

The Supply Chain Initiative - together for good trading practices

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The Supply Chain Initiative

- 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)

Initiative fully up and running

- Formal launch attended by + 150 participants
- Support expressed by Commission and MEP Anna Maria Corazza Bildt
- 85 manufacturers and retailers from across the EU have already signed letters of intent
- This corresponds to 433 operating companies
- They can now register formally via www.supplychaininitiative.eu
- KPI's for year one practically already met
- Syndicated tools for self-assessment and e-learning are available for use
- Founding associations will monitor registration and launch first annual survey autumn 2014

Overview of presentation

- I. Background
- II. Scope – geography and transactions
- III. Commitments – principles and process
- IV. Dispute resolution
- V. Governance structure
- VI. National platforms
- VII. Tools for companies
- VIII. Letter of intent – registration
- IX. Status
- X. Questions?

Public launch event

September 2013

16

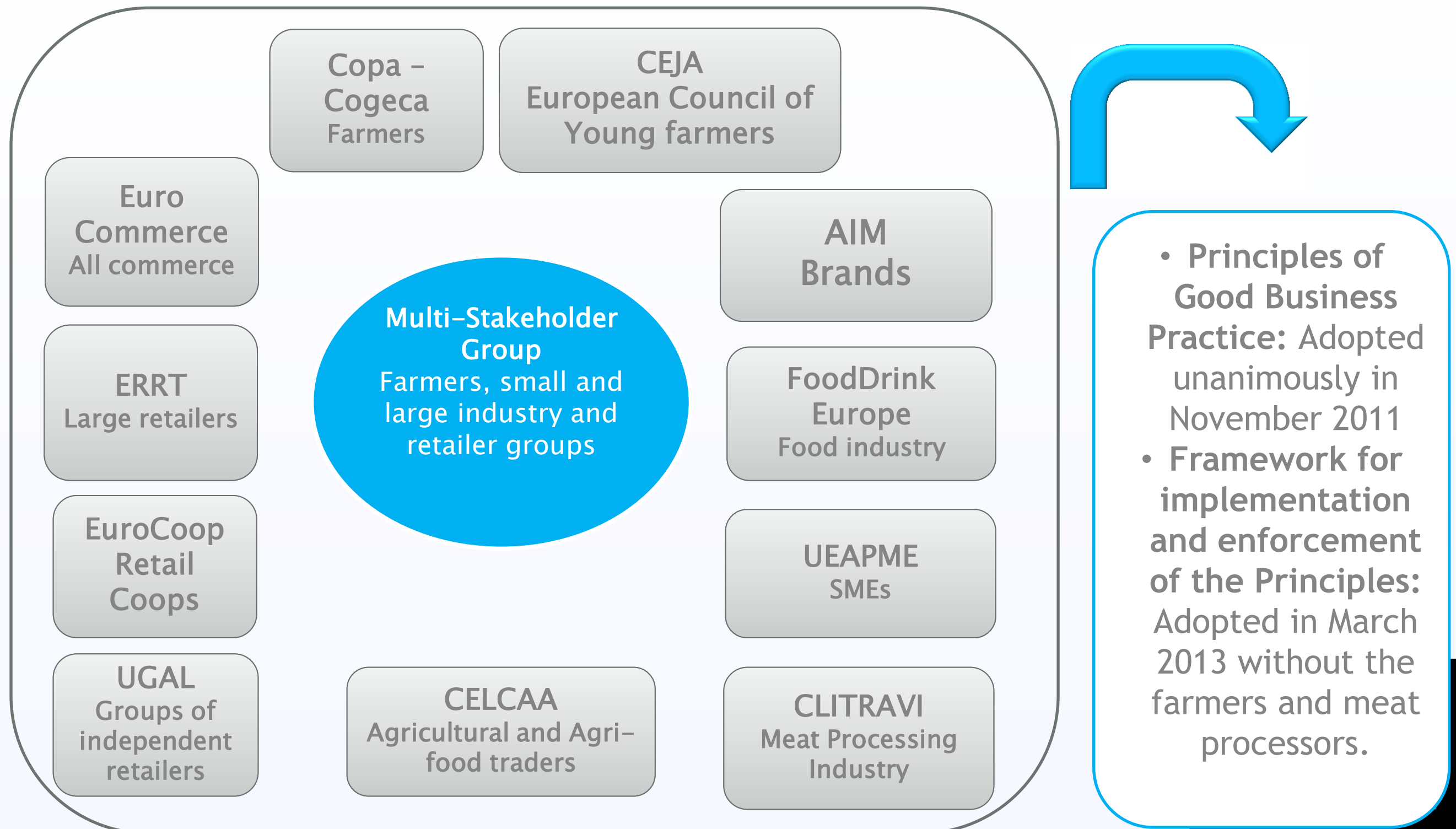


Background

- EU High Level Forum for the Food Supply Chain: ensure the proper and optimal functioning of the entire food chain by addressing the relationships among the food chain players
- Multi-stakeholder group identified principles of good practice in 2011 (11 signatories)
- Voluntary framework implementing the principles (8 signatories)

