

## Foreword

The food supply chain is a complex, extremely efficient and diverse construct throughout Europe and equally all over the world. The multitude of actors from various sectors of different sizes and interests, often with unequal market power, represents a challenge to ensuring consistent and good trading practices in the sector.

This is why the SCI exists and is so important! Our purpose is to promote fair business practices in the food supply chain as a basis for commercial dealings and to ensure that companies can resolve their issues and disputes in a quick and efficient manner and lodge complaints without fear of retaliation. The results of the 2018 annual survey confirm that we are moving in the right direction. Only 3% of companies expressed a fear of retaliation and 69% of respondents indicated they were satisfied to very satisfied with the SCI.

With my appointment at the end of 2017, the SCI has established an independent function to deal with aggregated disputes that cannot be resolved at the national level. Over the past year, I have consolidated the SCI dispute resolution mechanism so that companies feel confident to come forward in full confidentiality. A specific section is dedicated to this mechanism in this report.

The year 2018 was my first full year as Chair of the SCI during which I have learned a great deal about the supply chain and its practices. This report showcases the various outreach activities, events and workshops that were attended or organised. I am also extremely pleased to see the excellent interaction with the national dialogue platforms and similar initiatives. At our workshop in November, we had an insightful exchange of information and I am encouraged to see how effective their respective dispute resolutions at national level are. A snapshot of these practices is also included in this report.

Finally, I would like to mention that we started the year with the publication of our new Rules of Governance and Opera-

tions, which strengthened the governance, impartiality and dispute resolution mechanism of the SCI. We are ending the year with the Rules being available in a total of 23 EU languages, which has kindly been facilitated by the European Commission as a result of a High Level Forum meeting. Our special thanks to Mr Pettinelli and his team in the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs for the ongoing support.

My mission continues to be the promotion of the SCI so that it is generally supported and its principles are widely adopted. It is also my objective to ensure that the dispute resolution mechanism is a tangible and attractive option moving forward so that more companies sign up.

Michael Hutchings SCI Chair



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Observer:



# **A.** What is the Supply Chain Initiative (SCI)?

The Supply Chain Initiative (SCI) is a voluntary scheme developed in the context of the European Commission-led High-Level Forum for a Better Functioning Food Supply Chain. Its purpose is to promote good practice in the food supply chain as a basis for fair commercial dealings. It also aims to ensure that companies address disputes in a fair and transparent manner whilst reassuring the complaining party that it will not be subject to retaliation.

#### **GOVERNANCE OF THE SCI**

The SCI was officially launched in September 2013 by eight EU-level associations representing the food and drink industry (FoodDrinkEurope), the branded goods manufacturers (AIM), the retail sector (the European Retail Round Table (ERRT), EuroCommerce, EuroCoop and Independent Retail Europe), the European Association of Craft, Small and Medium-sized Enterprises (UEAPME, now SMEunited) and agricultural traders (CELCAA).

The SCI is managed by a Governance Group, which is led by the independent Chair. Its remit is defined by the Rules of Governance and Operations<sup>1</sup>.

Name	Title	Organisation
Michelle Gibbons	Director General	AIM – European Brands Association
Pascale Rouhier	Secretary General	Celcaa - the European Liaison Committee for Agricultural and Agri-Food Trade
Susanne Czech	Director General	ERRT - European Retail Round Table
Christian Verschueren	Director General	EuroCommerce
Christel Delberghe	Director	EuroCommerce
Mella Frewen	Director General	FoodDrinkEurope
Evelyne Dollet	Director, Economic Affairs	FoodDrinkEurope
Paul Kelly	Director	FDII – Food and Drink Industry of Ireland
Else Groen	Director General	Independent Retail Europe
Ravi Bhatiani	Legal Director	Independent Retail Europe
Véronique Willems	Secretary General	SMEunited (formerly UEAPME) is an Observer

#### The Governance Group is composed of:

<sup>1</sup> Rules of Governance and Operations, https://supplychaininitiative.eu/about-initiative/rules, 2 February 2018

## Michael Hutchings has been appointed as the independent Chair in 2017.

The role of the independent Chair is:

- to chair meetings of the Governance Group, which supervises the management and operation of the SCI.
- to act as a recipient for confidential complaints, which involves facilitating the handling of aggregated disputes with a cross-border dimension in a fully confidential setting. He has a duty to establish facts, to hear parties involved, and to settle disputes as appropriate.
- to issue guidance and recommendations of general interest and promote good practice in dialogue with the Governance Group, to promote fair dealings in the supply chain on specific topics with the full support of the sectors.
- to represent and promote the SCI to policy makers and other external audiences, to raise awareness about the SCI and his role as independent Chair, as well as to encourage more efficiency within the supply chain.

The Governance Group and the Chair are supported by the SCI Manager, Fabienne Eckert, who manages the day-to-day activities of the SCI and was also appointed in 2017.

#### PRINCIPLES OF GOOD PRACTICE

The Principles of Good Practice are the foundation of the SCI. Their purpose is to promote the respect for fair practices and discourage the exercise of unfair practices in the supply chain. They were developed in 2011 in the framework of a multi-stakeholder dialogue involving 11 organisations representing the various sectors in the food supply chain including farmers, processors, brands, SMEs, whole-salers and retailers<sup>2</sup>.

The SCI is designed for companies operating at any point along the food and drink supply chain, irrespective of their size and their geographical location in the EU. When joining the initiative, companies commit to fair trading practices by integrating the Principles of Good Practice into their day-today operations and monitoring their application. At the time of registration, companies also confirm that they comply with their process commitments and support the application of the Principles of Good Practice.

#### THE PRINCIPLES OF GOOD PRACTICE ARE:

Contracting parties shall act in strict compliance with applicable laws, including competition law.

#### GENERAL PRINCIPLES

#### 1. Consumers

Contracting parties should always take into account consumer interests and the overall sustainability of the supply chain in their B2B relations. Contracting parties should ensure maximum efficiency and optimisation of resources in the distribution of goods throughout the supply chain.

#### 2. Freedom of contract

Contracting parties are independent economic entities, respecting each other's rights to set their own strategy and management policy, including the freedom to determine independently whether to engage or not in any agreement.

#### 3. Fair Dealing

Contracting parties should deal with each other responsibly, in good faith and with professional diligence.

#### SPECIFIC PRINCIPLES

#### 1. Written agreements

Agreements should be in writing, unless impracticable or where oral agreements are mutually acceptable and convenient. They should be clear and transparent, and cover as many relevant and foreseeable elements as possible, including rights and procedures of termination.

#### 2. Predictability

Unilateral change to contract terms shall not take place unless this possibility and its circumstances and conditions have been agreed

<sup>&</sup>lt;sup>2</sup> European Brands Association (AIM), European Council of Young Farmers (CEJA), European Liaison Committee for Agricultural and Agri-Food Trade (CELCAA), Liaison Centre for the Meat Processing Industry in the European Union (CLITRAVI), Copa-Cogeca (representing farmers and their cooperatives in Europe, European Retail Round Table (ERRT), EuroCommerce (representing retail and wholesale in Europe), European Community of Consumer Co-operatives (Euro Coop), FoodDrinkEurope (representing the food and drink industry in Europe), European Association of Craft, Small and Medium-sized Enterprises (UEAPME; now SMEunited) and Independent Retail Europe (representing groups of independent retailers; formerly UGAL).

in advance. The agreements should outline the process for each party to discuss with the other any changes necessary for the implementation of the agreement or due to unforeseeable circumstances, as provided in the agreement.

#### 3. Compliance

Agreements must be complied with.

#### 4. Information

Where information is exchanged, this shall be done in strict compliance with competition and other applicable laws, and the parties should take reasonable care to ensure that the information supplied is correct and not misleading

#### 5. Confidentiality

Confidentiality of information must be respected unless the information is already public or has been independently obtained by the receiving party lawfully and in good faith. Confidential information shall be used by the recipient party only for the purpose for which it was communicated.

#### 6. Responsibility for risk

All contracting parties in the supply chain should bear their own appropriate entrepreneurial risks.

#### 7. Justifiable request

A contracting party shall not apply threats in order to obtain an unjustified advantage or to transfer an unjustified cost.

Please refer to Annex I for a set of examples that describe unfair vs. fair practices.

#### THE PROCESS COMMITMENTS ARE

A registered company must comply with a set of commitments called the "process commitments", i.e. ensure that it:

- complies with the Principles of Good Practice;
- has undertaken a self-assessment;

- has set up or adapted training of senior executives and relevant staff to ensure compliance with the Principles of Good Practice;
- prepared to engage in the dispute resolution options provided under the SCI;
- communicates its registration to business partners;
- has appointed contact persons for internal dispute resolution and for process-related issues; these can be the same or different persons;
- · shall not take retaliatory action;
- in the context of an aggregated complaint, shall respond to a request by the Chair to comply or explain;
- shall respect and follow up on any decision of the Chair concerning a complaint in which it is involved.



SCI annual event, 27 March 2018

#### COVERAGE OF THE SCI ACROSS EUROPE

Since its launch in 2013, 412 companies from across the entire EU have registered. Taking into account subsidiaries of international groups, 1.198 operating companies have signed up.



The full list of registered companies can be found in Annex II. The number of companies registered to the SCI continued to grow in 2018.

