced by means of sustainable practices.

Society at large realizes the responsibility it has to the greater welfare of the planet. The pressure for a system to certify that sustainable practices are being adhered to has intensified. Many people and organizations see sustainable development as one of the most significant issues facing society today.

With this in mind, the BSI established three Technical Working Groups (TWG's). The expert groups cover the areas of (1) social and labor issues, (2) processing/mill issues and (3) agronomic practices. The experts are from the sugar cane producing areas and reflect a balance of interest groups and global representation.

Over the past year, the TWG's and BSI members have developed the Better Sugar Cane Initiative Standard Version One.

The BSI Standard is the first ever metric based standard developed for an agricultural feedstock. The continued development of the BSI Standard will enable the provision of a clear set of principles, criteria, indicators and verifiers which collectively amount to set of metrically measurable targets which will enable sugar cane producers, processors and suppliers to improve their social and environmental operations.

Better Sugarcane Initiative

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On the social front the Standard explicitly addresses such issues as forced and child labor as well as other social concerns identified by the International Labor Organization.

The Better Sugar Cane Initiative (BSI) is a global multi-stakeholder non-profit organization and an Associate Member of ISEAL.

As an Associate Member of ISEAL, the BSI is following their Code of Good Practice. Phase one consisted of a 60 day public consultation of the BSI Standard Version 1. The results of this consultation and expert opinion on the comments received can be viewed on the Standard's dedicated website www.bettersugarcane.com

Process

It is very important that the process of developing standards and indicators is entirely transparent and inclusive. This is vital if the standards developed are to have international credibility. In this respect it is necessary to engage widely with the stakeholders in all spheres of operation and to encourage participation through comments, suggestions and input of any kind.

An important aspect of the public consultation is the global Stakeholder Outreach Program. Meetings have been held in South Africa (Eston, Noodsberg) Swaziland and this is the first European meeting to be held. To view the full Stakeholder Outreach Program please see the events section of the website.

Plenary Sessions

BSI Chairman, Daudi Lejveld set the stage with an overview of the development of the BSI and the BSI Standard Version 1.

Maryline Guiramand, BSI's expert leader for 'Social' issues explained the social aspects of the Standard.

Dr Peter Rein, BSI's expert leader for processing and milling explained the processing/milling and agronomic aspects of the Standard.

Consultation Process

In advance of the meeting all participants were asked to submit a specific question they would like answered. Below are the questions, answers and discussion points that were raised.

- In practice, how will the Standard work with integrated crop management and EH&S in mills?

A: EH&S issues are already measurably built into the standard via social. Otherwise, we defer to local law via Principle 1.

Integrated crop management or local BMP systems - South Africa's SuSFarMS. India's SSI, and Australia's ABCD - are the means to the end, which is BSI standard. When the practices do not lead to the globally accepted standard, new practice innovation or adoption of practices that exist elsewhere in the world will be required. We are working to ensure that the Standard is equitable and fair in the expectation.

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- With regards to Social - is citing a convention enough? Should there be measurable degrees of compliance?

A: It's not the sighting of the convention that is important, implementation is key. At least for ILO core conventions, in the vast majority of the countries where sugar cane is grown the four core conventions are enshrined in national law, thus degrees of compliance are not acceptable (break the law?).

Discussion points: Safety health management, explore contract labour to ensure compliance, national wage vs. living wage.

- How will ecotoxicity to aquatic life be measured?

A: Ecotoxicity to aquatic life comprises 2 parts, the first involving heavy metals, computed as the product of mass and potency factor. The potency factor is equal to the reciprocal of the Environmental Quality Standards (EQS) divided by the reciprocal of the EQS of copper. The unit of Environmental Burden is t/y copper equivalent. The second part involves toxic organics.

The potency factors are equal to the reciprocal of the EQS divided by the reciprocal of the EQS of formaldehyde. The unit of Environmental Burden is t/y formaldehyde equivalent.

If this proves to be unworkable, the quantity of active ingredient (herbicide + insecticide) /ha could be considered as a metric.

Discussion points: ecotoxicity can be very difficult, biological indicators may be a better way to measure ecotoxicity and this needs to be country specific suggested invertebrates or dragonflies (indicator species).

- Which Certification model will the BSI be adopting?

A: The BSI has established a Certification Sub-Committee who discussed the various Certification models. They will be putting their proposal forward to the Management Committee in June. BSI wants to have traceability at its heart, next to an auditable baseline standard for the sugar cane industry.

