Training guidelines
SUPPLY CHA!NGE Make Supermarkets fair!

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1. INTRODUCTION - SUPPLY CHAINGE Make Supermarkets fair!

Supermarkets across Europe have an enormous influence. Consumers shop in them. Farmers and suppliers sell to them. Workers and small farmers around the world depend on them for earning their living. Governments listen to them. Their dominance in market share and their twofold role as both buyers and sellers of products give them a hidden and unchallenged power that affects the lives of literally everyone.

In 11 European countries, 7 large retail chains control more than 70% of food retail in each country. However, for certain products such as the fruit and vegetables sector, this buyer power is not counterbalanced by producers along the supply chain: in reality, primary producers are the least concentrated level in the food supply chain. Suppliers are very much atomized, unable to build a critical mass in terms of volumes and lack efficient delivery infrastructure.

In the context of a globalized world, supermarkets mainly source their products to large or medium suppliers and only indirectly to small-scale producers through traders and agribusiness multinationals. Therefore, the majority of small-scale farmers is excluded from global food supply chains (except for coffee and cocoa). In addition, agribusiness companies supply chains lack transparency and fail to communicate on the conditions under which their products are being made (place, identity of the producer, social and environmental conditions of production).

This lack of monitoring and transparency is no longer acceptable and can’t be ignored: the agriculture sector employs one billion of people worldwide – representing 35% of the global workforce - and yet, 80% of people suffering from hunger are farmers. Among them, 450 millions of women and men are agricultural employees and in many countries, up to 60% of these workers suffer from poverty. In addition, the agriculture is one of the three sectors where working conditions are the most risky: low wages, forced and child labor, unsecured work place and employment. Out of the 335 000 workplace deaths reported each year, 170 000 can be attributed to agricultural workers. As for child work, 53% of the 215 million reported working children are in the agricultural sector.

Consequently, for anyone concerned about poverty and global inequality, there’s no way around tackling the contentious issue of supermarkets. Product sourcing and vending strategies have a direct impact on the environment, the economy and the rights of all of us, both in Europe and around the world.

**Supermarket store brands**

A key strategy of retailers is the development of store brands, a chain’s own private label production. They are sold at a lower price than most branded competitors, because their marketing costs are minimal and they profit from large purchase volumes. Store brands always have a ready distribution...
channel, which means, that they are guaranteed to have a prominent spot in the shelves. Whereas previously, private label products were mostly inexpensive everyday items, today most supermarkets offer store brands on all price levels.

Globally, Europe has the highest store brand penetration of national markets. By 2015, the share of supermarket store brand products is estimated to reach 40 percent of EU food retail sales. The reasons for this development include the widespread conviction that these products offer good value for good money, as well as the opportunity of higher margins for the retailers, and a profitable way for manufacturers to make use of spare capacity. The biggest store brand retailers in Europe are Aldi, Schwartz Group's Lidl, Tesco and Edeka. Private label products are especially strong contenders in product groups where there is only little difference between products with regard to specific features or packaging. The share of store brands is correlated to the concentration level in (food) retail and has been identified as a key driver in price competition. Whereas supermarkets already hold a strong buyer power on suppliers' brands, the growing development of supermarket store-brands appears even more constraining, less profitable and precarious for suppliers: on the one hand, the store-brands market operates by annual invitations to tender and the retailers can normally change their suppliers each year. On the other hand, the suppliers' brands market is subject to annual negotiations by mutual agreement. On the supermarket store-brands’ market, suppliers have to meet a high-demanding bill of specifications and to be ready to produce at the lowest cost for a specific quality. On the suppliers-brands’ market, the brand and promotional acts play a big role.

Abuse of buyer power

Ever expanding international joint procurement, which adds to the buyer power, held by retail stores, has been seen to further weaken the position of producers, who were already disadvantaged, especially in developing countries. Unfair trading practices often go unchallenged, because suppliers are afraid, and with good reason, that they lose a major customer if they speak out. According a European survey conducted in 2011, 96% of participants stated that they have been subjected at least once to an unfair trading practice, 87% that they would not go beyond a talk with their retailer’s client and 65% that they did not remedy to these abuses by fear of retaliation. The most common practices include delays in payment, listing fees for suppliers and threats of delisting when a supplier refuses to comply with lower prices. Furthermore demands for unconditional guarantee of supply, as well as repurchase requirements, the forcing of prices below production costs, conditional purchasing agreements, and high (cosmetic) quality standards are widespread. Such abuses are hard to handle for any supplier, even those based in countries of the global north. For suppliers in developing countries, where resources and jobs are even scarcer and social security non-existent, the consequences are devastating.

However, the European competition regulatory framework reinforces this asymmetry of power between retailers and suppliers. The competition authorities recognized the buyer power of large retailers, its
oligopolistic nature\textsuperscript{11} and its potential capacity to jeopardize the viability of suppliers in its supply chain. However, they don’t consider this power as a threat for the competition among suppliers but rather likely to stimulate innovation\textsuperscript{12}. They even consider the concentrated retailing sector as a counter-weigh likely to push producers to cut their margins and their production costs\textsuperscript{13}. Therefore, large retailers are perceived as actors who act for the benefit of consumers by increasing their choice of products and by reducing consumption prices. The competition regulatory framework doesn’t consider large retailers as an actor responsible of abuses of buyer power but as a guarantee of perfect competition on grocery markets. This lack of consideration is related to the “sectorial analysis” of the supply chain by competition Law, with a focus on the buyer-seller relationship. Moreover, the behavior of retailers as producers and/or manufacturers is totally absent from this analysis. For example, the concentration indicators of the EU don’t take into account the presence of store-brands on grocery markets.