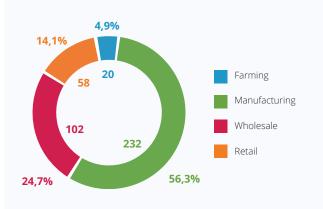
It should also be noted that in some national dialogue platforms, companies are represented by their national associations, which is not reflected in the above count. Furthermore, non-registered companies, notably SMEs, also benefit from the wider application of the SCI and the Principles of Good Practice by registered larger businesses.



Registered companies are present in all 28 EU Member States and cover farming, wholesalers, retail and manufacturing.

The majority of companies registered with the SCI are in manufacturing, followed by wholesale and retail. The farming sector has the lowest number of registrations and the SCI hopes that this figure will increase in the future.

DISTRIBUTION OF MEMBERSHIP ACROSS THE SUPPLY CHAIN



### The SCI provides simpler rules for medium or small-sized firms:

- Micro or small companies can register to the SCI following a very light procedure, to show their commitment to the SCI and the Principles; they are also invited to take part in the survey but this is not compulsory.
- Medium-sized companies can register using a simplified procedure, which includes a commitment to apply the Principles, a basic self-assessment tool, basic training obligations and a special rate for the on-line training tool. No independent contact person is necessary where lack of resources justifies this, but there is an obligation to take part in the annual survey.

## The definition of a medium, small or micro enterprise, is that of the EU<sup>3</sup>:

Company category	Employees	Turnover OR	Balance sheet total
Medium-sized	< 250	≤€ 50 m	≤ € 43 m
Small	< 50	≤€10 m	≤€10 m
Micro	< 10	≤€2 m	≤€2 m



<sup>3</sup> European Commission Recommendation 2003/361/EC concerning the definition of micro, small and medium-sized enterprises

# **B.** SCI dispute resolution mechanism

Disputes are generally best dealt with at national level, and to date, all disputes have been resolved at that level. National rules and regulations take precedence over the SCI Rules of Governance and Operations and the SCI offers a complement to existing regulations and solutions where no mechanism exists. The SCI however plays an influential role in providing a dispute resolution framework based on its Principles of Good Practice and Process Commitments.

#### 1. ADDRESSING DISPUTES AND FINDING SOLUTIONS FOR ALLEGED BREACHES OF THE PRINCIPLES

Disputes can either occur at individual level or involve a number of players, in which case they are referred to as aggregated disputes.

#### INDIVIDUAL DISPUTES

For individual disputes, companies can resort to a number of dispute resolution options:

- commercial track
- contract options
- internal dispute resolution
- mediation or arbitration
- judicial methods

The choice of dispute resolution mechanism lies with the complaining company unless this would infringe national law. By registering with the SCI, companies accept to solve their disputes related to the application of the Principles by any of these options.

Importantly, commercial retaliation against any company for using these mechanisms is a serious breach of the Principles of Good Practice. This is a fundamental standard that the SCI stands for and in fact only 3% of companies claimed that the fear for retaliation was an issue in this year's survey.

#### AGGREGATED DISPUTES

A group of companies or an association acting on their behalf may submit an aggregated complaint to the Chair of the SCI, who will then verify that the request has substance and merit, has a cross-border impact and ensure that all national options have been exhausted. Along the entire process, the Chair guarantees the anonymity and confidentiality of the parties and information involved. This is a key feature in encouraging complainants to raise issues with the SCI.

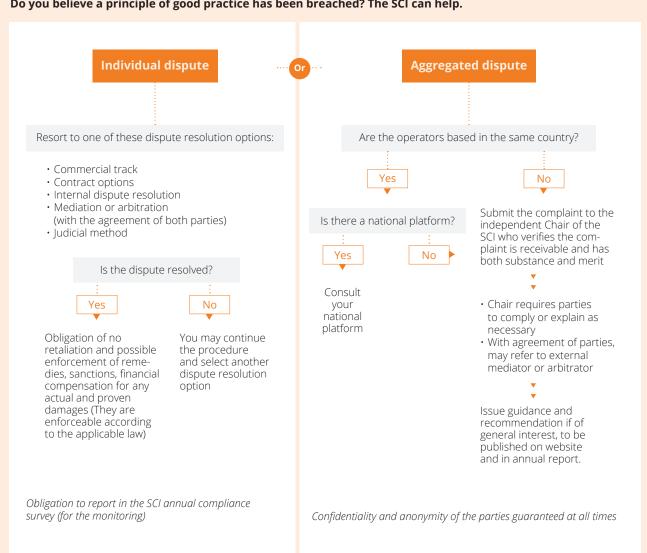
If the complaint is indeed receivable, the parties are heard by the Chair of the SCI and if justified the party allegedly in breach is asked to comply or explain. The case may also be referred to an external mediator or arbitrator if deemed in the best interest of all parties involved.

So as to ensure that key learnings of any case are shared to the benefit of the entire sector, guidance and recommendations may be developed by the Chair.



Michael Hutchings, Chair of the SCI

#### DISPUTE RESOLUTIONS MECHANISM: BREACH OF PRINCIPLES OF GOOD PRACTICE



#### Do you believe a principle of good practice has been breached? The SCI can help.

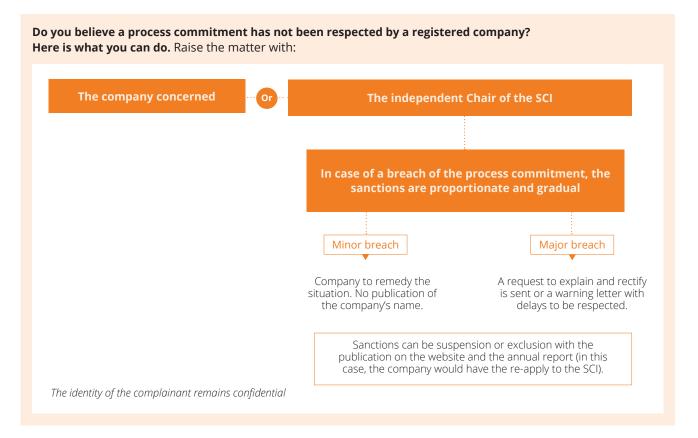
#### 2. ADDRESSING DISPUTES AND FINDING SOLUTIONS FOR ALLEGED BREACHES OF PROCESS COMMITMENTS

When dealing with alleged breaches of process commitments, for example the contact person for internal dispute resolution, whose name is mentioned on the website, has left the company and has not been replaced, then companies can raise the matter with the company concerned or directly inform the Chair of the SCI, who will look into the situation while ensuring anonymity and confidentiality.

Upon receipt of a complaint the Chair will assess the alleged breach in a proportionate and gradual manner. This means, that he will differentiate between minor breaches, which involve asking the company to remedy the situation and major breaches which can lead to a temporary suspension, if the breach is confirmed and has not been remedied within 30 calendar days. Suspension means that the company cannot benefit from the SCI but continues to be bound by its obligations. Information about the suspension will be given on the website. For persistent, intentional and unexplained breaches, the Chair may ultimately decide to exclude the company from the SCI. This decision would be published on the website and in the annual report. The duration of the exclusion will be for a minimum of six months and for as long as it will take for the Chair to obtain sufficient guarantees that the concerns will be sustainably remedied.

During the entire process, the Chair focuses on ensuring that non-compliant behaviour is corrected as quickly as possible. He ensures that any sanction is both proportionate to the nature of the breach and effective. It is also important to note that at all times the parties concerned will be given an opportunity to explain.

#### DISPUTE RESOLUTIONS MECHANISM: BREACH OF A PROCESS COMMITMENT



# **C.** National dispute resolution mechanisms

The SCI acts as a catalyst for national change and encourages the establishment of national platforms. A national platform is a structure set up for the purpose of implementing the Principles of the SCI at national level and to be the first point of reference to handle disputes.

Over the past years, six national dialogue platforms or equivalent were established in Europe based on the SCI. These are located in Belgium, the Netherlands, Finland, Portugal, Germany and Slovakia. Furthermore, a wide range of initiatives and similar platforms exist in most European countries. Many used the SCI Principles of Good Practice as a basis for national legislation or codes of conduct.

Each of these platforms or initiatives is adapted to its national context and legislative framework. Their approach and dispute mechanism put in place therefore also varies. This section provides an overview of the practices in three selected countries.

#### 1. DISPUTE RESOLUTION MECHANISM OF THE GERMAN NATIONAL DIALOGUE PLAT-FORM

The German national dialogue platform "Nationale Dialogplattform Lebensmittellieferkette"<sup>4</sup> was developed in 2013 and involves all players in the supply chain (retail, industry and farmers)<sup>5</sup>. It uses the SCI as its framework. Companies who signed up to the SCI at EU-level can make use of the national dispute resolution mechanism.

The German mechanism consists of three instruments, namely mediation, arbitration and expert opinions.

- For mediation, an up to date list of suitable mediators is available to companies at any time but the platform does not get involved in the actual process.
- The arbitration procedure is conducted based on the Code of Arbitration of the platform, which also provides a sample arbitration agreement to interested companies. This mechanism is conducted on a voluntary basis and involves an arbitration board, composed of a chair person and two assessors representing each of the affected parties of the food supply chain.