Discussion points: tradable certificate, EU Commission - mass balance not too complicated, RED Directive still needs definitions, traders require one recognised system. The Standard needs 'pull' from the consumers to buy sustainable products - require the buyer to purchase the certified sugar - farmer pay back.

Never let the best be the enemy of the good.

- How will the BSI select auditors?

A: We will learn from other roundtables (i.e. what has worked well, what needs to be improved) in terms of building the infrastructure to accredit auditors and to ensure they are consistent in their auditing. BSI will look to set up an Accreditation sub-Committee.

Discussion points: independent auditor, mutual recognition of 3rd parties, requires a tight check, advice from membership, acquire advice, FSC - accreditation services are well verified machinery.

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Breakout sessions

The BSI places great importance on transparency and is keen to involve all stakeholders and allow them to express their views, opinions and give suggestions on how the Standard can be improved.

Participants were split into three groups, to enhance a more informal and efficient dialog with regards to the BSI Standard Version 1. Each group were assigned different Principles and Criteria and were asked to focus their discussion on the strengths and weaknesses of those particular principles, criteria and indicators. They were then asked to share their comments, remarks and suggestions. Below is a summary of the main points raised.

Principles 1 and 2

Strengths –

- Good initial base
- Comprehensive work = good start
- Continuous improvement
- Local definition of “tool box”
- Capture Best Practice for benefit of all
- Mill = Centre for small holders etc (Health & Safety training) Systemic

Weaknesses-

- Criteria 1.2 Define interview
- Criteria 2.2.2 Define sampling Methods
- Outreach Civil Society nationally
- Land rights – ancestral and communal cultivation
- Beware of yes/no – 100% meet the Standard? For example the Kenya Flower Council/FSC Corrective Action
- 2.2. Self-declaration should not be used
- 2.2 Define suppliers/contractors
- Wages – should have a definition of minimum and living wage
- Child labor – requires a definition
- Children who work on family owned farms?
- More gender sensitive
- Health and Safety Management plan

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Principle 3

Strengths –

- Core measure of sustainability – social aspects included
- Comprehensive - room for continuous improvement

Weaknesses -

- 3.1 Could be considered commercially sensitive which may put off measuring and sharing
- Is 3% of hours lost too high?
- Where are the improvement targets – this needs to be made clearer
- 3.2 Global Warming measure not consistent with other international measurements
- 3.2 Verifier not specified – where is the supply chain

Principle 4

Strengths -

- Overall comment: simple, not too long and not too detailed

Weaknesses

- Doesn't cover the specifics such as run-off – amount of chemicals uses and focus on impact
- 4.1 Need to define “Aquatic” ground water, surface water
- Is biodiversity properly addressed? The definition of High Conservation Value needs to be clearer.

Principle 5

Strengths -

- Good start pointing

Weaknesses-

- 1st step: Risk Assessment including chemicals, possible contamination of water, temperature.
- Provide details in guidance document (eg.restrooms)
- 5.1 define general skills
- 5.8 consultation: separate indicator for worker involvement

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Conclusion

Discussion followed with regards to the BSI Guidance Document for auditors. The Guidance Document is currently being produced and will be used in the pilot study in Brazil in June. This document is very much a work in progress.

The BSI was congratulated on the work to date and a one significant positive that was pointed out was that the BSI has clearly managed to avoid the key concern of “Audit fatigue” and this a great benefit to the producers.

Participants

Company	Representative
Associated Labor Unions – Trade Union Congress	Arturo Barrit
Bacardi Ltd	Dave Howson
Bacardi Ltd	Michael Hinrichs
Control Union International Commodity Service	Robert Danvers
Ethical Sugar	Jean Baptiste De Vevey
Ethical Sugar	Olivier Genevieve
International Labour Office	Ann Herbert
Leafc	Adrian Barnes
Louis Dreyfus Commodities	Jean Michel Aspar
Louis Dreyfus Commodities	Toby Chamberlain
National Wildlife Federation	Barbara Bramble
Nestle	Aloisia Predota
Pfeufer-Langen	Martin Barnes
Renewable Energy Assoc/Brititsh Sugar	Clare Wenner
RSB	Charlotte Opal
Syngenta Crop Protection	Christine Kelly
The Westminster Consortium	Paul Medlicott

Report by Natasha Schwarzbach

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