

## UK Retailer Commitment on Living Wages in Banana Supply Chains

### Principles of Engagement

This document describes how, both as individual companies and collectively as a group of retailers, we intend to meet our commitments and achieve the goal for workers in our banana supply chains to receive a living wage by the end of 2027.

#### 1. Responsibility

The entire supply chain, from retailers to producers, and stakeholders such as government, certifiers, and trade unions, share the responsibility to enable living wages. While many factors affect the wages paid to workers in our banana supply chains, UK retailers can play a particular role, proportional to the volumes purchased, through our procurement practices by:

- Incentivising improvement by rewarding growers that demonstrate progress in closing living wage gaps, including where gaps are larger or more challenging to tackle.
- Working to understand gender differences in our banana supply chains and close gender pay gaps.
- Recognising that in-kind benefits can play a tangible role in improving livelihoods and working to understand their impact and how these are funded and distributed in our supply chains.
- Reviewing data on living wage and livelihoods in a holistic manner and recognise that living wage gap data is not the only indicator of livelihood improvement and worker well-being.

#### 2. Partnership

Achieving the goal in the spirit of shared responsibility requires working with suppliers and producers, and broader multi-stakeholder collaboration. With the UK market representing 4% of global banana imports, participation from additional markets is also essential to enabling living wages for all workers in our banana supply chains. We will work in partnership by:

- Engaging in constructive dialogue with the suppliers and producers in our supply chains.
- Increasing the leverage of our activities in the UK by building on and aligning with similar work in other regions, such as the [Dutch Banana Retail Commitment](#) and the [German Retailers Working Group on Living Income and Living Wages](#).
- Working together as a sector, pre-competitively, to address systemic barriers to living wages in our banana supply chains.

### **3. Efficiency**

Data is vital to understanding conditions in our supply chains and to monitor progress. The need for credible data on living wages must be balanced with the burden to producers of collecting it.<sup>1</sup> We will seek to achieve this balance by:

- Working with our suppliers, following the steps of the [IDH Roadmap on Living Wages](#), including use of tools such as the [IDH Salary Matrix](#), to establish a living wage gap baseline for all hired labour in our banana supply chains.
- Engaging with banana suppliers and growers to collaboratively define approaches to data collection, including the frequency of collection and analysis, to reduce the burden of data collection and verification for producers.
- Working with recommended certification schemes on alignment to minimise the duplication of living wage data collection, verification, and reporting.

### **4. Support Action**

There are a range of interventions that can help close living wage gaps, examples of which are highlighted in the [IDH Living Wage Action Guide](#). In addition to working on interventions related to business and procurement practices, over which retailers exert more direct control, we will also support producers by:

- Consulting with suppliers, producers, and worker representatives to co-develop interventions that are context specific and address the root causes of living wage gaps.
- Encouraging collective bargaining processes and respecting their role in sustainably embedding living wages.
- Learning from and building on existing interventions that address living wages.

### **5. Engagement & Advocacy**

The enabling environment at a national, sector, and local level can be a key driver in ensuring a level playing field for buyers, producers, and workers in achieving living wages. We will seek to improve the enabling environment for living wages in banana supply chains by:

- Engaging with stakeholders such as government, certifiers, and unions, as appropriate, to align on approaches that enable living wages.
- Encouraging retailers and value chain actors in other regions to join the effort to realise living wages for banana workers.

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<sup>1</sup> To the extent that any commercially sensitive and confidential information will need to be collected and processed, for example, sourcing or wage data, such information will be handled by a third party such as IDH.

## **6. Inclusion**

Small scale farmers are extremely vulnerable to increasing costs of production, climate change, and market disruption. Actions taken to fulfil this commitment must not disadvantage small scale banana farmers, whose livelihoods also depend on international supply chains.

## **7. Monitoring, Evaluation, and Learning (MEL) & Communication**

Achieving living wages will require continuous evaluation and learning to improve and inform future action. We will learn and improve by:

- Developing measurable indicators and milestones to monitor progress.
- Sharing lessons from our work with key stakeholders and other sectors.
- Reporting on how we are meeting this commitment both as individual companies, and collectively through aggregate data.
- Reporting collective progress annually with quantitative and qualitative data.
- Developing a joint communication plan to transparently share progress on this commitment.