

**Commitment on Living
Wage Bananas**

October 2019



PARTICIPATING PARTIES;**Private sector parties:**

1. Albert Heijn B.V. represented by A. Scholte Op Reimer (VP Quality Assurance & Sustainability, Albert Heijn)
2. A-C Holding B.V., for this Vomar Voordeelmarkt B.V., for this A.A. van Haren (Managing Director)
3. Boni Beheer B.V. represented by B. van der Wal (Managing Director)
4. Boon Food Group Beheer B.V. represented by A. Boon (Director of General Affairs)
5. Coop Retail B.V. represented by F.R.G. Bosch (Managing Director)
6. Deen Supermarkten B.V. represented by L. van Eck (Managing Director)
7. Hoogvliet Super B.V. represented by S. de Haan (Managing Director)
8. Jan Linders B.V. represented by L.J.J. Linders (Managing Director)
9. Jumbo Supermarkten B.V. represented by Claire Trugg (director Corporate Communication & Sustainability)
10. PLUS Retail B.V. represented by D.P.S. Hoy (Managing Director)
11. Poiesz Supermarkten B.V. represented by Y.P.A. Smit (Managing Director)
12. Sligro Food Group Nederland B.V. represented by K.M. Slippens (CEO)
13. SPAR Holding B.V. represented by J.D. van der Ent (Managing Director)
14. C.I.V. Superunie B.A. represented by T.J.M. Roozen (CEO)

Supporting parties:

1. IDH, The Sustainable Trade Initiative, represented by Joost Oorthuizen (Executive Board Member)
2. Centraal Bureau Levensmiddelenhandel, CBL represented by Marc Jansen (Director)

CONSIDERING THAT;

- As part of the IMVO Convenant Voedingsmiddelen (Dutch Covenant for the Food Products Sector) led by the Social Economic Council (SER) of the Netherlands, the partnering retailers have committed to jointly working on concrete projects on Living Wage;
- In all top banana exporting regions where Living Wage benchmarks and currently paid wages are available, currently paid wages are below the Living Wage benchmark.
- Living Wage efforts have struggled to get off the ground due to the lack of data, unclarity on the routes that actors along the value chain can take to achieve payment of living wages and difficulty and complexity for single retailers to achieve living wage in their supply chains.
- The implications of this commitment go beyond Living Wage and contribute to achieving the Sustainable Development Goals; including 1, No Poverty; 8, Decent work and economic growth; 10, Reducing Inequalities, and 12, Responsible Consumption and Production.¹
- The participating private sector partners recognize that they can and should play an important role in increasing the availability of bananas produced by workers paid a living wage;
- The Sustainability Initiative on Fruit and Vegetables (SIFAV), whose aim is to drive impact and build shared solutions to common challenges will support this Commitment;
- The parties acknowledge that this Commitment represents a moral commitment, and does not constitute a legally binding commitment; It is based on partner's ambitions and targets to work towards improving payment of living wages throughout the entire supply chain;
- The parties declared to have taken note of antitrust laws and regulations (see Annex A for competition compliance statement) and no actions that may conflict these will be taken;
- This initiative is open for participation by all players in the supply chain (producers/farmers, traders, processors, brands and retailers), certification bodies (like Rainforest Alliance and Fairtrade) and civil society organizations.

PRIVATE SECTOR PARTIES AGREE TO THE FOLLOWING;

- the private sector parties strive to increase the availability of bananas produced by workers who earn a living wage, for their volume share (100% of the market volume of each participant of the entire banana assortment sold on the Dutch market).
- that the following objectives have a duration of five years after the signing of this commitment:
 - in the first phase (2019 until 2020) the private sector parties involved shall provide insight into the gap between the currently paid wages and the living wage² (for 100% of the market volume of the entire banana assortment³) throughout their entire production or supply chain.
 - from 2021 onwards, the private sector parties involved are aiming for a gradual reduction of the living wage gap by at least 10% per year (for 100% of the market volume of the entire banana assortment).
 - by 2025, the private sector parties involved will strive to have reduced the living wage gap by at least 75% (for 100% of the market volume of the entire banana assortment).

¹ <https://sustainabledevelopment.un.org/topics>

² An inflation correction will be made annually for the currently paid wages and the living wage.