The race for the cheapest price leads to a lack of attention to responsible production in primary producer countries. The pressure and abusive practices suppliers suffer worldwide have a negative impact on labour and social rights, i.e. low wages, forced overtime, insecure employment within the supply chain. The drive by supermarkets to meet – and propagate – modern (over)consumption pattern is highly destructive to the environment. Low food prices, cosmetic requirements (such as specific sizes/shapes), special packaging, long distance and refrigerated transport, off-season fruit and vegetable production, as well as demands for unsustainably big amounts of certain popular fruits or vegetables result in a loss of biodiversity, overproduction, and huge energy demands. In February 2013, the United Nations Environmental Program highlighted the massive rejection of developing country production by supermarkets due to cosmetic quality standards, resulting in enormous waste.

This race to the cheapest price is not a coincidence but a consequence of the basics of Competition Law. In this framework, the only interest of consumer is the research for the lowest price. His choice would only be motivated by rational criteria seeking to maximize his well-being by allocating at best his scarce resources. However, this definition does not reflect a much more complex reality (e.g. price, quality, taste, brand, fit, color, style…). Consumers question more and more the sense and the impact of their purchases. The need of equity and sustainability during the purchasing act is a growing and stands as a real trend. In 2012, the worldwide purchase of fairtrade products increases from 21% since 2011 with an estimated total value of €4.8 billion. In reality, almost 40% of European consumers are willing to pay more for products integrating social and environmental costs\textsuperscript{14}

\textbf{Policies to tackle adverse human rights impacts linked to retailers’ food supply chains}

Tackling labour and social rights’ violations occurring among retailers’ suppliers has to be simultaneously undertaken at the bottom and the top of the food supply chain. On one side, every country must secure
decent work conditions within its borders. This process is the most likely to impede rights violations stemming from abusive practices and pressure on prices as rights at work could not be cut down anymore. On the other side, abusive practices from retailers on suppliers have to be regulated as they trigger rights violations. Therefore, the responsibility of the retailing sector along its entire supply chain must be recognized. Retailers must also be held accountable for their lack of due diligence along their supply chain.

The ILO follow-up procedure on promoting and respecting fundamental principles and rights at work

In the 90’s, the international community began to acknowledge that economic growth was unable to guarantee alone full employment and well-being. Poverty still existed and social injustice was progressing. Adopting minimum social standards at the global level would guarantee a better allocation of the global economic wealth. In this context of dramatic “gap between the world we work in and the hopes that people have for a better life”¹⁵, the International Labour Organization adopted the Declaration on Fundamental Principles and Rights at Work in 1998. It requires ILO member states to promote and respect ILO core principles, whether they or not they have ratified the relevant conventions. These principles are classified in four categories: freedom of association and the effective recognition of the right to collective bargaining, the elimination of forced labour or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation. A Follow-up procedure reinforces this commitment: each year, member States are required to report on the status of the relevant rights and principles within their borders, noting impediments to ratification and areas where assistance may be required¹⁶.

If all the States were fully compliant with the ILO core principles, the risk of labor and social rights violations within the global food supply chain would be significantly lowered. Corporate actors would be directly held accountable de jure and de facto for their behaviors before national courts. However, this hope is still not met in the reality: in 2014, the ratification number of fundamental conventions has slowed down and the objective of universal ratification of fundamental conventions was even more compromised as 129 ratifications were still missing. For example, the convention n°97 and 98 ensuring freedom of association and the effective recognition of right to collective bargaining are still the less ratified instruments. Almost half of the global population lives in a country which has not ratified one or two (or both) of these conventions. The efforts of the ILO to increase the global pace of ratification and implementation of the ILO core principles definitely helps to limit adverse human rights impacts linked to retailers’ food supply chain by directly securing working conditions on the ground¹⁷.
**Toward an effective implementation of the Guiding Principles for Business and Human Rights**

In June 2011, the United Nations Human Rights Council unanimously endorsed the Guiding Principles for Business and Human Rights. This adoption has been considered as a major step for human rights protection, the evolution of the Corporate Social Responsibility concept and a better integration of corporate actors in the international Human Rights framework.

These principles state clear international standards for preventing and addressing the risk of adverse impacts on human rights linked to business activity. They don’t create new principles but elaborate the implications of existing standards for states and businesses and integrate the existing standards in a unique, logical and coherent framework called the Ruggie framework: “Protect, Respect and Remedy”.

These standards revolve around three fundamental principles:

- The state’s duty to protect against human rights abuses by third parties, including business enterprises, through regulation, policymaking, investigation, and enforcement.
- The corporate responsibility to respect human rights, i.e. businesses must act with due diligence to avoid infringing on the rights of others and to address negative impacts with which they are involved.
- The state's and corporate responsibility to provide an access to effective grievance mechanisms

One of the major inputs of this framework is the expansion of the corporate responsibility to the entire supply chain. The standards precise the idea that the responsibility must be expanded to the material part of the supply chain upon which the firm has a mean of leverage. It means that corporate actors must conduct a systematic assessment on actual and potential human rights impacts of their clients and suppliers’ practices following the “human rights due diligence” method. The company must therefore define and communicate its own human rights policy, screen the liable risks among its suppliers and clients, and require the ones who fail to comply with to change their behavior at risk of ending the commercial relation. This contribution is particularly relevant for supermarkets as the concept of “supply chain” underpins their retailing role and that they benefit from a strong buyer power.