The 11 negotiating parties:

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



B2B voluntary framework looks at the whole chain



Scope in terms of geography and transactions

- Registration is open to any company in the food & drink supply chain in the EU
- Companies who are part of the food and drink chain are encouraged to apply the principles throughout their organisations independently of the nature of the product if similar conditions exist (e.g. similar chain composition; similar product groups or similar procurement policies)
- The initiative does not apply to the provision of services that input into the food chain that are merely instrumental to it (e.g. logistics, packaging)

Scope, continued

- If a company operates in both EU and non-EU countries, it may register for those national markets located in the EU
- Registered companies are expected to implement the Principles throughout their organisations independently of the geographical origin of their business counterpart provided that the obligations under the contract are to be performed in the EU
- Even if the Initiative normally only applies fully between companies who have signed up, it does however foresee that SMEs established outside the EU and having contracts enforceable in the EU can benefit without registering

The commitments

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

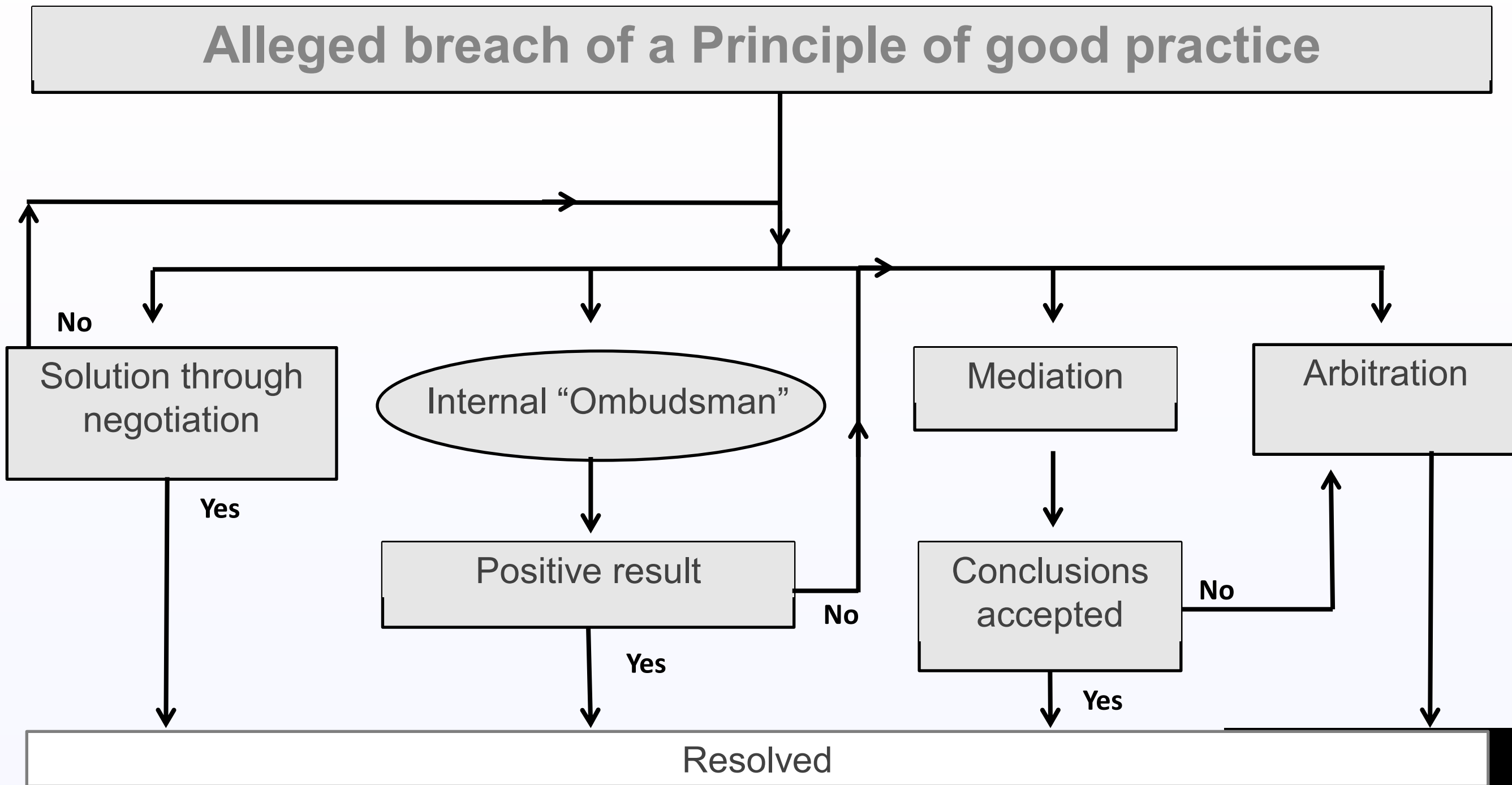
Proportionate and gradual
Decided by the Governance Group

