

Commitment by the Belgian Retailers on living wages in the banana sector

Bananas are one of the most consumed products found in our supermarkets. The total consumption of bananas in the EU28 accounted for 6 698 000 tonnes in 2020¹. Bananas are an exceptionally important crop for Belgium. The tropical fruit has a great share in the Belgian household spending, with Belgians consuming about 7.8 kg of bananas per year in 2021².

Therefore, we express the intention to further work towards the realization of living wages for workers in our banana supply chains. We recognise that while many factors affect the wages paid to workers in their banana supply chains, we have a role to play to enable banana producers to pay a living wage to their workforce. By joining forces, we want to take a proactive role to develop and implement responsible business conduct related to living wages. We understand that it is essential to set up collaboration and a joint approach, within the boundaries of competition law, with all relevant actors and stakeholders related to these supply chains, especially the suppliers and producers we work with, to achieve this goal.

A living wage is the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.³

Living wages are necessary to lift people out of poverty and are a key component of a sustainable supply chain. In addition to enabling the first Sustainable Development Goal of the United Nations (SDG 1) of 'No Poverty', living wages also support achieving targets set under the following seven SDGs: Zero Hunger (2), Good Health and Wellbeing (3), Quality Education (4), Gender Equality (5), Clean Water and Sanitation (6), Decent Work and Economic Growth (8), and Reduced Inequalities (10).

¹ <https://www.fruitrop.com/en/Articles-by-subject/Review-and-Forecasts/2021/EU28-banana-consumption-in-2020>

² <https://www.statista.com/statistics/715984/per-capita-consumption-of-fruit-in-belgium-by-type/>

³ <https://www.globallivingwage.org/about/what-is-a-living-wage/>



We, as a coalition of Belgian retailers, will strive to close the living wage gap
by the end of 2027 for our banana volumes.

We commit to:

- Map our banana supply chains
- Annually measure the living wage gap in our banana supply chains to monitor progress in closing gaps
- Identify underlying causes of a potential gap
- Analyse and implement subsequent strategies and practices within our own company processes, procurement practices and systems and on the ground through engagement with all relevant actors and stakeholders such as trade unions, NGO's, suppliers, producers, and certification bodies, that allow the payment of a living wage.
- Exchange on our progress related to the aforementioned activities
- Publicly report each year on the progress made regarding this commitment

Scope of this commitment:

Following products are in scope of this living wage commitment:

- Fresh banana volumes
- Private label and branded bananas
- Originating from hired labour farms with 5 or more workers
- Sold on the Belgian market.



Underlying principles:

To bring this commitment to implementation, we agree to follow the steps of the IDH roadmap on living wages and to work according to the following underlying principles.

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, we can play a particular role in our own individual companies.

- We will adopt, as individual companies, responsible procurement practices and fair pricing strategies that support the payment of living wages.
- We will refrain from switching supply bases to countries with smaller gaps or lower living wage benchmarks to meet this commitment
- We will recognize that building long-term buying relationships with suppliers and producers is essential to being able to implement living wage actions and achieve structural change on the ground.

2. Partnership:

Achieving this goal requires working in broader multi-stakeholder collaboration.

- We will meet on regular basis to discuss the progress of the initiative, share learnings and issues. Competition law will be respected in all meetings.
- We will work together as a sector, with suppliers and producers and with all relevant stakeholders like certification bodies, NGO's, trade unions, governments, and local authorities to address systemic obstacles to living wages.

3. Efficiency and data quality

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 of collecting it.

- We will follow the steps of the IDH Roadmap on Living Wages and endorse the tools including the IDH salary matrix to establish a baseline and monitor progress.



- We will work together to reduce the burden of data collection and verification for producers and create efficiencies.
- We will engage with banana suppliers and growers to collaboratively define approaches to data collection, including the frequency of collection and analysis.
- We will aim to verify salary matrix calculations through recommended certification schemes and standards. We recognize that other parties like trade unions can be involved in this process as best practice.
- We will work with recommended certification schemes on alignment to minimise the duplication of living wage data collection, verification, validation, and reporting.

4. Action to close living wage gap

There are a range of actions that can help close living wage gaps. In addition to working on actions related to business and procurement practices in our individual companies, over which we exert more direct control:

- We will support potential actions to close living wage gaps on the ground like for example support capacity building to enhance facility performance, gender equality, etc.
- We recognise that actions must be context specific, address the root causes of living wage gaps, and be a result of dialogue with suppliers, producers, trade unions and/or workers' committees.
- We will encourage collective bargaining processes and respect their role in sustainably embedding living wages.

5. Inclusion

There are significant banana volumes coming to Belgium from smallholder farmers. Actions taken to fulfil this commitment must not disadvantage smallholder farmers, whose livelihoods also depend on international supply chains.

- We recognize the importance of sourcing from smallholders, and we are committed to continue sourcing from them.
- We will jointly map smallholder farmer supply chains and use the IDH Roadmap on Living Income to develop an approach to work on living income for small banana farmers. We will include relevant stakeholders, like certification schemes and small farmer's organizations, in the development and implementation of this approach. Moreover, we will explore a retail commitment on living income.



6. 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 increase the leverage of activities in Belgium by building on and aligning with similar work in other regions, such as the Dutch Retailer Commitment on Living Wages, the German Retailer' Working Group on Living Income and Living Wages and the UK initiative on living wages. As of 2023 retailers will use the aligned timelines for rolling out of the process in coordination with other markets
- We will encourage other buyers of bananas in Belgium and beyond to join existing commitments on living wages in banana supply chains or develop complementary initiatives in markets where none exist.
- Most bananas sold on the Belgian market by retailers involved in this commitment are certified bananas. The involvement of standards in the realization of this commitment can therefore be very important. We believe that standards may have an important role to play in the preparation and validation of salary matrix calculations as well as in the monitoring of the realization of living wages. Within our scope, we will discuss with, encourage, and support relevant standard-setting organizations to further integrate living wage criteria, measures, and services in their standard and certification procedures. We will work with standard setting organizations to align their efforts on the topic.
- Governments and trade unions have an important responsibility towards the structural embedding of living wages through the development of a legal framework, enabling social dialogue, etc. We will seek for close exchange with governments, local authorities, civil society, and other relevant actors in producer countries to address systemic causes of low wages and low income.

7. Monitoring, evaluation, and learning

- We will set up a baseline study for the Belgian market
- We will develop measurable intermediary milestones by the end of 2023.
- We will continuously evaluate our work on living wages according to a monitoring plan to learn, improve, and inform future action.
- We will share lessons from our work with stakeholders like suppliers, producers, trade unions, NGO's, certifiers, government, and local authorities. We acknowledge the importance of communicating these results to workers as well and will work with producers, suppliers, and trade unions in defining how this can be facilitated.



8. Reporting and communication

- We will develop a joint communication plan to transparently share progress on this commitment.
- We will collectively report progress on annual basis using aggregate data.
- We will publicly report the impact of this commitment with quantitative and qualitative data

9. Legal Compliance

- We will conduct all activities to meet this commitment in compliance with the Belgian and European Competition Law.