These standards are not legally enforceable and binding but encourage the member states of the United Nations to adapt and implement them in their national context. Currently, many states are drafting and implementing National Action Plans to make effective these standards. In parallel, a process toward adapting these standards into an international legally binding treaty takes place: at the June 2014 session of the UN Human Rights Council in Geneva, the establishment of a new UN working group to elaborate an international legally binding instrument to prevent and address corporate human rights violations has been adopted by the Resolution 26 / 9. Such a treaty would require each state to pass laws to make
corporate human rights due diligence mandatory and introduce sanctions for companies that do not comply with their duties.

The European attempt to tackle unfair trading practices

At the European level, the debate about unfair trading practices arise in 2009 when the consumption prices increase after the 2008 food crisis and the rise of agricultural prices. The European Commission considered that agricultural producers’ margins were deeply squeezed by retailers and that consumers don’t benefit from fair deals in terms of product range and prices. Moreover, some member states observed that the different regulatory framework of unfair trading practices between the EU member states triggers “Law shopping”: as part of international contracts, retailers may seek to negotiate purchasing conditions through central purchasing located outside national territory. It allows retailers to level down the protection of suppliers by imposing the lowest bidder country as regards unfair trading practices’ regulation.18

The European Commission therefore launched a process to better analyse the functioning of the whole food supply chain and set up the High Level Forum for a Better Functioning Food Supply Chain in order to design remedies. Any effective solution has been founded except several principles related to fair trading practices in vertical relations of the food supply chain. In April 2013, 11 members19 of the Forum signed these principles and 7 out of the 11 committed to respect them on a voluntary basis through the “Supply Chain Initiative”.20

In January 2013, the European Commission published a Green Paper on unfair trading practices in the food supply chain.21 It gathers the current state of knowledge on the issue, the actual remedies and includes many stakeholders’ views. Although the European Commission recognized that unfair trading practices could have adverse effects on the food supply chain and that it remains determined to work in this issue, it published a communication in July 2014 where it decides neither to regulate unfair trading practice nor to set up a regulatory system at the European scale. It called the European member States to study their own regulatory framework and to make their enforcing bodies to cooperate on a cross-border basis. It also pushed corporate actors to join the “Supply Chain Initiative”. This decision has been made despite the recognition of the reality of a “fear factor” and that the voluntary basis of the “Supply Chain Initiative” is not an effective solution.

The best way to tackle this fear factor would be the set-up of a regulatory system that protects the anonymity of complaining suppliers and that is accessible for all businesses participating in EU food supply chains but also operating from third party countries. In 2016, the European Commission will present a report including the views of the ministries and the antitrust authorities of Member States and
an assessment of the Sustainable Chain Initiative. The report will include the EC’s announcement on how to proceed on the issue of Unfair Trading Practices, in particular whether to adopt binding legislation (Regulation or Directive) or not.

Time for action, time for change

A group of civil society organizations from across the EU is calling for tangible action from supermarkets, national governments and the EU to improve labour conditions in countries of the global south and reduce environmental impact along the supply chain. We have identified private label production as key leverage point for this initiative. With 40% of market share for store brands, supermarkets need to assume responsibility for the working conditions and the bearing on the environment of the whole supply chain. If supermarkets took a stance for fair and sustainable production instead of the present race to the bottom in prices and standards, they could use their combined influence and buyer power for a change for the better.

Contact us

Christliche Initiative Romero e.V. (CIR), a German NGO founded to support marginalised people especially in Central America, has a focus on human rights protection and to act as a link between different worlds. It has a strong interest in social and political development and actively supports people and organizations in Central America trying to build a fair and sustainable society. Its aim is to build bridges by raising awareness for southern problems in the western countries. The struggle for human rights can only be successful, if change happens here in the economic centres of the western hemisphere.

That is the reason why CIR started the “SUPPLY CHAINGE” project together with the 24 NGOs from the EU and 4 non-European countries. The following organisations have already joint in:

AGROLINK Association (Bulgarian), AUR Asociata Nationala a Specialistilor in Resurse Umane (Romanian), Amici della Terra (Italian), CIR Christian Initiative Romero (German), CNIT Cyprus Neuroscience and Technology Institute, CSCP Collaboration Centre on Sustainable Consumption and Production GmbH (German), ECAT Environmental Center for Administration and Technology (Lithianian) Finnwatch (Finnish), Focus Focus Association for Sustainable Development (Slovenian), FoE Friends of the Earth (Malta), FTH Fair Trade Hellas (Greek), EEB European Environmental Bureau (Belgian), Global 2000 Global 2000 (Austrian), Green Liberty Green Liberty (Latvian), LEJ League of Environmental Journalists (Ghana), NGO Mondo NGO Mondo (Estonian), NSC National Society of Conservationists (Hungarian), ORMUSA Organización de Mujeres Salvador (El Salvador), PSO Peuples Solidaires (French) Repórter Brasil (Brazilian), SOMO Stitching Onderzoek Multinational Ondernemingen (Dutch), SWA Südwind – die Agentur für Süd-Nord Bildungs- und Öffentlichkeitsarbeit (Austrian), Think Global (British), University of
Dschang, Faculty of Agronomy and Agricultural Sciences (Cameroon), WALHI Wahana Lingungan Hidup Indonesia / Friends of the Earth Indonesia