³ This refers to any banana that the private sector partners involved sell on the Dutch market. The private sector partners involved will share reliable and relevant data on the market size (volume and turnover) of the banana assortment (among other from research agencies like IRI, GfK and/or Nielsen) with IDH, so that IDH can check whether the agreed goals are being complied with.

The living wage gap in each retailer's supply chain will be determined by the gap between currently paid wages and the living wage benchmark. The participating private sector parties will calculate and report to IDH on currently paid wages at the supplier level through a completed "Salary Matrix"⁴ and compare them to the "Living Wage benchmark"⁵. Only IDH will receive data from individual companies related to living wages and IDH will only disclose aggregated data.

Scope

Products that are in the scope of this Commitment are: the complete banana assortment (for 100% of the market volume of the entire banana assortment) that are sourced by the participating private sector parties and sold on the Dutch market⁶.

THE PARTIES COMMIT TO;

1. The participating parties will support the objectives and approach and will bring the objectives of this Commitment to the attention of their members, growers, suppliers and customers.
2. The participating parties will commit their members, growers, suppliers and customers to initiating and supporting the desired supply chain initiatives/projects.

GOVERNANCE STRUCTURE INCLUDING ROLE AND RESPONSIBILITIES

The Social Economic Council (SER) is leading the Steering Committee of IMVO Covenant Voedingmiddelen. Most private sectors partners of this Commitment on Living Wages Bananas are members of SIFAV. This commitment will be managed in a specific working group ("The Banana Living Wage Working Group") of SIFAV, reporting to SER till the end of the IMVO Covenant Voedingmiddelen and informing the SIFAV Steering Committee of their progress and findings.

Banana Living Wage Working Group ("the Working Group") of SIFAV

- 1) The participating parties shall establish a working group consisting of representatives of the parties to the Commitment (companies, producers, IDH, certification bodies like Rainforest Alliance and Fairtrade and civil society organizations).
- 2) The role of the Working Group
 - The Working Group will play a decisive role in establishing a project agenda on an annual basis to addressing the issue of living wage gaps along the entire supply chain;
 - A research agenda will be set up to finetune interventions, raise flags on specific topics that can improve and implement such changes;
 - Advises on projects, assists to maximize impact, and supports alignment between Commitment components, national policies and institutional settings;
 - Coordinate, guide and provide support related to the development and improvement of the ongoing projects;

⁴ The "Salary Matrix" enables producers to calculate the gap between the currently paid wages at farm level and the living wages. The matrix has been published by IDH and made available for this commitment on living wages and bananas.

⁵ The Living Wage Benchmark is the benchmark study used to gain insight into the living wage in a certain area.

⁶ The private sector partners involved will share reliable and relevant data on the market size (volume and turnover) of the banana assortment (including research agencies IRI, GfK and/or Nielsen) with IDH, so that IDH can check whether the agreed goals are being complied with.

- Strive to engage the broader sector towards mainstream payment of living wages in production countries;
- 3) Role of IDH in the Working Group
- The Working Group will be led by a representative of IDH, as an independent convener. IDH can lead until the end of 2020, with the intention to continue until the end of 2025 if funding of IDH's donors allows.
 - IDH will facilitate the signing of this Commitment by other interested parties. Other interested parties, who later wish to join the covenant, will make their request to IDH, with a motivation of their contribution.
- 4) Considerations
- The Working Group meets around three times per year. Meeting locations to be decided upon by the Working Group itself. If required, Working Group members can participate through phone or video conferencing.
 - No member will be paid nor reimbursed for any costs associated with being part of the Working Group.
 - The decisions are taken in consensus manner and if needed by a majority vote.

Monitoring and evaluation

- In the first phase (2019 until 2020) the private sector parties involved shall provide insight into the gap between the currently paid wages and the living wage⁷ (for 100% of the market volume of the entire banana assortment⁸) throughout their entire production or supply chain⁹. This will serve as the baseline from which future wages will be compared. IDH will treat the information of individual companies strictly confidentially and will only disclose aggregated information to participants. IDH will set up separate NDA's with all participating private sector parties.
- When sharing confidential and/or competition or commercial sensitive information with IDH, the private sector parties will indicate explicitly in writing what information is confidential and/or competition or commercially sensitive.
- All private sector parties involved shall self-report the living wage gaps in their sourcing supply chains annually to IDH for the complete banana assortment (100% of the market volume of each participant).
- IDH will support the monitoring and evaluation of Commitment progression towards living wages bananas by collecting and aggregating the self-reported annual retail data on supply chain wages.
- IDH will report this aggregated and anonymized data (without company-specific numbers) to the SER till the end of IMVO Covenant Voedingmiddelen.
- This aggregated and anonymized data will serve as the foundation for three reports that will provide a public overview of the ongoing efforts towards living wage bananas; one report from 2020 baseline, one in 2022 as a mid-way assessment, and a final report in 2025.