• Expert opinions are issued when a specific question of general significance that relates to the SCI rules is brought to the attention of the national platform. The specific question is brought before the national dialogue platform in an anonymised way. The arbitration board then assesses if it merits a response in form of an expert opinion. Once this has been determined, the arbitration board opens proceedings involving the chair as well as the assessors of the affected parties. Each party has the opportunity to be heard and to respond to any statement before the expert opinion is issued.

## 2. DISPUTE RESOLUTION MECHANISM OF THE BELGIAN SUPPLY CHAIN INITIATIVE

The Belgian Supply Chain Initiative "Het Ketenoverleg"<sup>6</sup> was set-up in 2010 with a code of conduct for fair relations between suppliers and purchasers in the agro food chain. The initiative involves all actors in the food supply chain<sup>7</sup> and includes a dispute resolution mechanism, which is described below. Its remit however extends also to sectoral and ad-hoc initiatives to strengthen the agrofood chain or to coordinate a political agenda on specific topics of relevance to the sector. In 2014, the Belgian Code was recognised as equivalent by the SCI at EU-level and in 2017 an independent Chair, Mr Georges Hanot, was appointed.

Similar to the EU-level SCI, the Belgian Supply Chain Initiative also differentiates between individual disputes, which have the same remedies as proposed in the EU-level SCI framework and aggregated disputes, available to members of the partner organisations who have signed the code of conduct.

The responsible persons of each professional association can request the Governance Committee to analyse a dispute regarding a serious breach of the principles affecting several of its members. The Committee will use the basic

<sup>&</sup>lt;sup>4</sup> Website of the German dialogue platform: http://www.lebensmittellieferkette.de

<sup>&</sup>lt;sup>5</sup> Bundesvereinigung der Deutschen Ernährungsindustrie, Deutscher Bauernverband, Handelsverband Deutschland and Markenverband.

<sup>&</sup>lt;sup>6</sup> Website of the Belgian Supply Chain Initiative: http://supplychaininitiative.be

<sup>&</sup>lt;sup>7</sup> BFA, AGROFRONT (BOERENBOND, ABS and FWA), FEVIA, UNIZO, UCM and COMEOS



Meeting with members of the Belgian SCI on 22 January 2019, from left to right seated: Walter Gelens (BABM), Georges Hanot (Belgian SCI), Michael Hutchings (European SCI), Pieter Verhelst (Boerenbond), Chris Morris (FEVIA) and standing: Katrijn Roeland (BABM), Fabienne Eckert (European SCI) and Frank Socquet (Unizo)

principle "comply or explain" in its assessment. "Comply or explain" means that both buyers and suppliers can - in their "declaration of fair relationships between suppliers and purchasers" - provide for derogations to the recommendations of this code as long as they clarify their policy on this.

Anonymity is ensured through the involvement of the sector organisations as well as through the independent Chair. The Belgian Supply Chain Initiative focuses on preventing disputes in the first place. If they nonetheless happen, the Governance Committee engages with the parties to find a suitable solution before an external mediation route is taken.

#### 3. DISPUTE RESOLUTION OF THE FINNISH BOARD OF TRADING PRACTICES IN THE FOOD SUPPLY CHAIN

The Finnish Board of Trading Practices in the Food Supply Chain was reviewed in spring 2017. This self-regulatory body, initiated by the Finnish Food and Drink Industries ´Federation and the Finnish Grocery Trade Association, operates in connection with the Finland Chamber of Commerce. Based on the EU-level SCI, the independent and impartial Board actively promotes fair business practices by for example interpreting the principles of good practice once a complaint has been filed. Two recommendations on shelflife and written contracts, and one opinion on assortment periods have already been issued.<sup>8</sup>

The Board is open to receive complaints from any party in the food supply chain and therefore does not have a direct membership base. The Board handles disputes anonymously and the most common way to settle a dispute is to negotiate between companies.

The vast majority of the grocery trade sector companies involved are registered at the EU-level SCI.

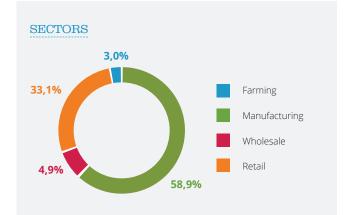
<sup>8</sup> The recommendations and opinions of the Finnish Board of Trading Practices: https://kauppakamari.fi/en/boards/board-trading-practices-food-supply-chain/recommendations/

# **D**. Outcome of the annual survey

When signing up to the SCI, companies commit to take part in the annual compliance survey. This is not compulsory for SMEs, who benefit from the simplified requirements.

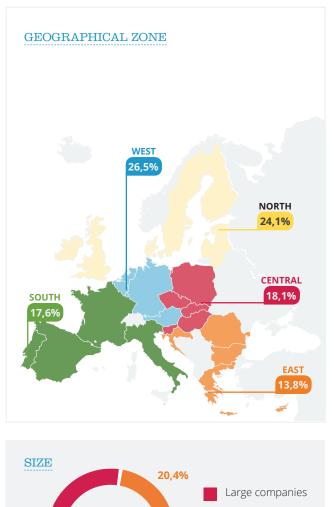
The aim of the survey is to monitor progress on the ground and to evaluate the compliance with the SCI Principles of Good Practice. The survey was conducted by an independent party and responses were submitted anonymously in 22 languages from 28 countries between 3 September 2018 and 6 December 2018.

#### **RESPONSE RATE DISTRIBUTION:**



At the SCI annual event 27 March 2018 from left to right: Anneleen Van Bossuyt (MEP, Chair of IMCO), Else Groen (Independent Retail Europe), Christian Verschueren (EuroCommerce), Pieter Verhelst (Boerenbond)

The survey collected 465 questionnaires from a database of potential respondents of 1.198 registered companies. The response rate is 38%. It should be noted that SMEs constitute almost 70% of the SCI-registered companies. They are encouraged but not required to complete the survey. 79,6% of responses came from large companies.



SMEs

79,6%

#### PROCESS COMMITMENTS

#### TRAINING

- 9 out of 10 companies trained all or part of their staff members;
- 29% have trained over 50 people
- 44% have trained between 11 and 50 people
- 27% have trained less than10 people
- 88% of SMEs trained less than 50 people.
- Every second large company trained more than 50 people





#### COMMUNICATION TO BUSINESS PARTNERS

- Since their registration 84% of the registered companies communicated their adherence to the SCI to their business partners at national and/or group level.
- 35% of large companies have informed their business partners at both national and group level

DISPUTE RESOLUTION	Alleged breaches of Principles of Good Practices faced by SCI registered companies	Complaints received by SCI registered companies
	<ul> <li>20 companies reported having been faced with an alleged breach of at least one of the Principles of Good Practice since 20 November 2017.</li> <li>16 companies solved the issue informally.</li> <li>4 companies were not able to solve the issue informally, as a result of which 1 company lodged 3 complaints.</li> </ul>	<ul> <li>3 companies from the retail sector reported having received a total of 24 complaints since 20 November 2017.</li> <li>All of these complaints were lodged by companies who are not members of the SCI.</li> <li>2 of the companies received three cross-border complaints from companies based in Belgium, Italy and Spain.</li> </ul>
Number of complaints	2 individual complaints and 1 aggregated dispute (but not via the SCI), lodged by 1 retail company (West)	1 company received 1 complaint (West) 1 company received 2 complaints (North) 1 company received 21 complaints (South)
Allegedly breached Principles of Good Practices	<ul> <li>Predictability: 1</li> <li>Compliance: 1</li> <li>Justifiable request: 1</li> </ul>	<ul> <li>Fair dealing: 1</li> <li>Predictability: 1</li> <li>Compliance: 2</li> <li>Justifiable request: 1</li> </ul>
Exposure to commercial retaliation	• Yes for one company (West)	-
Dispute resolution options	<ul> <li>Commercial track: 50%</li> <li>Internal dispute resolution office of the trade partner: 50%</li> </ul>	<ul> <li>Commercial track: 38%</li> <li>Internal dispute resolution office of the trade partner: 23%</li> <li>Mediation: 38%</li> </ul>
Dispute resolution	<ul> <li>Commercial: 1, resolved within four months</li> <li>Internal: 1, resolved within four months</li> </ul>	<ul> <li>Commercial track: 5, of which 3 resolved within four months</li> <li>Internal dispute: 3, all solved within four months</li> <li>Mediation: 5 of which 2 solved within four months</li> </ul>

Note: the number of complaints lodged and received differs which can be explained by the following: • a company raises an issue with a company but it is then solved, so the company does not consider it as a complaint • certain complaints may have been lodged by companies (including SMEs), which are not registered.

#### SATISFACTION

Overall and compared to last year, satisfaction with the SCI remains high among registered companies. 7 out of 10 respondents reported a good level of satisfaction with the SCI.

- 42% of companies were very satisfied with the SCI
- 6 out of 10 SMEs were satisfied to very satisfied with the SCI
- 7 out of 10 of big companies were satisfied to very satisfied with the SCI

Using a scale of 1 to 10, where 1 is low and 10 very high, please indicate your company's overall satisfaction with the SCI?