Sub-grantees in the following countries will help spread the word:
Croatia (Zelena akcija / Friends of the Earth Croatia), Czech Republic (Glopolis), Poland (Fundacja Kupuj Odpowiedzialnie - Buy Responsibly Foundation (BRF)), Slovakia (Živica), Denmark (Aktive Forbrugere), Ireland (Uplift), Portugal (Quercus), RETS (Spain), Swedwtach (Sweden)

Please join us: www.supplychainge.org
2. CASE STUDIES: Human Rights and Environmental Issues with certain products

Cacao

Chocolate is one of the most popular and widely consumed confectioneries in the world. The global chocolate industry has a global turnover of more than 100 billion Euros per year. It has become a product of mass consumption: the average European and US-American consumes 5.2 kg of chocolate per year. Europe and the US accounts for more than 50% and 22% of global sales respectively. It is estimated that between 40 and 50 millions of persons around the world rely on cocoa to earn a living. Among them, 5 to 6 million of small-scale farmers provide more than 90% of world cocoa production.

While chocolate is growing in popularity, little attention is paid to where the primary ingredient cocoa comes from and under which conditions it is produced. Only three agribusiness multinationals hold by themselves more than 40% of the global chocolate market: Mars, Mondelez International and Nestlé. The value chain is very complex, opaque and characterized by a massive imbalance in the market at the expense of small-scale farmers. This often leads to impoverishment, exploitation of workers and child labour. For example, Oxfam discovered in 2013 that the workers of the Sulawesi region in Indonesia, who indirectly supply the three global chocolate players, were subject to very low pay, gender inequalities and exploitative working conditions. Whereas the majority of cocoa consumption occurs within the Global North, cocoa is grown in tropical regions around the Equator, mainly in Ivory Coast and Ghana. Only here can one find the specific conditions necessary for producing cocoa. Around 4.8 million metric tons of cocoa beans are produced each year.

Cocoa cultivation is highly dependent on intensive manual labour. Cocoa pods of one tree do not ripen at the same time what makes a continuous monitoring, care and harvesting necessary. A single tree simultaneously carries flowers and pods at different stages of maturity. In addition, cocoa trees are very susceptible to disease which spread rapidly in dense rows of trees. Hence, maintenance costs in cocoa cultivation are very high.

When cocoa pods are ripe and cut from the trees by hand, the beans undergo a process of fermentation, drying, cleaning and packing. Farmers sell the sacks to intermediaries who resell them to exporters. Unprocessed cocoa is then transported to chocolate producing countries for roasting, crushing and grinding in the Global North, which capture the majority share of the value chain of chocolate production.
Unsustainable farming:
Because of insufficient income, farmers use additional farm land to cultivate more cocoa, often at the expense of sustainable, ecological and diversified farming. Sometimes, they even clear areas of rainforests to extend their cocoa production. The most crucial environmental problems resulting from wrong and unsustainable farming are soil degradation, water and soil contamination through pesticides and fertilizers.

In addition, up to 40% of the crop is lost every year due to incorrect maintenance. Cocoa farmers’ income is often based on the cultivation of cocoa alone and not on several crops. This sole dependency on cocoa magnifies the impact of volatile cocoa prices, and creates an ecological disaster by harming biodiversity. Furthermore, cocoa farmers lack training and access to expert advice on sustainable agriculture to improve productivity and increase the quality of their cocoa beans.

Orange Juice
The average EU consumer drinks 20 litres of orange juice each year. Globally consumers drink on average 7.8 litres each year, making orange juice the most important variety of fruit juice. Brazil grows one third of the world’s oranges and produces half of the worldwide orange juice. In the sector of Frozen Concentrated Orange Juice, the Brazilian share of the world market is around 80 per cent and alone the federal state of Sao Paulo produces around half of the fruit juice concentrate which is consumed worldwide. However, these agricultural products don’t fulfill Brazilian food sovereignty objectives as 98 per cent of its orange juice is for export with nearly two thirds to the European Union. Therefore, the
European Union holds strong responsibility for the production patterns of Brazilian orange juice, and particularly the working conditions of producers.

Since the 80’s, the orange juice market is very concentrated with 3 big Brazilian producers of orange juice from concentrate: Citrusuco/Citrovita (25% of global production), Luis Dreyfus (15% of global production) and Cutrale (30% of global production). Their strategy is twofold: they produce 20 to 40% of oranges on their own orange groves and buy the rest of oranges, generally to large-scale suppliers by providing transport\(^{29}\). Therefore, most of the oranges are cultivated on plantations with gigantic dimensions. The trees and the soil are tended mechanically. As the fruits aren’t all ripe at the same time, the harvest of the fruits needs to be done manually by workers. As with all products promising a high margin, there is high pressure to increase efficiency and decrease costs. Since oranges are grown for industrial processing, a large yield is necessary. There was a large increase in the production of oranges in the last thirty years due to denser cultivation. Larger plantations can easily provide products according to specific national regulations regarding the use of herbicides and specific labeling of the packaging. But as these monocroppings are prone to pests and plant diseases, they need to be treated with herbicides. These treatments cause not only severe environmental damages but also health issues for agricultural workers as chemicals are handled without due care.

However, the part bought to small-scale suppliers tend to be constantly reduced as the costs of the production nearly doubled in the last years, mostly due to the higher costs for fuel and fertilizers. Many peasants had to give up their land due to the price policy of the big juice multinationals and had to sell their farming land below the market price. Market prices which do not cover the production costs increased the army of landless plantation workers. In 2009, 44% of plantation owners were no longer able to produce the minimum amount of oranges needed to secure their lives. In reality, 40% of oranges are grown by 51 producers (0.4% of total producers) who have over 400 000 trees.\(^{30}\) To be able to compete on the fiercely competitive market, a concentration process in all areas of the orange juice production chain takes place.