What if a principle is breached?

Two remediation tracks are foreseen:

- One-to-one dispute resolution: makes use of the options available. The intended outcome is an amicable resolution of the bilateral dispute.
- 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.

One-to-one dispute resolution process

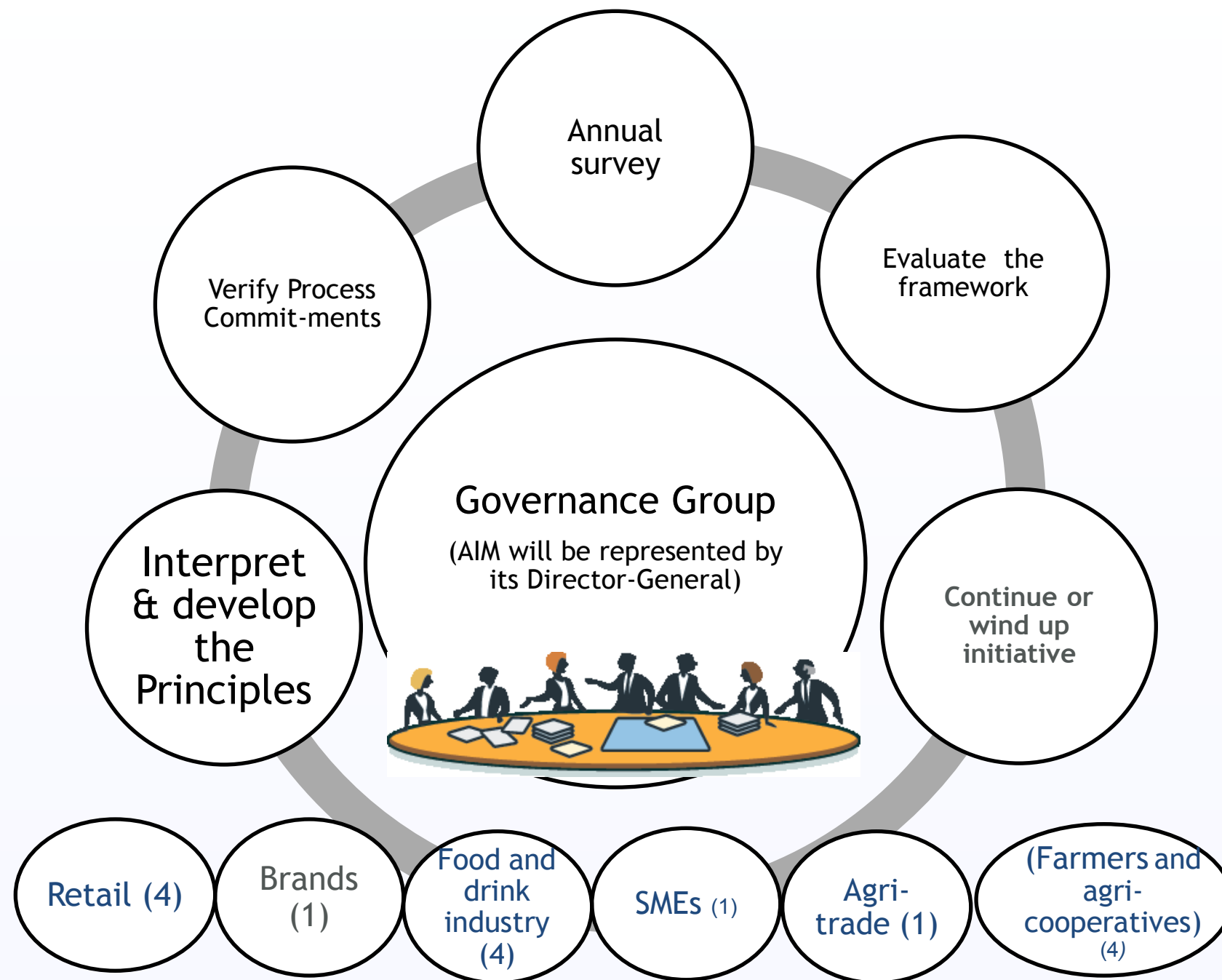


This system does not preclude the right to go to court in accordance with national law

Sanctions

- No direct sanctions for breach of a Principle as the framework excludes the adjudication of commercial disputes. However, remedies continue to exist: a company in breach can incur a penalty in the mediation or arbitration phase.
- Remedies but also sanctions for a breach of a process commitment: A company in breach of one or more process commitments is given ample opportunity to explain and remedy. If it persists and can't explain, the sanction can be its suspension and up to exclusion, with mention on the website and in the annual report.

Governance structure



Consensus

Confidentiality

Anonymity

Legal Compliance

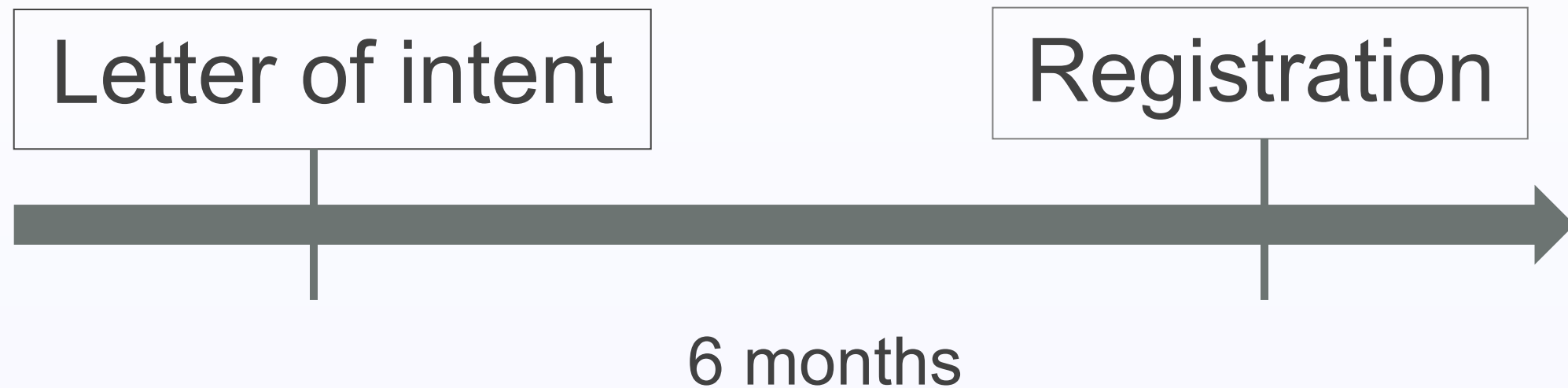
Check list and guidelines for a dialogue at national level

- Gap analysis and conformity assessment
- Voluntary guidelines to establish a dialogue platform
 - I. Composition
 - II. Rules of procedure