				8 to 10	Average	8 to 10	Average
Total (N=512)	11% 18%	27%	22% 17%	42%	6.7	42%	6.7
Manufacturing (N=322)	16% 27%	30%	24%	27%	5.7	30%	6.0
Retail (N=142)	6%	21%	16% 6% 4	<b>5%</b> 68%	8.3	70%	8.3
Wholesale (N=35)	4% 9%	26%	48%	<b>4% 9%</b> 61%	7.3	49%	6.9
Farming (N=13)	7% 7%	43%	29%	<b>7% 7%</b> 43%	7.1	31%	6.4
SMEs (N=111) 5%	37%	32%	12% 7% 7%	26%	6.4	30%	6.5
Large (N=401)	12% 14%	26%	25% 199	<b>6</b> 46%	6.8	46%	6.8
West (N=148)	12% 20%	33%	24% 119	6 35%	6.4	34%	6.4
North (N=115)	9% 21%	22%	26% 4% 15%	46%	6.8	47%	7.0
Central (N=90)	10% 13%	31%	23% 2	<b>1%</b> 45%	7.0	46%	6.8
South (N=94)	13% 23%	29%	16% 13%	33%	6.3	36%	6.4
East (N=65)	9% 14%	17% 2	2% 9% 28%	59%	7.3	57%	7.5
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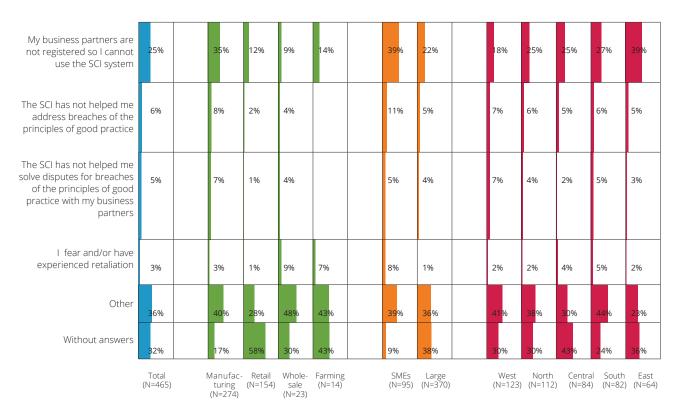
#### IMPACT ON BUSINESS

Companies considered that the SCI has helped them to improve daily communication with their trading partners (43%), improve their internal company processes (24%) and deal with disputes (21%).

In terms of areas for improvement, 25% of respondents stated that their business partners are not registered with the SCI, 6% of respondents regretted that the SCI has not helped them solve disputes for breaches of the Principles of Good Practice with their business partners.

Only 3% of respondents claimed that the fear of retaliation was an issue.

#### What issues with the SCI have you experienced?



## **E.** SCI activities in 2018

#### IMPACT OF THE SCI AT NATIONAL LEVEL

#### 1. RECOMMENDATIONS

#### RECOMMENDATION FOR GOOD PRACTICE ON HANDLING CONFIDENTIALITY AND PUBLICATION

On 9 January 2018, the Governance Group of the SCI published its recommendation for good practice in relation to the principles of fair dealing, information, confidentiality and justifiable request in the context of a new branded product introduction, launch or renovation.<sup>9</sup>

#### 2. GOVERNANCE

## REVISED RULES OF GOVERNANCE AND OPERATIONS $^{10}$

The signatory associations of the SCI revised its Rules of Governance and Operations following the appointment of Michael Hutchings in October 2017. The revised rules were adopted on 2 February 2018. They incorporate the roles and responsibilities of the independent Chair and clarify in particular the aggregated dispute mechanism.

## SCI RULES OF GOVERNANCE AND OPERATIONS NOW AVAILABLE IN 23 LANGUAGES

The SCI Rules of Governance and Operations, which were initially available only in English, have been translated by the European Commission into an additional 22 EU languages.

#### 3. STAKEHOLDER ENGAGEMENT

#### MEETING WITH CHRISTINE TACON, UK GROCE-RIES CODE ADJUDICATOR

Michael Hutchings, Chair of the SCI, met with Christine Tacon on 24 January 2018 for an introductory meeting and to exchange on each other's roles and practices.

#### MEETING WITH MR PELTOMÄKI, DEPUTY DIREC-TOR-GENERAL, EU COMMISSION, DG GROW

Michael Hutchings met with Antti Peltomäki on 02 February 2018 to introduce himself and his role as Chair of the SCI as well as to have an exchange of views on the SCI and its collaboration with the European Commission.

## PRESENTATION AT CLITRAVI 60TH ANNUAL GENERAL ASSEMBLY IN DUBROVNIK

On 17 May 2018 Michael Hutchings, Chair of the SCI, attended the 60th Annual General Assembly of CLITRAVI (the Liaison Centre for the Meat Processing Industry in the European Union) in Dubrovnik. He presented the SCI with a specific focus on the dispute resolution mechanism, which allows companies to raise aggregated disputes anonymously, which are then handled in full confidentiality.

### ATTENDANCE AT THE 6TH MEETING OF THE HIGH LEVEL FORUM SHERPA GROUP

On 14 June 2018, Michael Hutchings attended the 6th meeting of the High Level Forum Sherpa Group, where he made a presentation about the SCI's activities and its ambition to



#### CLITRAVI conference, 17 May 2018

<sup>9</sup> https://supplychaininitiative.eu/recommendation-good-practice-relation-principles-fair-dealing-information-confidentiality-and <sup>10</sup> https://supplychaininitiative.eu/about-initiative/rules handle disputes in the food supply chain. He welcomed the strong support for the SCI expressed by European Commission officials, and their unequivocal call for the farming sector to become active members of the Initiative.

## PRESENTATION AT THE OXFORD SYMPOSIUM: TRENDS IN RETAIL COMPETITION

On 15 June 2018, Ravi Bhatiani, Legal Director of Independent Retail Europe, gave a presentation on the SCI, its origins and its underlying principles at the Oxford Symposium: "Trends in retail competition". The symposium was organised by the Institute of European and Comparative Law and the Centre for Competition Law and policy, both of Oxford University. The international audience included officials, NGOs, brand owners, retailers, economists, lawyers and academics.

## PRESENTATION AT THE 2ND UTP ROUNDTABLE ORGANISED BY KU LEUVEN

Christel Delberghe, Director at EuroCommerce, gave a presentation on the SCI at the 2nd UTP Roundtable organised by the Consumer Competition and Market Research Institute of KU Leuven on 21 June 2018. The roundtable focused on critically assessing the Commission Proposal, and the current state of play including the different regulatory options at national and European level. The SCI issued a follow-up contribution to the conference proceedings to be published in 2019.

#### 4. EVENT AND WORKSHOP

## LAUNCH OF 2017 ANNUAL REPORT AT SCI EVENT ON 27 MARCH 2018

The SCI presented its 2017 annual report<sup>11</sup> at an event on 27 March 2018, with the participation of Anneleen Van Bossuyt MEP, Chair of the EP IMCO Committee and Czesław Adam Siekierski MEP, Chair of the EP AGRI Committee. The event welcomed a wide range of participants from the EU institutions, associations, industry and retail companies from across the supply chain, as well as national stakeholders from across the EU. Speakers also included Carsten Bermig, Member of Cabinet of EU Commissioner Elżbieta Bieńkowska and Olli Wikberg, Vice-Chair of the Finnish Board of the Trading Practices in the Food Supply Chain. Please see Annex III for the full summary of the event.



SCI annual event, 27 March 2018

## WORKSHOP FOR NATIONAL PLATFORMS AND ASSOCIATIONS ON 15 NOVEMBER 2018

On 15 November 2018, the SCI held a workshop that brought together representatives from the SCI signatory organisations, national representatives of the food chain (farmers, industry and retail) from six countries (Belgium, Finland, Germany, Spain, Norway and the Netherlands) and company representatives.

Michael Hutchings, Chair of the SCI, moderated the workshop, which had the following objectives:

- Exchange of information on a number of topics of interest
- Share good practices among platforms, national associations and companies
- Facilitate networking between participants

In four discussion sessions, participants presented their different national systems including the dispute resolution mechanisms and their interaction with members and government bodies. Please see full summary in Annex IV.



SCI Workshop, 15 November 2018

<sup>11</sup> https://supplychaininitiative.eu/file/sci-4thannualreport-march2018pdf

## **F.** The way forward

As a follow-up to the various activities carried out in 2018, the SCI will continue its efforts to promote fair business practices in the food supply chain as a basis for commercial dealings. To this end, in 2019, the SCI will focus on:

#### 1) AWARENESS RAISING ABOUT THE SCI

The SCI is widely recognised for its Principles of Good Practice at national and EU-level. Its membership base is growing consistently and the interaction with national dialogue platforms and similar initiatives has proven to be very fruitful.

#### COMMUNICATION TO INCREASE ITS MEMBERSHIP BASE

- To ensure that the membership base continues to grow and to attract relevant companies, the SCI will work together with national platforms and associations to place a number of articles in trade publications at national level. The aim is to inform more widely about the added-value of the SCI and its dispute resolution mechanism.
- The SCI will also continue to encourage SMEs to sign up to the SCI by working with relevant associations. The procedure for SMEs is lighter and simpler, which will be highlighted in future communications.

#### EXTERNAL PRESENTATION

The Chair, Michael Hutchings, is committed to continue engaging with stakeholders at national and EU-level. He will promote the SCI at conferences and be available for media interviews. Face-to-face meetings will also be arranged with relevant stakeholders and national platforms or associations to discuss any issues of concern.

#### 2) BUILDING TRUST FOR THE DISPUTE RESOLUTION MECHANISM

The dispute resolution mechanism has been strengthened through the appointment of the independent Chair and the revision of the SCI Rules of Governance and Operations. The Chair has also put in place a procedure to ensure that confidentiality and anonymity of the parties is ensured at every stage.

