



ECR session **for food supply chain companies:**
«Together for good trading practices – European
Supply Chain Initiative in Baltics»

Edgars Pentjuss, MD, ECR Baltic
13:00-13:30 05.03.2015
Prekybos Forumas, Vilnius



IEGULDĪJUMS TAVĀ NĀKOTNĒ!



Projekts tiek īstenots sadarbībā ar  **LIAA** Latvijas Investīciju un attīstības aģentūra
Investment and Development Agency of Latvia

Fair trade: to compensate your lunch time, please find «lunch bags» thanks to our members: Nestle, Wrigley and Coca Cola!





About ECR Baltic / Members

Last updated 28.11.2014

ECR Baltic is an Efficient Consumer Response Initiative in Estonia, Latvia and Lithuania.

It is a non-profit organization which aims to help retailers and manufacturers in the FMCG sector to drive supply chain efficiencies and deliver business growth and consumer value.





About ECR Baltic / Focus areas

Our mission

Promote the development & adoption of better practices for joint retailer/supplier initiatives. We encourage active and voluntary collaboration **on non-competitive matters** between all involved parties.

Our vision

Companies along the consumer goods value chain are ***“working together to fulfil consumer wishes better, faster, at less cost and in a sustainable way.”***



“Together for good trading practices – European Supply Chain Initiative in Baltics”

- About the framework www.supplychaininitiative.eu to implement good trading practices.
- What it is for food supply chain retailers, distributors, farmers, manufacturers and food industry associations.
- How to subscribe as an individual company
- Call to action in Baltics: www.ecr-baltic.org/sci/

What is an issue?

A food supply chain company



have to deal with infringement of good trading practice
in commercial dealings



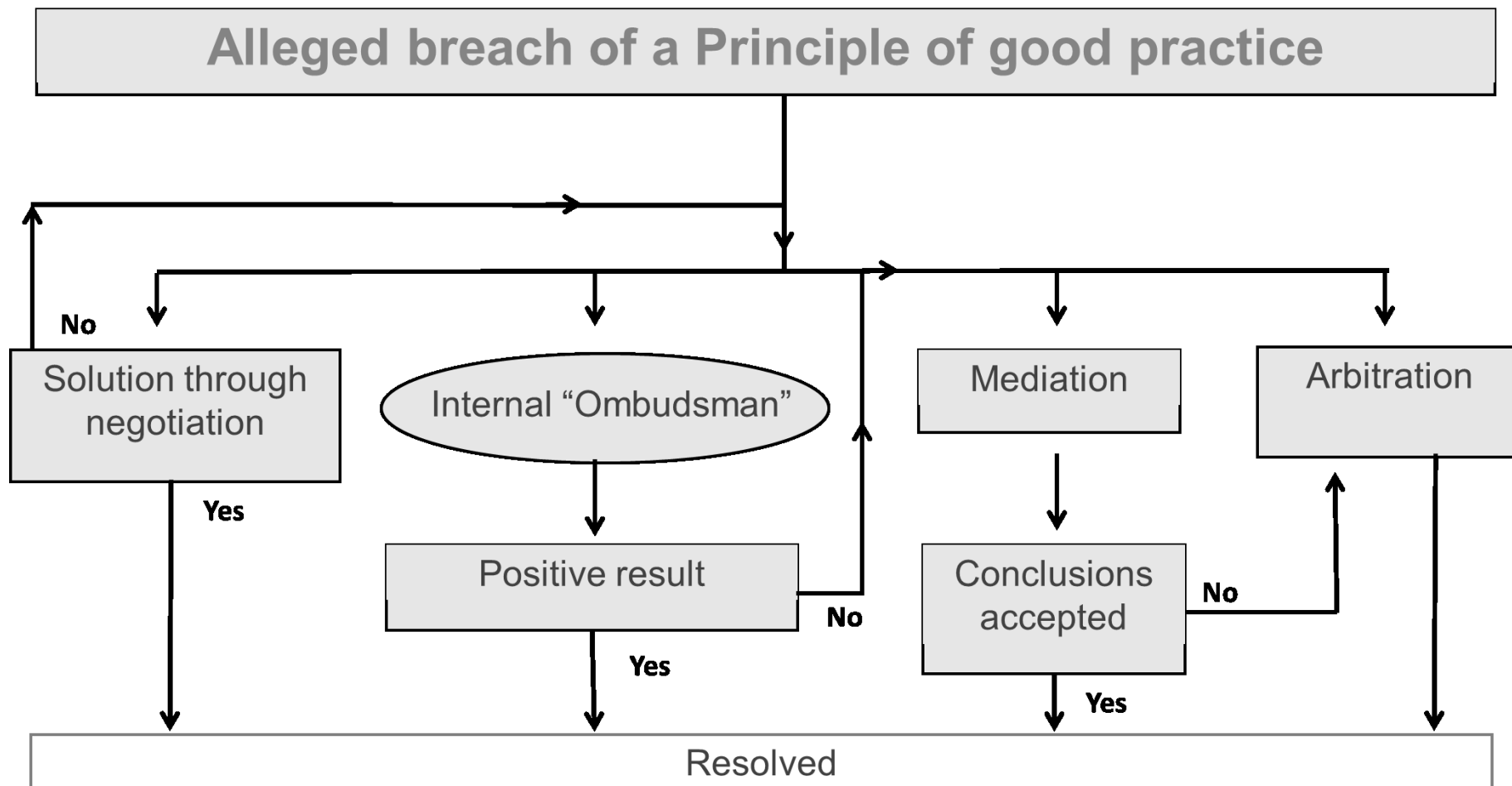
Court, Competition
Authority , Costs,
Time, Introduction of
new regulation
(National/EU level)