 - III. Awareness raising activities, including training
 - IV. Discuss fair and unfair trading practices
 - V. Raise awareness on national mediation and arbitration schemes
 - VI. Analyse aggregated disputes
 - VII. Contribute to and disseminate the annual survey

Self-assessment

TASKS TO BE CARRIED OUT (time sequence)		Person/Department in charge	Time to start	Duration	Expected Completion	COMPLETED
1. COMMUNICATE THAT THE COMPANY IS JOINING THE FRAMEWORK – the Principles and the obligations to undertake						
1. REVIEW EXISTING COMPANY TRADING PRACTICES AND COMPARE WITH PRINCIPLES –	Compare with company rules of engagement, policies, codes if any					
	Compare with contractual terms in existing agreements					
1. APPOINT DISPUTE MANAGER						
1. ORGANISE TRAINING	Define target employees / units / functions					
	Define training (on principles, behaviour...)					
	Training taking place					
1. APPOINT INTERNAL CONTACT PERSON						
1. COMMUNICATE TO TRADE PARTNERS						
1. ORGANISE INTERNAL MONITORING	Define internal process					
	Reporting to management					
	Corrective actions/training					
1. ANSWER MANDATORY SURVEY						

Registration process



Registered companies

[Home](#) > [Registry](#)

Registry

Please find below the registry of companies that have signed up to The Supply Chain Initiative. You may search by company, sector and country.