#### COMMUNICATION ON THE DISPUTE RESOLUTION MECHANISM

To build trust around the dispute resolution mechanism, the Chair will communicate specifically on the SCI system in dedicated articles and in his presentations at conferences or during meetings. The website will also be updated to include further guidance as and when necessary.

#### PROMOTING NATIONAL MECHANISMS

Given that disputes are first and foremost resolved at national level and are in many instances based on the SCI Rules of Governance and Procedures, the SCI will further promote the work of national dialogue platforms and initiatives. Recommendations or opinions that are based on a dispute resolution, will be highlighted by the SCI to disseminate key learning and showcase the value of these mechanisms.

#### 3) EXCHANGE OF BEST PRACTICES AND MEA-SURING IMPACT

Ensuring good practices are shared among actors along the food supply chain is an important part of the SCI's objectives.

#### FACILITATE THE EXCHANGE OF BEST PRACTICES AMONG NATIONAL PLATFORMS AND MEMBER COMPANIES

Building on the success in past years, a workshop will be organised in 2019. The objective will be to exchange information, successes and learnings among national platforms and member companies. A number of initiatives are working on opinions, dispute resolution mechanisms or aim at setting-up national platforms in their countries. This will be the occasion to hear about and learn from all these latest developments.

#### MONITOR THE PERFORMANCE OF THE SCI THROUGH THE ANNUAL SURVEY

The annual survey is an important tool to measure the impact of the SCI and the application of the Principles of Good Practice in day-to-day interactions. The annual survey will take place at the end of 2019 to collect insights on its impact on the ground.

## **Annex I.** Principles of Good Practice - Examples

Practice	Examples of <u>Unfair Practices</u>	Examples of Fair Practices
Agreements - written / unwritten	<ul> <li>Refusing or avoiding to put essential terms in writing. This makes it more difficult to establish the intent of the parties and to identify their rights and obligations under the contract.</li> </ul>	<ul> <li>Contracting parties ensure that the agreement is in writing, unless impracticable or where oral agreements are mutually acceptable and convenient. The agreement contains precise circumstances and detailed rules under which the parties can jointly modify the terms of the agreement, in a timely and informed way, including the process for setting the necessary compensation for any costs resulting for either party.</li> <li>The provisions of the written contract are clear and transparent.</li> <li>When contracts are not written, one of the parties sends a written confirmation afterwards.</li> </ul>
General terms and condition	<ul> <li>Imposing general terms and conditions that contain unfair clauses.</li> </ul>	<ul> <li>Using general terms and conditions that facilitate business activity and that contain fair clauses.</li> </ul>
Termination	<ul> <li>Unilaterally terminating a commercial re- lationship without notice, or subject to an unreasonably short notice period and without an objectively justified reason, for example on the grounds that unilateral sales targets are not reached.</li> </ul>	<ul> <li>The unilateral termination of the agreement respects the agreement and due process and is in accordance with applicable law.</li> </ul>
Contractual sanctions	<ul> <li>Contractual sanctions are applied in a non-transparent manner and are disproportio- nate to damages suffered.</li> <li>Sanctions are imposed without any justification in the agreement or the applicable law.</li> </ul>	<ul> <li>If a party fails to meet its obligations, contractual sanctions are applied in a transparent way, in respect of the agreement and proportional to the damages.</li> <li>Contractual sanctions are agreed in advance, are proportionate for both sides and are applied in order to compensate damages.</li> </ul>
Unilatoral actions	<ul> <li>Non-contractual retroactive unilateral changes in the cost or price of products or services.</li> </ul>	<ul> <li>A contract contains legitimate circumstances and conditions under which subsequent unilateral action may be permitted.</li> </ul>
Information	<ul> <li>Withholding essential information relevant to the other party in contractual negotiations and which the other party could legitimately expect to receive.</li> <li>A contracting party uses or shares with a third party, sensitive information provided confiden- tially by the other contracting party, without the latter's authorization, in a way that enables it to obtain a competitive advantage.</li> </ul>	<ul> <li>Providing relevant essential information to the other party in contractual negotiations and ensuring that information is not misused.</li> </ul>

Practice	Examples of <u>Unfair Practices</u>	Examples of <u>Fair Practices</u>
Entrepreneurial risk allocation	<ul> <li>Transfer of unjustified or disproportionate risk to a contracting party, for example imposing a guarantee of margin via payment for no performance.</li> <li>Imposing a requirement to fund a contracting party's proprietary business activities.</li> <li>Imposing a requirement to fund the cost of a promotion.</li> <li>Preventing a contracting party from making legitimate marketing and promotional claims on their products.</li> </ul>	<ul> <li>Different operators face specific risks at each stage of the supply chain – linked to the potential rewards for conducting business in that field. All operators take responsibility for their own risks and do not unduly attempt to transfer their risks to other parties.</li> <li>Transfer of risk which is negotiated and agreed by the parties to obtain a win-win situation.</li> <li>Contracting parties agree the terms and conditions corresponding to their contribution to either parties' proprietary activities and/or promotional activities.</li> </ul>
Listing Fees (upfront access payments)	<ul> <li>Imposing listing fees that are disproportionate to the risk incurred in stocking a new product.</li> </ul>	• When listing fees - used to mitigate the risk incur- red in stocking a new product - are agreed between both parties, and they are proportionate to the risk incurred.
Threatening business disruption	<ul> <li>Threatening business disruption or the termination of the business relationship to obtain an advantage without objective justification, for example by punishing a contracting party for exercising its rights.</li> <li>Demanding payment for services not rendered or goods not delivered, or demanding payments manifestly not corresponding to the value/cost of the service rendered.</li> </ul>	
Tying	<ul> <li>Imposing on a contracting party the purchase or supply of a set of products or services tied to another set of products or services -either from one of the contracting parties or from a designated third party.</li> </ul>	<ul> <li>The contracting parties agree to tie products or services that increase the overall efficiency and/or sustainability of the supply chain and bring benefits to consumers and both contracting parties.</li> </ul>
Delivery and reception of goods	<ul> <li>Deliberately disrupting delivery or reception schedule to obtain unjustified advantage.</li> </ul>	<ul> <li>Deliveries which arrive at the agreed time allow suppliers to plan, well in advance, their production and manufacturing processes and delivery timetables, and allow buyers to plan the reception, storage and display of the goods delivered.</li> <li>If a party needs to deliver or receive early / late / partially, they forewarn the other party as early as possible and in line with the written agreement.</li> </ul>

# **Annex II.** Registered companies

sme	company	sector
*	2 Sisters Storteboom	Manufacturing
*	A Casa da Fruta, Lda	Manufacturing
*	A. Moras & Comp. GmbH & Co. KG	Manufacturing
*	A.O. Siegmund Liköre & Destillerie	Manufacturing
*	A&A EXPRODCOM SRL	Manufacturing
*	A+Z Risnovsky, Halasz s.r.o.	Manufacturing
*	Aarts Conserven BV	Manufacturing
*	AB silos du touch french soytouch	Farming
*	Abattoir et Marché de Bastogne SA	Wholesale
*	ADKON s.r.o.	Farming
*	AG Products Ltd.	Wholesale
*	AGRISTAR D.O.O.	Manufacturing
*	AGRO NP Ltd.	Wholesale
	Ahold Delhaize	Retail
*	AJAX DISTRIBUCIJA DOO	Wholesale
*	Alberto Fernandes & Filhos Lda	Farming
	ALCAMPO, S.A. (Groupe AUCHAN)	Retail
	ALDI NORD	Retail
	ALDI SÜD	Retail
*	Alfa Sorti s.r.o.	Manufacturing
	ALMENDRAS LLOPIS SAU	Manufacturing
*	Alpi Commerce LTD	Manufacturing
	ALWERA AG	Farming
*	Amanda Seafoods A/S	Manufacturing
*	amir	Farming
*	Anamas Distributors	Wholesale
	ANGST RO SRL	Manufacturing
*	APTUNION INDUSTRIE SAS	Manufacturing
*	Aqua Mania Sp. Z o.o	Wholesale
*	Argal Deutschland GmbH	Wholesale
	Arla Foods	Farming
*	ASCOMMERCE d.o.o.	Manufacturing
*	Athenian Family Bakery SA	Manufacturing
*	Atlanta A.M. Sp. z o.o.	Wholesale
*	Atlantic Seafoods (Europe) Limited	Wholesale
*	Atlantic-Co	Manufacturing