Additional Roles of IDH

1. IDH will co-finance (i.e. financing by IDH in relation to the investment from the private sector parties) projects in line with this Living Wage Commitment, with a maximum of € 500,000 until

⁷ An inflation correction will be made annually for the currently paid wages and the living wage.

⁸ This refers to any banana that the private sector partners involved sell on the Dutch market. The private sector partners involved will share reliable and relevant data on the market size (volume and turnover) of the banana assortment (including research agencies IRI, GfK and/or Nielsen) with IDH, so that IDH can check whether the agreed goals are being complied with.

⁹ IDH and the private sector parties involved will jointly look for more efficient solutions to problems encountered by parties in carrying out the analysis.

the end of 2020. Depending on renewed institutional funding of IDH beyond 2020, additional resources will be allocated to such projects.

2. Once all supply chain baselines of private sector parties involved have been established, IDH intends to partner with participating partners to implement Living Wage improvement strategies.
3. IDH will co-finance (i.e. financing by IDH in relation to the investment from the private sector parties) up to €50,000 to establish Living Wage Benchmarks in critical supplying regions of the covenant partners in order to establish Living Wage gap baselines in primary sourcing countries.

IN WITNESS WHEREOF, the undersigned parties have declared their intentions, and expressly state their agreement and commitment to the Competition Compliance Policy (annex A):



Centraal Bureau Levensmiddelenhandel, CBL
represented by Marc Jansen (Director)

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right. The signature is written over a dotted horizontal line.

Date:

15-10-2019



Albert Heijn B.V. represented by A. Scholte Op
Reimer (VP Quality Assurance & Sustainability,
Albert Heijn)

A handwritten signature in blue ink, appearing to be 'A. Scholte Op Reimer', written over a horizontal dotted line.

Date:

A handwritten date '11-10-2019' in blue ink, written below the 'Date:' label and over a horizontal dotted line.

JUMBO

Jumbo Supermarkten B.V. represented by:

Name: *Chaire Teügg*

Function: *Corporate Communications & sustainability*



Date:

24-10-'19



C.I.V. Superunie B.A. represented by T.J.M. Roozen (CEO)

Boni Beheer B.V. represented by B. van der Wal (Managing Director)

Date :

23/10/2019

Date :

10-10-2019



Boon Food Group Beheer B.V. represented by A. Boon (Director of General Affairs)

Coop Retail B.V. represented by F.R.G. Bosch (Managing Director)

Date :

22-10-2019

Date :

October 15, 2019



Deen Supermarkten B.V. represented by L. van Eck (Managing Director)

Date :

17-10-2019



Hoogvliet Super B.V. represented by S. de Haan (Managing Director)

Date :

18-10-2019



Jan Linders B.V. represented by L.J.J. Linders (Managing Director)

Date :

22-10-2019



PLUS Retail B.V. represented by D.P.S. Hoy (Managing Director)

Date :

11/10/19



Polesz Supermarkten B.V. represented by Y.P.A. Smit (Managing Director)

Sligro Food Group Nederland B.V. represented by K.M. Slippens (CEO)


Date: 17-10-2019

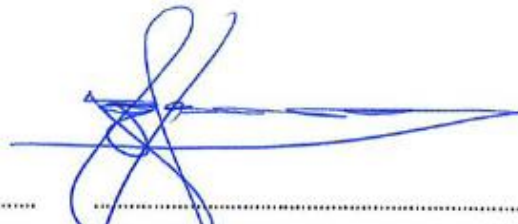

Date:



SPAR Holding B.V. represented by J.D. van der Ent (Managing Director)

A-C Holding B.V., for this Vomar Voordeelmarkt B.V., for this A.A. van Haren (Managing Director)


Date: 22-10-19


Date: 29/10/19



IDH, The Sustainable Trade Initiative,
represented by Joost Oorthuizen (Executive
Board Member)

DocuSigned by:

Joost Oorthuizen

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Date:

29-10-2019 | 14:18 CET

ANNEX A:
Living Wage Bananas
COMPETITION COMPLIANCE POLICY

IDH has as its objective the promotion and enhancement of sustainable trade. These objectives are achieved by providing a platform where NGO's, governments, companies and trade unions can meet and by setting up programs to promote and support sustainable trade.