New registrations are uploaded on a weekly basis.

Registration to The Supply Chain Initiative is open from 16 September. To know which companies have expressed their intent to register to The Supply Chain Initiative, please click [here](#).

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

Name	Sector	Country
A. Moras & Comp. GmbH & Co. KG	Manufacturing	Germany
Concorp Holding B.V. Company	Manufacturing	Netherlands
Wild Dairy Ingredients GmbH	Manufacturing	Germany

Join us

SIGN UP 

Why

you should join us



Who

is behind this?



e-Learning : addressing behaviour

- Credible and relevant ***scenarios and challenges*** to bring the learning to life and aid application in the workplace
- Interactive ***formative questions*** during the course to help the learner process learning/encourage retention

SAI GLOBAL Meetings and conversations

Tarek's story

Tarek is chairing an important and confidential meeting.

Tarek is chairing a meeting with two of his colleagues to discuss the launch of a new product. One of his team is based overseas and is joining the meeting via a conference line. Click on each stage of Tarek's story to find out what happened as the meeting progressed.

Click on Next to continue.

SAI GLOBAL Meetings and conversations

Tarek's decision

What do you think Tarek should have done differently?

That's not correct. As they were discussing the confidential details of an imminent product launch, Tarek should have made sure that neither he nor his colleagues could be overheard. To start with, he should have closed the door so that no uninvited people could hear the discussion and then he should have made sure that Daniel, who had joined the meeting via a conference

Nothing. The meeting took place on company premises, so it was fine for Tarek and his colleagues to talk freely

Tarek should not have discussed such confidential information via a conference line under any circumstances

Tarek should have taken more precautions to make sure that his meeting could not be overheard

Tarek should have:

- Closed the door
- Confirmed that Daniel on the conference line could also not be overheard.

OK

Click on Next to continue.

Frequently asked questions




[Home](#) > [Questions and answers on The Supply Chain Initiative](#)

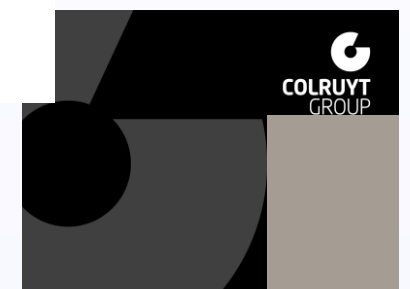
Questions and answers on The Supply Chain Initiative

1. [What is the purpose of The Initiative? Why are we doing this?](#)
2. [Who is behind The Supply Chain Initiative?](#)
3. [Who is responsible for managing the Initiative?](#)
4. [What are the benefits of signing up?](#)
5. [What is the geographical and transactions scope?](#)
6. [Who can register and how?](#)
7. [What does it cost to register and to participate?](#)
8. [I am a non-food company, can I register?](#)
9. [Who should sign the letter of intent?](#)
10. [Is registration at company/group or national level?](#)
11. [How do I register?](#)
12. [What is the letter of intent and what does it imply?](#)
13. [Can I immediately register with no prior letter of intent?](#)
14. [What does the self-assessment imply?](#)

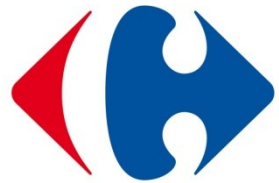
Join us

SIGN UP 

Companies that have already committed to register



Companies that have already committed to register



MARS



REWE
GROUP



METRO GROUP
MADE TO TRADE.



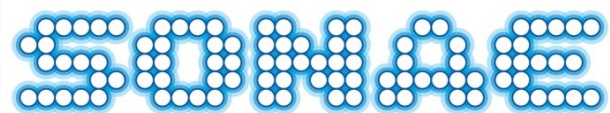
Beauvais foods
God smag – hver dag

FERRERO



Mondelēz
International

Companies that have already committed to register





THE SUPPLY CHAIN INITIATIVE

Together for good trading practices

www.supplychaininitiative.eu