	August Storck KG	Manufacturing
*	Austerschmidt Frische Bäcker GmbH & Co. KG	Manufacturing
*	B. Pott eK	Manufacturing
*	BACI DOLCI Ltd	Manufacturing
	Bakery Supplies Europe Holding bv	Manufacturing
*	BALCHO AGRO PRODUCT LTD	Manufacturing
	Balkam Group LTd	Manufacturing
*	Baltus BV; Trade name: StarCuisine	Manufacturing
*	Banfruit, S.L.	Wholesale
*	Banketbakkerij Nora BV	Manufacturing
	Bavaria	Manufacturing
*	Bendell Vertriebs GmbH	Wholesale
	BENEO	Manufacturing
*	Berief Feinkost GmbH	Manufacturing
*	Bernbacher GmbH & Co. KG	Manufacturing
*	Bernhard Werner Nahrungsmittel Produktions- und Handels GmbH	Manufacturing
*	BG LINE 2014 LTD	Manufacturing
*	Bidde e.K.	Wholesale
*	Bidvest Slovakia s.r.o.	Wholesale
	Bieze Food Group BV	Manufacturing
*	Binderer St. Ursula Weinkellerei GmbH	Manufacturing
*	Bio Superfruits	Retail
*	BIO-TERRA ENERGY SRL	Wholesale
*	BODEGAS PRINCIPE DE VIANA SL	Manufacturing
	Bomadek Sp. z o.o.	Manufacturing
*	Bräuner A/S	Manufacturing
*	Brennerei Grüner Baum	Manufacturing
*	Budweiser Budvar SK, s.r.o.	Wholesale
*	BÚŠLAK OIL, s.r.o.	Manufacturing
*	BUYALL TRADE LDA	Wholesale
*	BWF GmbH	Manufacturing
	C.I.V. Superunie B.A.	Retail
*	Carl Jung GmbH	Manufacturing
	Carletti A/S	Manufacturing
	CARREFOUR	Retail
*	CASSUA Sociedad Limitada	Wholesale
*	CCC GmbH	Wholesale
*	CCEL - Casa das Carnes do Ervedal Lda	Manufacturing
	Central Cooperative Union - Bulgaria	Retail
*	CENTRAL DICA S.A,	Wholesale
*	Chr. Storz GmbH & Co. KG	Manufacturing
	Cloetta AB	Manufacturing
	Coca-Cola European Partners Deutschland GmbH	Manufacturing

	Coca-Cola Europe Group / S.A. Coca-Cola Services N.V.	Manufacturing
	Coca-Cola HBC AG	Manufacturing
	Colruyt Group	Retail
*	Columbus srl	Manufacturing
*	Concorp Holding B.V.Company	Manufacturing
*	Confiserie Jonas	Manufacturing
	Coop Danmark A/S	Retail
*	Corod - Costa Rodrigues Intertrading, Lda	Retail
*	Covifrio, Entreposto de Frio Agrícola da Cova da Beira, Lda.	Wholesale
*	crisbiss GmbH	Manufacturing
*	D & P Feinkost GmbH	Wholesale
*	Daloon. A/S	Manufacturing
*	Dan Cake A/S	Manufacturing
*	De Menken keuken	Manufacturing
*	De Ree Holland BV	Manufacturing
*	DEH D. Entrup-Haselbach GmbH & Co. KG	Wholesale
*	DEKOBACK GmbH	Wholesale
*	Derpan SRL	Manufacturing
*	DIE-OR-NUDELN	Manufacturing
	DLG Food	Manufacturing
*	Dr. Willi Knoll GmbH & Co. KG	Manufacturing
*	Easyfood A/S	Manufacturing
	EDEKA ZENTRALE AG & Co. KG	Wholesale
*	Einig- Zenzen Gmbh& Co KG	Manufacturing
*	ELMARCRETE SA	Manufacturing
*	EMA'S A/S	Wholesale
*	EQUUS a.s.	Manufacturing
*	ERCE, s.r.o.	Manufacturing
*	ERICH TRAPP GmbH & Co. KG	Manufacturing
	ESEM GROUP	Wholesale
*	ET "Georgi Stefanov-Zlatarov"	Manufacturing
	Etelä-Karjalan Osuuskauppa	Retail
	Etelä-Pohjanmaan Osuuskauppa	Retail
	eterna Nahrungsmittel GmbH	Wholesale
*	EurCentrumSlovakia s.r.o.	Manufacturing
*	Euro Pâtisserie Producties-Twello BV	Manufacturing
*	EUROSALT MANUFACTURING SRL	Manufacturing
*	Evrobrands Ltd.	Wholesale
*	EWG Eberswalder Wurst GmbH	Manufacturing
*	Ewig & Selt GmbH	Manufacturing
*	Exotic Snacks AB	Wholesale
*	F.K. Trube Oy	Manufacturing
	F.lli Polli S.p.A.	Manufacturing

*	Feingebäckhandel Groß	Retail
*	FEMINIA FAMILY s.r.o.	Wholesale
	Ferrero International S.A.	Manufacturing
*	Fleisch- und Wurstwaren Schmalkalden GmbH Thüringen	Manufacturing
*	Fobos Ltd	Manufacturing
*	Food Sense	Wholesale
*	Foodhub.hu Nonprofit Ltd.	Retail
*	Foodmark Sweden AB	Manufacturing
*	Fornetti Bulgaria EOOD	Wholesale
*	Franz Tress GmbH & Co. KG	Manufacturing
*	FRESH DIRECT Ltd.	Wholesale
*	fresh five* premiumfood GmbH	Wholesale
*	freshcompany GmbH	Manufacturing
	FrieslandCampina Cheese & Butter B.V.	Manufacturing
	FrieslandCampina Consumer Products Europe B.V.	Manufacturing
*	Fritz Schur Consumer Products A/S	Wholesale
	Friweika eG	Manufacturing
	FROMAGERIES BEL	Manufacturing
*	G.V.EL ZAMORANO, S.A.	Manufacturing
*	G&S Import	Retail
*	Galop d.o.o.	Wholesale
*	GASTROM s.r.o.	Wholesale
*	Gemüsering Spreewald GmbH	Farming
	Giaguaro S.p.A.	Manufacturing
	GlaxoSmithKline Consumer Healthcare Europe	Manufacturing
*	Global Food Company Ltd	Manufacturing
*	Global Fruit Point GmbH	Wholesale
*	GMParsa7	Wholesale
*	Goldeck Süßwaren GmbH	Manufacturing
*	GOODMILLS BULGARIA EOOD	Manufacturing
*	Gottfried Friedrichs KG GmbH & Co	Manufacturing
*	GRANETTE & STAROREŽNÁ Distilleries Slovakia, spol. s r.o.	Wholesale
	Gredon Invest Oy / Chocolate Factory Dammenberg	Manufacturing
*	Großenhainer Geflügelhof GmbH & Co.KG	Farming
*	Grotto Trade s.r.o.	Manufacturing
*	Growers Packers Direct BV	Wholesale
	Grupo Chocolates LaCasa	Manufacturing
	Gümüşdoğa Su Ürünleri İth. ve İhr. A.Ş (Seafood Co.)	Manufacturing
	Günthart & Co. KG	Manufacturing
	Halloren Schokoladenfabrik AG	Manufacturing
*	Haluco B.V.	Wholesale
	Heinrich Kühlmann GmbH & Co. KG	Manufacturing
	Hellefors Bryggeri AB	Manufacturing

	Hellema Hallum B.V.	Manufacturing
	Helsingin Osuuskauppa Elanto	Retail
*	Helwa Wafelbakkerij bv	Manufacturing
*	Henri BV	Manufacturing
		ÿ
*	Herres Gruppe International	Manufacturing
*	Hettrik LTD	Manufacturing
*	HiTi Light . Ltd.	Farming
	Hlebna promishlenost.ad	Manufacturing
*	HO&PE FAMILY, s.r.o.	Manufacturing
*	Hoch Oblatenfabrik GmbH	Manufacturing
*	Hof Mues GmbH	Wholesale
	Hoffnungstaler Werkstätten GmbH	Manufacturing
*	Hygesia spol. s r.o.	Wholesale
	IBERFRUTA-MUERZA S.A.	Manufacturing
	ICA Sweden	Wholesale
*	Ideal Product	Manufacturing
*	INDUSTRIAS CARNICAS CALEIRO SL	Farming
*	Ing. Ľubomír Čupka TATRAPET, export-import, chovateľské potreby	Manufacturing
*	InterBakery Food Group Gmbh Wholesale	
*	INTERCOM SARMIS SRL	Retail
	ISCAL SUGAR	Farming
*	ISIDRO DE LA CAL-FRESCO, S.L.	Wholesale
	J. G. Niederegger GmbH & Co. KG	Manufacturing
*	J.M. Levarht & Zn. B.V.	Wholesale
*	JACOB SA	Wholesale
*	Jaroslav Ostrožovič - J. & J. Ostrožovič	Manufacturing
	JERMI Käsewerk GmbH	Manufacturing
	JERONIMO MARTINS GROUP	Retail
	Jovimer S.L	Wholesale
*	Jukolan Osuuskauppa	Retail
	Jumbo Supermarkten B.V.	Retail
*	Kafina 13 ltd	Manufacturing
*	Karl Inführ KG Wein- und Sektkellereien	Manufacturing
*	KATHI Rainer Thiele GmbH	Manufacturing
	Kaufland Warenhandel GmbH & Co. KG	Retail
	Kellogg Company	Manufacturing
	Kesko Food Ltd	Retail
*	Key2Food ApS	Wholesale
	kff kurhessische fleischwaren GmbH	Manufacturing
	KiMs A/S	Manufacturing
*	Kleinemas Fleischwaren GmbH & Co KG	Manufacturing
	Kohberg Bakery Group	Manufacturing
	Koillismaan Osuuskauppa	Retail