The farmers currently receive around 2,60 Euro per 40.8-kilogram crate – if they can transport the oranges to the processing plant. That is only around 6 cent per kilogram of oranges. However, prices fluctuate dramatically from year to year. Total costs per crate for farmers amount to around 70 cents, which includes the cost of harvesting (43 cents) and transport (27 cent). That leaves farmers with 1,90 Euro per crate (40.8 kg). A third, although infrequently used option, is to conclude a contract with a guarantee. In this scenario however exchange-rate losses are borne by the seller.\(^{31}\)

This global trend leads the three major processing multinationals companies to absorb smaller companies or to push them out of the markets. This concentration on the market gives the remaining three companies market power towards the orange producers and the opportunity to keep the orange price below the production costs. To keep their monopoly the big companies like Citrosuco, Cutrale and...
Louis Dreyfus buy their own terminals in ports in Europe, the US and Asia and use dumping prices to push other competitors out of the market. Whenever such a monopoly is established, unilateral price ranges and deadlines, criticizing product quality and therefore not paying reasonable prices or breach of contract occur on a regular basis.

This concentration of market share in recent years is the same for the European Markets for orange juice from concentrate. The supply chains for almost every European Country is dominated by a few global players, which can be broadly sketched out as followed (data from 2011 where not indicated otherwise):

The supply chain consists of the following key factors:

1. There are 3 big Brazilian producers of Orange juice from concentrate:
   - Citrosuco/Citrovita (25% of global production)
   - Luis Dreyfus (15% of global production)
   - Cutrale (30% of global production)

2. The EU national markets are dominated by 3 to 4 bottling companies each. In almost all EU national markets these bottling companies hold more than 50% of market shares; often percentages are much higher, between 90 and 100%.

3. Ultimately the market in the sale of non-alcoholic beverages is equally centralized: e.g. in Germany - four to five supermarket brands (EDEKA, LIDL; REWE, Aldi) hold 60-90% of market shares in Orange Juice from concentrate sales.

However, these major players don’t appear to fulfil their due diligence duty of upholding and protecting human rights along their supply chains. In 2011, a field research in Brazil conducted by CIR in 2011 concluded that:

- Only 52,000 of the 2,380,000 workers have regular contracts
- Responsibility for workers is rejected by the big firms, as workers are hired through subcontractors
- According to Union figures, living wages would be 14 Euros a day. The average plantation worker makes 9 Euros a day, as her/his wage is calculated according to the amount of oranges s/he is able to harvest and the amounts a worker would have to harvest in order to gain living wages is impossible to deliver.
- Lack of transparency in the payment process is very common. Oranges are weighted by the plantation owners or the subcontractors, often without the worker being allowed to witness. Also workers get paid by their subcontractors and do not know how high their respective provisions are.
- Factory workers almost never receive Union wages, as the amounts specified in their contracts can only be gained by surplus hours and night shifts.
- Overtime, nightshifts, work on the weekend is usually expected and done without compensation.
- Protective clothing is not always provided. There is no standard for protective clothing in the sector.
- Plantation workers are not receiving drinking water, nor are there sanitation or first aid facilities.
- There is no regulation/protection in the case of illness. Workers are expected to show for work in any condition. If they don’t, they are replaced.
- Freedom of assembly and attempts to form union movements are repressed.

Source: Marco Fischer – grafischer.com / CIR / ver.di 2013 : Im Visier Orangensaft, p. 39
3. Demands

Campaign Demands

We demand tangible actions from supermarkets, national governments and the European Union, to improve working conditions in the global south and to decrease the environmental impact along the supply chain. Supermarkets need to take responsibility for the circumstances under which their store brands are produced. Governments both in producing and consuming countries need to adopt legislation that obligates supermarkets to respect human and worker’s rights along their supply chains and act in a responsible manner towards environmental issues.

We demand from supermarkets:

- **Improvement of labor rights**: Supermarkets need to adopt and implement a code of conduct for ensuring decent working conditions throughout their whole supply chain based on the United Nations Guiding Principles on Business and Human Rights (UNGPs), OECD guidelines for multinational enterprises and ILO's Declaration on Fundamental Principles and Rights at Work. The monitoring and verification of compliance with the code is to be ensured through direct engagement with trade unions and labour rights groups in a credible multi-stakeholder initiative (MSI).

- **Improve credible certification schemes**: In the absence of a credible MSI work with credible sustainability certification schemes for all store brand food products as a first step and use their leverage to improve the effectiveness of sustainability certification schemes.

- **Environmental protection**: Supermarkets need to take proactive and continuous efforts to decrease the environmental impact along their supply chains, by internalising all social and environmental costs in the price – including the cost of greenhouse gas emissions at every step in the supply chain. Also, trade with environmentally non-friendly products needs to be minimised.

- **Refrain from manipulative pricing**: There must be an end to the distortedly priced shopping bag! The only fair price is the true price. Supermarkets must stop selling and sourcing products below the sustainable cost of production.