This Competition Compliance Policy governs the conduct of the Participants to IDH Programs. IDH expects all Participants to comply with the Policy and not to prejudice any of the aims or activities of IDH by any departure from it. IDH and all Participants to IDH Programs are committed to full and fair competition, and IDH's Programs and activities shall not be used in any way inconsistent with relevant competition laws. In order to promote the compliance with these laws, IDH had adopted this Competition Compliance Policy in which the basic rules for competition compliance are set out. Because of the importance of preventing competition law violations, both in the interest of IDH, all Participants and in the general interest, IDH considers acceptance of and compliance with this Policy a condition for participation to IDH's Programs. Participants who fail to comply with this Policy may be excluded.

Because Participants to IDH's Programs may be active in several jurisdictions all over the world, this Policy is based on the strictest standards. Participants, however, remain responsible for conferring with their own respective legal counsel for specific competition law advice, especially country or jurisdiction-specific advice.

1. General

Meetings of competitors under the guidance of IDH are not prevented by competition law. However, Participants must not use the forum provided by IDH in order to coordinate their commercial activities. Each Participant of an IDH platform must exercise its independent business judgement in pricing its products and services, dealing with its customers and suppliers, and choosing markets in which it will compete. Any activity that could create even the appearance of a restriction or distortion of competition must be strictly avoided.

2. No anticompetitive Agreements or Understandings

Neither IDH nor any Program, conference or activity of IDH shall be used for the purpose of bringing about or attempting to bring about any agreement, understanding or concerted practice, written or oral, formal or informal, express or implied, among competitors regarding:

- prices, premiums, discounts, or other financial terms or conditions;
- market shares and sales territories;
- output and sales;
- commercial details concerning individual customers or suppliers;
- cost and demand structure;
- investment and marketing plans;
- bidding or refraining from bidding;
- credit conditions or any other terms or conditions of sale;
- exclusionary practises.

IDH shall not induce or tolerate any discussions or any exchange of commercial information for the purpose or with the probable effect of:

- increasing, maintaining or stabilizing prices and other commercial terms or conditions offered to customers;
- reducing competition with respect to the range, quality or specifications of services offered to customers;
- promoting agreement among competitors with respect to their commercial purchases, including the selection of products or services for purchase, the choice of supplier and the prices they will pay for products or services.

3. No discussions on Competition Sensitive Issues

No IDH conference or activity shall include discussions or dissemination of information among competitors regarding competition sensitive issues. In no case shall Participants discuss or disclose information to each other on their individual prices, rates, discount, or other financial and commercial terms and conditions, for any current or prospective products. Neither shall competition sensitive issues be discussed, including Participants' financial performance, individual information on any Participants' costs, product specifications, anticipated products or individual customer information.

This prohibition does not cover such information that at the time of discussion has been made publicly available in a legitimate manner, historic information that is at least over one year old, information aggregated by an independent third party or IDH in a way that does not provide Participants the possibility to identify what part of the information applies to an individual company.

4. Publications and Reports

Papers published by IDH or presented in connection with IDH Programs should not discuss or refer to prices, premiums, or any financial terms and conditions of Participants.

5. Participation in IDH's Programs

IDH will not arbitrarily or unreasonably exclude companies or entities from participation to IDH Programs, nor from being present at IDH conferences.

6. Standardization or quality seals

IDH may promote the adoption of common standards or quality seals, unless the adoption of such has the purpose of restricting competition. If the adoption of a common standard or a quality seal has the effect of restricting competition, such an agreement needs to be scrutinized by legal counsel in order to ensure that the standardization agreement or the adoption of the quality seal is in conformity with competition law. All companies must be able to qualify for such a standard or quality seal.

7. Meetings

If an IDH meeting involves practices contrary to this Policy, IDH will terminate the meeting or discussion immediately. A Participant should invite IDH to terminate the meeting if the Participant feels that the Policy has been or is in danger of being breached.