* * * * *	KOMAKO s.r.o. PREŠOV         Kompek, kombinát pekařské a cukrářské výroby, spol. s r.o.	Wholesale           Retail
*		Relall
		Mana facturing
^	Konditorei Stehwien GmbH	Manufacturing
	Koninklijke Peijnenburg	Manufacturing
*	Kornélia Dimičová Pekáreň NELA	Manufacturing
*	Kreyenhop & Kluge GmbH & Co. KG	Wholesale
	KRONOS SA	Manufacturing
	Kunstmühle Reisgang, Josef Scheller GmbH	Manufacturing
*	Küper Import GmbH	Manufacturing
	Kymen Seudun Osuuskauppa	Retail
	Långås Potatis & Rotfrukter AB	Wholesale
	Lantmännen ek för	Manufacturing
*	LASKA DALBOSS, spol. s r.o.	Wholesale
*	Lautergold Paul Schubert GmbH	Manufacturing
*	lemberona handels Gmbh	Manufacturing
	Lidl Stiftung & Co. KG	Retail
*	LLC Murkoff	Manufacturing
*	Lohkamp & Schmilewski GmbH	Wholesale
*	Lucullus Backen & genießen GmbH & Co KG	Manufacturing
	Ludwig Weinrich GmbH	Manufacturing
	LVK VINPROM LTD	Manufacturing
*	MaBu Bakery Vertriebs GmbH	Wholesale
*	MADIG-MREŽNICA D.O.O.	Farming
*	MAGIMEX LTD	Manufacturing
*	MAKIN NUT COMPANY	Farming
*	Manolo´s Food GmbH	Wholesale
*	MANUEL BUSTO AMANDI, S.A.	Manufacturing
*	MÁNYA, spol. s r.o.	Wholesale
*	Mardešić d.o.o.	Manufacturing
	Marnevall Ltd	Manufacturing
*	MAROVINA	Manufacturing
	Mars Incorporated	Manufacturing
*	Martines Caffe	Retail
*	MAXXIUM BULGARIA LTD	Wholesale
*	Meienburg GmbH & Co. KG	Wholesale
	Mercadona S.A.	Retail
*	Mes-ko Ltd.	Manufacturing
	Messokombinat Lovech SA, part of BONI HOLDING SA	Manufacturing
	Metro AG	Retail, Wholesale
	METRO ANONYMI EMPORIKI KAI VIOMICHANIKI ETAIREIA EIDON DIATROFIS KAI OIKIAKIS CHRISEOS (ORGANISATION SHORT NAME "METRO SA GREECE")	Retail
*	Mia Foods 21 Ltd	Manufacturing

	Midor AG	Manufacturing
*	mirco della vecchia chocolate	Manufacturing
*	Miti 01 Ltd	Manufacturing
	Mitteldeutsche Erfrischungsgetränke GmbH & Co. KG	Manufacturing
*	Mljekara Sinj d.o.o.	Wholesale
	Mondelez Europe GmbH	Manufacturing
*	Monidy Group	Wholesale
*	Munakunta	Manufacturing
	Musgrave Group	Retail
	Musgrave Group PLC	Wholesale
*	Nedato B.V.	Manufacturing
	Nestlé S.A.	Manufacturing
*	Nupo A/S	Manufacturing
*	Odin Seafoods GmbH	Wholesale
*	ÖĞÜT ORGANİK TARIM ÜRÜNLERİ SAN. VE TIC. LTD. ŞTİ.	Manufacturing
	Osuuskauppa Arina	Retail
	Osuuskauppa Hämeenmaa	Retail
	Osuuskauppa Keula	Retail
	Osuuskauppa KPO	Retail
	Osuuskauppa Maakunta	Retail
	Osuuskauppa PeeÄssä	Retail
	Osuuskauppa Suur-Savo	Retail
	Osuuskauppa Varuboden-Osla Handelslag	Retail
	Osuuskaupppa Keskimaa	Retail
*	Pannon Food Slovakia s.r.o.	Wholesale
*	PARANHOCARNES-Industria e Comercio de Carnes, SA	Manufacturing
*	PÄX Food AG	Manufacturing
*	PEMA Vollkorn-Spezialitäten Heinrich Leupoldt KG	Manufacturing
*	Peoplebelgi Events Lda	Wholesale
	PepsiCo	Manufacturing
*	Perales y Ferrer, S.L	Manufacturing
*	Perutnina Romania SRL	Retail
*	Pescado EAD	Wholesale
*	PICO Food GmbH	Wholesale
*	Pirifan DIstribution SRL	Manufacturing
	Pirkanmaan Osuuskauppa	Retail
*	Pit Süßwaren & Nährmittelfabrik Hoffmann GmbH & Co.KG	Manufacturing
*	Pivnica Tibava s.r.o.	Manufacturing
*	Pocket Drink GmbH	Wholesale
	Pohjois-Karjalan Osuuskauppa	Retail
*	PP VINKOVIĆ ZLATKO	Farming
*	PRELIKA, a.s. Prešov	Manufacturing
*	Premira s.r.o.	Wholesale

*	Premium Sweets Import-Export	Wholesale
*	Prika Dairy Industry BV	Manufacturing
*	Prinsen Food Group BV	Manufacturing
*	Private Product Label A Trademark of Investnetco Eood, Ltd	Manufacturing
*	Production Group Amazis sp. z o.o.	Farming
*	Profitia Management Consultants Mazurowski i Wspólnicy Sp. j.	Wholesale
*	Punali s.r.o.	Wholesale
*	QUIZA Sp. z O.O.	Wholesale
*	Radner Brot GmbH Vertriebsgesellschaft	Wholesale
*	Rahdener Spargel & Beerenfrüchte GmbH	Wholesale
*	Regia Logistik, spol. s r.o.	Wholesale
*	Rekin Jan Mozolewski i Wspólnucy Spółka Jawna	Manufacturing
	Remia C.V.	Manufacturing
	REWE Group	Retail
*	RiD s. r. o.	Manufacturing
*	ROMAN S.N.C.	Manufacturing
*	Romfood Trading	Retail
*	ROQUEVALE- SOCIEDADE AGRICOLA HERDADE DA MADEIRA SA	Farming
	Royal Smilde	Manufacturing
*	RYBÁRSTVO-Požehy,s.r.o.	Manufacturing
*	S.C. PAU - PAN S.R.L.	Manufacturing
*		
*	S.C. WEST INVEST S.R.L.	Wholesale
*	S.G. PROMET d.o.o.	Wholesale
	Saalemühle Alsleben GmbH	Manufacturing
*	Saarioinen Oy	Manufacturing
	Sabiedriba IMS	Manufacturing
*	Sabores do Vez - Fumeiro Tradional Unipessoal, Lda	Manufacturing
	SAFIR SRL	Manufacturing
*	SALTEMPO SRL	Manufacturing
*	Samsø Syltefabrik A/S	Manufacturing
*	SANDANA COM SRL	Manufacturing
	Satakunnan Osuuskauppa	Retail
*	SC AMYLON SA	Manufacturing
*	SC DACIA PLANT SRL	Manufacturing
	SC FOX COM SERV DISTRIBUTION SRL	Manufacturing
*	SC LIDO GIRBEA SRL	Manufacturing
*	SC MARIEN PRESSZO SRL	Manufacturing
*	SC United Brands of Balkans SRL	Manufacturing
*	SC VALCO SA	Wholesale
*	SchapfenMühle GmbH & Co. KG	Manufacturing
*	SCM COLIN DAILY	Manufacturing
*	Seamar Europe srl	Wholesale

*	SEDMO NEBO D.O.O.	Wholesale
*	Segafredo Zanetti Danmark ApS	Wholesale
*	SHMIDT LTD	Wholesale
*	Sia Azina omercfirma Markets	Wholesale
*		
	Simoes Lda	Wholesale
	SISA S.p.A.	Retail
*	Slavyanka - Ltd.	Manufacturing
	Sonae	Retail
*	SOSALT spa	Manufacturing
	Soubry J. NV	Manufacturing
*	Special Fruit	Wholesale
*	Spezialitäten aus Europa GmbH	Wholesale
*	SPREEwaffel Berlin-Pankow GmbH	Manufacturing
	Stadtbäckerei Schaller GmbH	Manufacturing
*	Stangl GmbH & Co. Gemüse KG	Manufacturing
*	Stanhal-Eco Food Natalia Januszewska	Retail
*	Stenger Waffeln GmbH	Manufacturing
*	STERN Società Cooperativa per Azioni	Wholesale
*	Sudoberry SA	Farming
*	Sulá GmbH	Manufacturing
	Suomen Osuuskauppojen Keskuskunta	Retail
	SUPERMERCADOS SABECO SA	Retail
*	Sureste Productos Hosteleros, S.L.	Manufacturing
	Suur-Seudun Osuuskauppa SSO	Retail
*	Sweet way LTD	Manufacturing
	TEB grupo cooperativo SCCL	Manufacturing
*	Tesagro Industry	Manufacturing
	Tesco Plc	Retail
*	The Friendly Farmer	Farming
*	The Whole Company	Manufacturing
*	Torribas S.A.	Manufacturing
*	Trade & More, S.L.	Wholesale
*	Tradicia-Enchidos Artesanais do Alentejo, Lda.	Manufacturing
*	Transimpex Warenhandelsgesellschaft GmbH	Manufacturing
*	TRIOMAT s.r.o.	Wholesale
	Tuko Logistics Osk.	Wholesale
	Turun Osuuskauppa	Retail
*	TYRBUL EAD	Manufacturing
	Unilever	Manufacturing
	Unternehmensgruppe Mineralbrunnen Wüllner	Manufacturing
	VAL ORBIEU UCCOAR	Manufacturing
*	Valvis Holding Distribution SA	Retail
*	Van Dijk Banket B.V.	Manufacturing
	van bijk banket b.v.	Manalactaling