- **Refrain from unfair trading practices**: Supermarket must end unfair trading practices as defined in the “Principles of Good Practice in vertical relationships in the Food Supply Chain” with their suppliers such as late payments, listing fees and retroactive unilateral changes to agreed terms of trade such as prices or payments.
We demand from governments:

Governments in both production and consumption countries need:

- to **pass and implement legislation to ensure that retailers respect workers’ rights throughout their supply chains**. In particular governments need to ratify, implement and enforce all relevant ILO Conventions. This includes the creation of a robust legal framework for trade union rights, implementing living wages, and ensuring that precarious forms of employment are not used to undercut the legal rights and benefits to which permanent employees are entitled.

- to **ensure that trade and investment agreements do not restrict domestic ‘policy space’** and undermine the ability of host states to adopt measures in pursuit of the public interest or sustainable development. Studies in biophysical science demonstrate, that global trade has crossed ecological limits. The current level of international trade is unsustainable and needs to be lowered. There is no environmental space left to increase global trade. Therefore, TTIP and similar agreements stand on no justifiable grounds.

- to put into place legal frameworks, including provisions for monitoring and sanctions, that holds retailers accountable for workers' rights violations and environmental destruction throughout their supply chains, and gives workers as well as environmental protection organisations a **legal right of redress and ensures access to effective remedy**. These legal mechanisms should exist both in countries where the respective products are sold and in the country where the retailer is headquartered. Governments also need to demand that the WTO promotes fair and sustainable trade policies.

- to **regulate the unfair trading practices in the food supply chain** at the EU level by requiring a network of national enforcement bodies coordinated by the EU secretariat. This mechanism should secure the possibility of recourse and protect the anonymity of the sources of information; raise awareness about companies that have been convicted of abuse of buyer power and unfair trading practices by publicising legal decisions; and develop stronger and more automatic sanctions.

4. What can you do? Make SUPPLY CHA!NGE happen!

Standards around ethics and the environment are a prerequisite for attracting large numbers of critical consumers. Supermarkets need to learn and apply this mindset into their business model. If more supermarkets decide to join this public discourse about the ethics of discounters, competition as well as campaigning can add to the aggregate pressure for change.
The project “SUPPLY CHAINGE  Make supermarkets fair” will inform 2,5 Million European citizens about sustainable production and consumption patterns and therefore run a pan-European awareness raising campaign in the EYD 2015 in all 28 EU member states.

2015 is a special year as the Millenium Development Goals expire and the negotiations for the post-2015 framework are taking place. As the first European Year ever dealing with the EU's 'external action', the EYD will provide an unparalleled opportunity to engage with citizens. The motto of the EYD2015 is »Our world, our dignity, our future«, with one of the key messages being: »Think global, act local. A single person can make a difference.«

Get involved in the EU-wide activities of the SupplyChainge – Campaign!
You can get involved in the issue by working together with other activists and campaign partners. Together we will generate and boost public awareness about the power wielded by large supermarket chains.

Promote the “Food Vision Photo Contest”
We all have our favourite dishes, we all love tasty food! Our supermarkets offer a huge variety of all kinds of groceries at ever lower prices. The downside of this consumer’s paradise: People in developing countries and in Europe that grow or process our food hardly make a living. The way many products are grown or produced damages our environment. It's time to make food more sustainable!

In our EU-wide photographic competition we are asking contributors to share their vision of a fairer and more sustainable/alternative alimentation.

There will be a Europe-wide online-voting on all pictures. Every country will have one national winner (the national photo with the most votes). From the 20 photos that get the most votes internationally, a jury (around 5 members) will choose the best photo that will be rewarded with the 1st prize: a trip to the EXPO in Milan for two persons (on the weekend of October 24th). The best photos of the competition will be part of a Europe-wide exhibition.

Sign our Statement against Exploitation in Supply Chains
Exploitation, starvation wages and perilous working conditions form the everyday context of the global South plantations and factories workers of . Many of the provisions in our supermarkets are produced under appalling conditions. The environment is suffering from the depletion of our ressources and
excessive use of chemicals. The big supermarket chains however are making huge profits. This is unacceptable! Supermarkets need to assume responsibility and commit to tangible actions ensuring that their store brands are produced fairer and more sustainable.

**Sign our Petition**
The ‘SUPPLY CHA!NGE – Make supermarkets fair’ project’s petition in the EYD 2015 will focus on European supermarkets and ask for a change towards a more sustainable store-brands supply chain. It will draw together paper-based signature collections (e.g. signed petition cards) and online data gathered via the common action website. The handover petitions shall be scheduled to core media events, and will be announced later this year. The petition will be distributed via social media, the action website and e.g. via adverts for multipliers-CSO. Please check for updates at: www.supplychainge.org

**Let’s go outside: Participate in our European Action Day (November, 27th, 2015)**
This year on November 27th, all across Europe the SUPPLY CHA!NGE Campaign will go to the streets and raise awareness about exploitation in the supply chains. On the following pages you will find a toolkit with some suggestions of what you can do.

**Support the SUPPLY CHA!NGE Campaign online**
Facebook, Twitter, YouTube and Vimeo are good ways to reach out people, to begin sustained conversations about fair trade and sustainability issues. Please check out our website in early may (www.supplychainge.org) and get in touch with us on our various channels.

**Let’s go outside - Toolkit for the European Action Day (November 27th, 2015)**
On November 27th, 2015 – the international Buy Nothing Day – the SUPPLY CHA!NGE campaign will come to its highlight: a Europe wide action day with street actions in all EU countries to make people aware of the topic and put supermarkets and their responsibilities into public mind.