Companies subscribed to the
B2B fair trading practice code
(SCI), settle disputes according
to the options given in a self
regulatory way .



One to one dispute resolution:



This system does not preclude the right to go to court in accordance with national law

Many to one/many (aggregated) dispute resolution:

Aggregated dispute: enables several companies subject to the same alleged breach to group their complaint in an anonymous way **via their association**.

The intended outcome is an interpretation / clarification of the Principle(s) that can be used in future disputes and/or mediation and arbitration.

Documentation in Lithuanian (SCI):

Vertikalieji santykiai Maisto produktų tiekimo grandinėje Gerosios praktikos principai

Pasiūlymą pateikė žemiau nurodyti susidomėję B2B platformos nariai:



Together for good trading practices

[Kartu d

Ketinių protokolai

Data:

Kam: ES lygmens sektoriaus organizacijai(-oms), kurios/ kurių nare yra ž

[Įmonės pavadinimas] patvirtina savo ketinimą įgyvendinti geros prak

Šiuo patvirtinu, kad [įmonės pavadinimas] yra įsipareigojusi įgyvend

Vertikaliųjų santykių maisto produktų tiekimo grandinėje gerosios praktikos principų įdiegimo ir taikymo gairės

2013 m. sausio 25 d.

Pasirašė:

AIM

CELCAA

ERRT

EuroCommerce

About the SCI Initiative:

The Supply Chain Initiative is a joint initiative launched by 7 EU level associations **with the aim to increase fairness in commercial relations along the food supply chain.**

The members agreed on a **set of Principles of Good Practice which contain a list of examples of fair and unfair practices in vertical trading relationships.** These were warmly welcomed by the High Level Forum for a Better Functioning Food Supply Chain of the European Commission in November 2011 and subsequently, a Framework for their implementation and enforcement was adopted in January 2013.

Who is behind?

- Retailers, wholesalers, brand manufacturers, food producers, SMEs and farmers

THE MEMBERS OF THE GOVERNANCE GROUP OF THE SUPPLY CHAIN INITIATIVE



Key aspects and benefits of SCl:

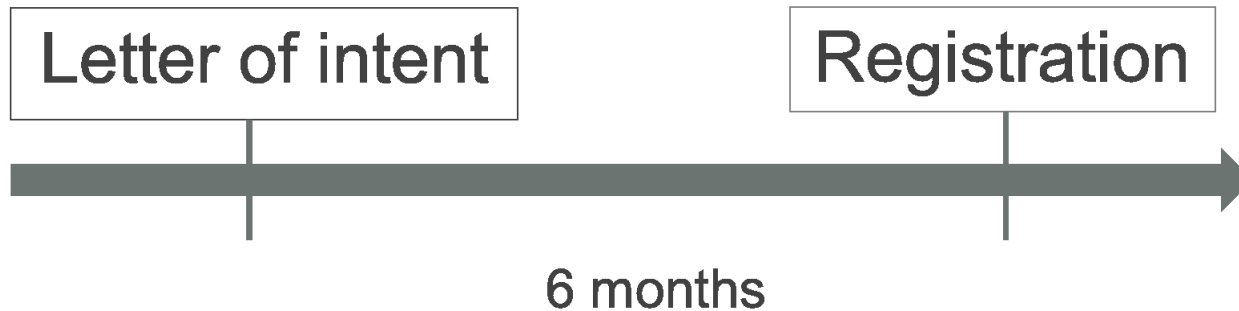
- Reputation
- Voluntary but based on commitments
- Company web-based registration
- Quick, efficient and cheap dispute resolution options
- **Encouragement to set up national dialogues**
- System is governed by EU level dialogue and on European scale
- **Complementary to the development of ECR good practices designed to optimize the entire value chain to fulfill consumer wishes better, faster and at less cost.**
- Complementary to National legislations and/or National Fair Trading schemas (National legislation has precedence over the framework);

What does it do?

- Promotes fair business practices in the food supply chain as a basis for commercial dealings, based on principles of good practice
- Is intended to generate a culture change through commitment to fair trading - integrating principles into company day-to-day operations
- Aims to ensure that companies address disputes in a fair and transparent manner - reassuring the complainants that they will **not suffer from retaliation**
- Is based on cross-sectoral self-regulation (business ownership and control of application)

How to sign?

- EU/National level signatories (letter of intent)
- Self assessment and process commitments
- Full registration



<http://www.supplychaininitiative.eu/sign-up-our-initiative>

The commitments (incl. competition law compliance):

1st commitment:

Respect the Principles

1. Consumer interests and sustainability
2. Freedom of Contract
3. Fair Dealing
4. Written agreements
5. Predictability
6. Compliance with agreements
7. Information exchange
8. Confidentiality
9. Responsibility for risk
10. Justifiable request

2nd commitment:

Respect the process

1. Registration via website by European CEO
2. Designate an “internal contact point” in charge of process implementation
3. Review compliance with the Principles
4. Communicate internally, train staff for awareness and compliance
5. Inform business partners of participation
6. Set up system for internal dispute resolution capable of handling one-to-one trading complaints in relation to the Principles.
7. Participate in the system survey, monitor the Principles and process

REMEDIES

Depend on dispute resolution option

REMEDIES / SANCTIONS

Proportionate and gradual
Decided by the Governance Group

Some registered Manufacturers



Coca-Cola

MARS



FERRERO

Mondelēz
International



Saariöinen

MUNAKUNTA



WRIGLEY

Kellogg's



iberfruta[®]



Exotic Fruits



Cloetta

FOODMARK

Rydbergs



Columbus



ALMENDRAS LLOPIS SAU

PEIJNENBURG



kronos
Quality Canned
Fruit Products

Some registered retailers

METRO GROUP
MADE TO TRADE.



TESCO

SOK

ICA
GRUPPEN



DELHAIZE GROUP

Ahold



Tai, ko nori tu



Maksā mazāk, dzīvo labāk!