**Guideline: How to organize a fun and successful action in 10 steps**
1. Choose the topic, narrow it down, and substantiate your approach.
2. Build a team to plan the action with you.
3. Choose the technique of the action, depending on the content and the context.
4. Pick a date and time for your event and plan other logistics. Try to organize the activities on important days, for example Earth Day (22 April), World Fairtrade day (9 May) or Food Day (16 October)
or Buy nothing Day (27 November)... on these occasions the media will be most responsive to your activities.

5. Get all the permissions. You need different types of official permission (depending on your national/local law). These permissions are especially needed when preparing outdoor actions. When preparing a flash mob, the permissions are not needed.

Join the group »European Year for Development 2015« on capacity4dev.eu to keep track of what is happening on the EU level.

6. Spread the word to your members/friends and local community. Write updates to keep your supporters in the loop.

7. Carry out the action. Enjoy your event! Keep things running smoothly. Don’t forget to take photos and record a video.

8. Share the results of your action.

9. Debriefing within the group of organizers, volunteers and other participating at the event is needed. The best time is the first day after the happening. You evaluate and analyse the action. What was good and what went wrong? How can you improve next time?

10. Celebrate!

But what you can do by buying or not buying things?

Outdoor campaigning - Street actions

If you want to get attention and draw interest from the general public then you need to hit the streets.

Meeting people face to face, on the street, can be an exciting challenge.

- Decide on what the action is. You need to grab attention and create interest.
- Choose an appropriate, safe location where you can reach the maximum number of people.
- Obtain all necessary permissions for the action.
- Don’t wait for people to come to you – you should engage them directly.
- Create an action that people can join in with or contribute to in a simple way. Simple drawings, words or easy creative tasks that add to a larger visual display can be effective.
- Try and engage people’s natural curiosity to draw them in.
- If you plan to engage the interest and involvement of families, consider your action carefully. Make sure it is appropriate for all ages and won’t intimidate or frighten children.
- If the action involves a performance or demonstration of some kind, make sure volunteers are on hand to talk to people, to explain the action and hand out leaflets.
- Provide a stall with volunteers for information, leaflets and all publicity materials. Decorate it and display any logos, slogans etc.
- Hand out leaflets, badges, stickers and other items for people to take away with them.
- Encourage people to sign a petition or show support for the action in some other way.
- Generally, a cheerful approach with a smile gets results!

Ideas: Speakers corner, debate in a park, School under the sun, Street theatre, Petition... or:

The flash mob
Flash mob stands for a group of people who assemble suddenly in a public place, perform an unusual and seemingly pointless act for a brief time, before quickly dispersing. They are often used for the purposes of campaigning, entertainment, satire or artistic expression and are organized via telecommunications, social media, or viral emails. You can organize a flash mob in front of a supermarket, in a supermarket, on a market square or at another central location. You should try to involve as many people as possible who will at first be part of an anonymous crowd that gathers at a public place and will later create a sudden, surprising, attention-grabbing incident. This should be precisely planned in advance and should be easily understandable and feasible.

The Slovenian Focus, Association for sustainable development, organized 5 consecutive flash mobs in 5 cities in Slovenia. The purpose of these events was to call for better and more efficient public transport and to encourage decision makers to start improving the legislation.

Exhibitions and outdoor installations
Claim public space with artsy installations or informative exhibitions. Make them eye-catching and attractive for bypassers and the media alike. Attention is guaranteed if you make them appear overnight in a central location. Strong visual messages are imprinted in the memory of the people and come to mind in everyday situations when they are confronted with the issue addressed.

The exhibition “Me too!” was prepared by Focus in the scope of the project with the same name in 2010. The aim of the exhibition was to present the impact of everyday choices on global problems such as climate change and global inequity. The exhibition was covering four topics: mobility, food, energy and clothing, highlighting the various options and alternatives. Since it was addressing primarily consumers it was set up (mostly) in shopping centers but also in schools and outdoor, on public squares, bridges. At
the end of the journey through the exhibition, the visitors were encouraged to take their own decisions towards a common, more fair and sustainable future for the planet and people.

**A great example: The photo exhibition**

Pictures tell stories. A good photograph can be an immensely powerful campaign tool. A well-planned exhibition of relevant photographs can be an effective method of engaging interest and getting your message across to a wider au

- Choose photographs that clearly relate to the issues.
- Some media outlets may not show certain images. Your exhibition is an opportunity to display original and powerful photographs which might not otherwise be seen.
- Photographs can be digitally manipulated for dramatic effect or to trigger a particular response.
- Choose an appropriate and widely accessible venue in which the photographs can be comfortably viewed.
- Think carefully about how the photographs will be mounted and displayed. Seek help and advice from experts and professionals if necessary.
- Try to include strong images which speak for themselves, but if necessary, consider including captions and other information to help get your message across.
- Organise a preview event for invited guests, to create interest and spread the word.
- Photographs can be exhibited in all kinds of unusual spaces as well as in the obvious ones such as galleries, bars and restaurants. You might consider displaying them in public spaces; for example, libraries, shops, shopping centres and other public areas.

It is important to include branding elements, identifying your event or your organization in the photos. Posters, banners, t-shirts, any kind of visual proof that shows who organized this and why. Spreading the word and getting your message across can sometimes be as simple as organizing a party or other social event to raise money and awareness, and having some fun.

**Go on with further actions – Inside, Outside, Online**

**Carrot mob**

This means favouring particular products that are Fairtrade, ethical and environmentally friendly. In practice it means buying fair trade chocolate instead of ordinary one, buying local products instead of imported ones, buying unpacked fruit instead of packed, buying wooden toys instead of plastic ones etc. Buyer power is the main tool in the Carrotmob campaign. In a Carrotmob campaign, a more or less organised group of people spends money to support a business, and in return the business makes an
improvement that people care about (e.g. make the shop more energy efficient, install a bench instead of a parking lot).