JERÓNIMO MARTINS

KESKO



TUKO
LOGISTICS

HÄMEENMAA

Superunie

SISA



SONAE

JUMBO
supermarkten

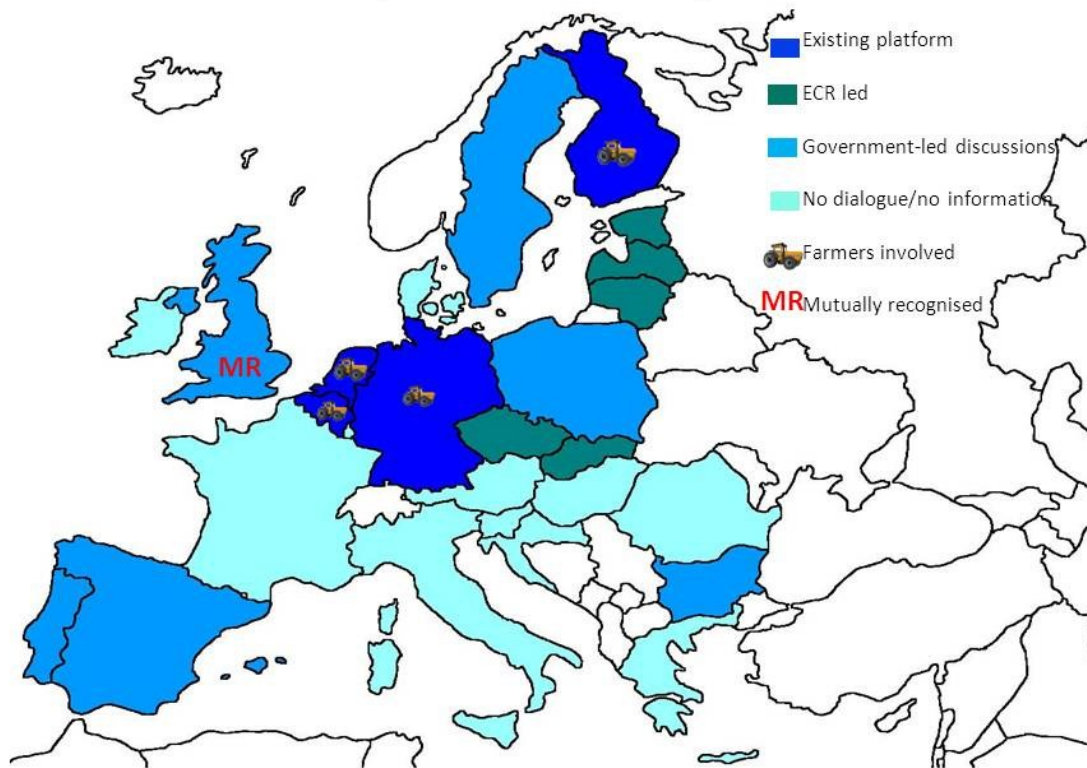


Central Cooperative Union
All together we can do more!

Call to action to facilitate national/regional dialogue setup in Baltics:



National platforms - Status on 14 April 2014





Call to action to facilitate national/regional dialogue setup in Baltics:

There is a group of companies, which already processed full registration (involving Baltic market), including: **Rimi Latvia, Rimi Lithuania, Nestlé, Unilever, Wrigley, Coca Cola,....**

Call to action: <http://www.ecr-baltic.org/sci/>

Supply Chain Initiative: <http://www.supplychaininitiative.eu>



ECR Working group member profile for national/regional dialogue setup:

ECR Member organization (company or association) should nominate professionals responsible for compliance and Good practice related topics, depending on organization structure such could be: Company ombudsman, Legal & Compliance, Operational Monitoring, Controlling, Commercial,...

For promotion and raising awareness topics: Specialists for CSR, Communication & Sustainability,...

Key condition would be willingness to be actively involved as well as commitment to adopt achieved results into real practice within organization.

Main working group activities:

- Get familiar with Principles of Good practice and the Framework for implementation and enforcement.
- Analyze maturity of the market to adopt the principles of good practice and readiness of all key stakeholders. Analyze gaps, identify existing regulatory and voluntary framework, and what is missing.
- Discuss fair and unfair practices. According to present EU Supply Chain Initiative checklist and guidelines define structure and guidelines to establish a national dialogue platform, **get the commitment from main national association representatives**, agreement on rules of procedure.

Main working group activities:

- Develop awareness raising activities: promote initiative, organize workshops and seminars, promote 7 good reasons to sign (attached), promote tools e.g. self-assessment or e-learning (local language?).
- Raise awareness about possible existing national mediation or arbitration schemes, define mechanism for analyze of aggregated disputes.
- Contribute to and disseminate the annual survey.



Ačiū!

Edgars Pentjuss
ECR Baltic, BDR
+371 26546645
edgars@ecr-baltic.org
www.ecr-baltic.org