The US-based carrotmob.org has had more than 250 campaigns in over 20 countries around the world. Many organisations adopted the concept. You can find more information and examples at [http://www.carrotmob.org](http://www.carrotmob.org)

**Boycotts**

A **boycott** is an act of voluntarily abstaining from using, buying, or dealing with a person, organization, or country as an expression of protest, usually for social or political reasons. It can be a form of consumer activism. Boycotts can be especially empowering for consumers through the process of actively rejecting something produced or sold in an unethical/unfair/unsustainable way. A company (supermarket) can become a target due to questionable business practices such as unfair trading that lead to poverty and exploitation of people and the environment in developing countries. Companies are sensitive to boycotts because they can have serious financial implications, as they can lose customers for life.

There are two main types of boycotts, either directed to whole supermarkets with no fair trade products or by boycotting certain products (e.g. without Fairtrade label or eco certificates).

There are more people boycotting products than you might think. Half of customers would boycott companies that fail to give good service. Four in five people are likely to tell their friends and family not to use products or name companies that disappoint. Another quarter put negative reviews online. 55% avoided a product or service because of a company’s behaviour.

Some civil society organizations can encourage consumers to boycott. But others organizations can also adopt a more vigilant behaviour by encouraging to boycott only when their local partner demand them to spread the word. At a first step, they prefer to incite people to buy fair products. Indeed, boycott can have severe social and economic impact on the ground: redundancies, factories closing, low wages...

**Name and shame tools: What you can do because businesses are afraid to lose their reputation**

Usually **naming and shaming** is part of most campaigns in one form or the other. As a concept it is as simple as publicly announcing the actions of a person, group or business – in the context of our campaign with regard to their performance on social and environmental standards, i.e. human rights violations and environmental hazards that occur in their supply chains, as well as greenwashing...
activities. In practice however, you need to plan these public statements very carefully and do a lot of research, particularly if you want to assess the situation on plantations and factories in the global south. Many of the Consortium Members of the SUPPLY CHAINGE Campaign are research organizations that are continuously assessing the situation on the ground in various supply chains for a diverse range of product categories. You can gather information on these products in the second chapter of this document and find more information and different products on our website, as soon as the information becomes available.

**Social media: What you can do online**

In order to inform the public and assert our demands amongst political and supermarket decision-makers, we need to be constantly aware of the issues and create a powerful lobby, backed by large numbers of people. Social media is a great way to promote the ‘SUPPLY CHAINGE – Make supermarkets fair’ activities during the European Year for Development (#EYD2015).

Facebook, Twitter, YouTube and Vimeo are good ways to reach out to people, to begin sustained conversations about fair trade and sustainability issues. If used cleverly, these social media can help raise awareness, enlist support, and create a social space where your community can take action. Social media reach a wide audience and can help you to target specific interest groups.

Think of ways of making your message stand out in some unusual or original way. The social networks are very crowded; you need to surprise these people and find ways to connect with them. Try using a combination of humour, emotional connection, evidenced-based information and personal stories. Select your hashtags and tags carefully, in advance; they will enable you to monitor and track your online activity, and direct people to your Facebook and Twitter pages.

**Viral campaigning**

Use the logics of social networking services in trying to create virtual content that is disseminated through the online support of their users. As you can always support your activities by investing in your social networks, if your goal is to go viral, keep in mind, how social networks are used. Keep it simple, make it fun but short, deliver your message with a twist and anchor your narrative in the everyday of the potential spectator.
Infographic

In order to make the best use of your online campaigning possibilities, consider the following two media:

**Infographics** are evidence-based visualizations that can convince your audience of the validity of your facts and arguments. They are a good way of making your message heard in an increasingly noisy online environment. An infographic will make complex data easier to see and understand. You can tell a story with pictures, show trends over time, compare elements and reveal hidden patterns. People are more likely to understand and to believe what they see in a chart or a graphic if the sources of your information are credible and visible.

Videos

**Videos** are useful for communicating the issues of the campaign and the stories within it. Videos can be passed from person to person quickly, but you have little control over where they go and what is done with them. Keep the video short (one to two minutes maximum). Make it easy for people to distribute the video by producing it in formats that everyone can use. YouTube and Vimeo are the best video sites to use, but you can also upload videos to Facebook and to your webpage.

The Press and how to approach it

The media is possibly our most useful tool. Through media coverage, we can spread news about our campaign and spread the word about ‘SUPPLY CHAINGE – Make supermarkets fair’ to a wider audience. Working with the media can be crucial in influencing public opinion and government policy.

Be clear about what you want to achieve and what messages you want to get across. Then think about which media you want to contact. Established local radio and TV stations, newspapers and magazines are the obvious first choices, including all the related online options.

Try and connect the issue of fair trade to any local issues or current news items. Remember that in some cases the media needs advance notice of a story or news item. Be sure the angle you choose will be fresh and relevant by the time it is released. Topical news can quickly become old news.
5. MATERIALS AND LINKS

There is already a lot of useful materials ‘SUPPLY CHAINGE – Make supermarkets fair’ project partners will elaborate several useful publications and background material that you can use for your campaigning. [link to the library on new web site!] For every action, material will be provided that can be used or translated / adapted for each national context.

Common web site link:
http://www.supplychainge.org

http://www.ethicalconsumer.org/
https://www.adbusters.org/
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