*	Varga Quattro SRL	Manufacturing
*	Vega Star Trading JSC	Retail
*	Venianina Ltd	Manufacturing
	Verstegen Spices & Sauces B.V.	Manufacturing
*	Vid Vica, SL	Manufacturing
*	VINEX PRESLAV AD	Manufacturing
*	VINO ŽUPA d.o.o.	Wholesale
*	Virema Trade s.r.o.	Wholesale
*	Vleeswarenfabriek Henri van de Bilt B.V.	Manufacturing
*	W. Blasko Convenience Fertiggerichte GmbH	Manufacturing
	WAWI-Euro GmbH	Manufacturing
*	Weingut Wilhelm Zähringer GmbH	Farming
*	White s.r.o.	Manufacturing
	Wiesbauer Österreichische Wurstspezialitäten GmbH	Manufacturing
	Wihuri Oy	Wholesale
*	Wilhelm Kern GmbH	Manufacturing
	WM. Wrigley Jr Company	Manufacturing
	Yakult Europe B.V.	Manufacturing
	ZANETTI SPA	Manufacturing
*	Zhivkovi Ltd.	Farming
*	ZOOBEL Ltd	Retail
	Zur Mühlen Gruppe Markenvertriebs GmbH	Manufacturing
*	Аграна Трейдинг ЕООД	Wholesale
*	ЕТ ИВИЛ-ИВАН КРЪСТЕВ	Manufacturing
*	ИДА ПРОДАКШЪН ЕООД	Manufacturing
*	Калина ООД	Wholesale
*	Колев и сие-Ескада СД	Manufacturing
*	Кроки ООД	Manufacturing
*	Кръстилов ООД	Manufacturing
*	Меркурий П и П АД	Manufacturing
*	Паскалев 86 ООД	Manufacturing
*	ПРОЕКТ ТРЕЙДИНГ ЕООД	Wholesale
*	Тръст Интернационал ЕООД	Wholesale
*	Юнивиста ООД	Wholesale

## **Annex III.** Supply Chain Initiative annual event

The annual event of the Supply Chain Initiative took place on 27 March 2018 at the Thon Hotel EU and was attended by 68 participants from the EU institutions, associations, industry and retail companies from across the supply chain, as well as national stakeholders from across the EU.

#### SUMMARY 27 March 2018, 09.30-11.30 Thon Hotel EU

The event was moderated by Michael Hutchings, Chair of the SCI. The speaker's panel consisted of Anneleen Van Bossuyt MEP, Chair of the IMCO Committee and Czesław Adam Siekierski MEP, Chair of the AGRI Committee, Carsten Bermig, Member of Cabinet of Elżbieta Bieńkowska and Olli Wikberg, Vice-Chair of the Finnish Board of the Trading Practices in the Food Supply Chain.

#### THE PRESENTATIONS WERE WELL RECEIVED AND THE DISCUSSIONS INSIGHTFUL. KEY POINTS FROM THE EVENT:

#### STAKEHOLDERS RECOGNISE AND SUPPORT THE ROLE OF THE SCI IN PROMOTING FAIR BUSINESS PRACTICES IN THE FOOD SUPPLY CHAIN.

- Carsten Bermig emphasised that the European Commission believes that self-regulation is important. It has promoted and supported the SCI in the past and will continue to do so. He recognised the added value of the Principles of Good Practice, which are an important reference point also for the agricultural market task force.
- Anneleen Van Bossuyt stated that the SCI is one of the most known instrument in promoting fair business practices and commercial dealings. It has grown steadily and its Principles of Good Practice are used as a standard. The SCI contributes to triggering a cultural change in the food supply chain. It is in the interest of all players to continuously improve the SCI.

#### THE SCI IS MAKING CONTINUING PROGRESS IN PROMOTING GOOD TRADING PRACTICES BUT THERE IS ROOM FOR IMPROVEMENT

• The annual survey results presented by Michael Hutchings showcase the continuous growth of the SCI registry of companies from all over Europe. Communicating about the SCI and training staff on the Principles have shown good results and the overall satisfaction rate with the SCI remains high. Enhancing the awareness about the SCI is important to ensure future growth and success.

- Carsten Bermig positively noted that the SCI has acted on two of the three recommendations made by the Commission in its 2016 report. These related to confidentiality, independent governance and lack of sanctions. With the appointment of Michael Hutchings and the review of the Rules of Governance and Operations, the first two recommendations have been followed-up on, however the lack of sanctions remains a weakness.
- Various participants noted the lack of farmer involvement in the SCI and the European Commission assured that it has and will continue to encourage farmers to engage.
- Confidentiality and anonymity is a key component of the SCI dispute resolution mechanism
- Michael Hutchings presented the dispute resolution mechanism of the SCI and highlighted the importance of ensuring confidentiality and anonymity, which is guaranteed through his appointment. He noted that in most cases disputes will be resolved amicably and by internal company procedures. Some disputes may lead to mediation and the involvement of national platforms. Only if none of these processes work, will these organisations have the option to refer a dispute to the SCI. These will usually be aggregated and cross-border disputes.

#### NATIONAL PLATFORMS ARE DIVERSE BUT DIALO-GUE IS IMPORTANT IN ALL COUNTRIES

- Michael Hutchings explained that every national platform or initiative is different and adapted to the national specificities. Some are linked to legislative frameworks, others have a mixed system and a few are voluntary. The SCI promotes a dialogue amongst the national platforms by organising yearly workshops.
- The Finnish Board of the Trading Practices in the Food

Supply Chain, presented by Olli Wikberg is linked to the Finnish Chamber of Commerce and has a legalistic approach. It has issued thee opinions and two recommendations since the revision of the platform in 2017 (it was originally set-up in 2014). There is no registration system, the platform is open to all actors and all requests are handled anonymously.

- Pieter Verhelst (Boerenbond) explained that the Belgian SCI includes all stakeholders including farmers and works on the basis of a Code of Conduct. It has a wide remit including sector specific and professional agreements. The basis for dispute resolution is mediation and negotiation rather than a legalistic approach. Up to five informal disputes are resolved annually. Many complaints are already resolved by preventive solutions bilaterally by companies.
- Michael Hutchings stressed the virtue of constant dialogue. In many cases the informal process helps understand reality and can provide important insights to issue recommendations.

#### ACCORDING TO THE EUROPEAN COMMISSION, THE FUTURE LEGISLATION AND THE SCI ARE COMPLEMENTARY, DETAILS WILL BE CLARIFIED IN THE UPCOMING PROPOSAL

- Carsten Bermig stated that the upcoming proposal on UTPs will complement the existing initiatives at EU and national level. The Commission measures are not about replacing the SCI. A large amount of Member States already regulates on UTPs and the aim is to close the gap while recognising that no size fits all. It is about setting a minimum standard. Dispute resolution would still start with bilateral talks, followed by national platform mechanisms, failing of which the SCI would be resorted to. Only after these steps, the legislative approach would be applicable. He also suggested to discuss this topic further at the next High Level Forum, which takes place at the end of the year and is preceded by two Sherpa meetings.
- Pieter Verhelst agreed that the first resort is dialogue and mediation but, in the end, there is still an imbalance in power. If dialogue does not lead to a dispute resolution, there needs to be a last resort solution in form of legislation, which in many countries is not in place. This will also be an important argument in getting farmers around the table.

# **Annex IV.** Summary of the SCI workshop (15 nov 2018)

#### PURPOSE AND ATTENDANCE

On 15 November 2018, the SCI held a workshop that brought together representatives from the SCI signatory organisations, national representatives of the food chain (farmers, industry and retail) from six countries (Belgium, Finland, Germany, Spain, Norway and the Netherlands) and company representatives<sup>12</sup>.

Michael Hutchings, Chair of the SCI, moderated the workshop, which had the following objectives:

- Exchange of information on a number of topics of interest
- Share good practices among platforms, national associations and companies
- · Facilitate networking between participants

Participants were reminded that the workshop was held in full compliance with competition and anti-trust guidelines

## EXCHANGE OF INFORMATION AND BEST PRACTICES

In four discussion sessions, each led by a national platform, participants used the following questions as a basis to exchange information on their different national models:

- How do we make sure everyone in the supply chain is involved in the SCI?
- How do platforms interact with their members and with government bodies?
- What is the value of opinions and recommendations?
- How does the dispute resolution mechanism work and what is its role?

#### BELGIAN SUPPLY CHAIN INITIATIVE

• The Belgian platform brings together all participants in the supply chain (retail, industry, farming and SMEs) in a common understanding that it will be beneficial to unite and to self-regulate. A code of conduct has been drawn-up as well as sector specific guidelines. A common lobby agenda is defined on topics of interest for instance on animal welfare, swine flu or on how to facilitate exports.

- The alignment on key messages, a common approach to challenges and the focus on a variety of topics has proven to be an important element in bringing all stakeholders around the table. A toolbox on developing longterm measures to strengthen the supply chain has also been drawn-up.
- The Belgian platform emphasises the need to resolve conflicts before they become a complaint. There is a step-by-step process, which involves inviting the party involved to explain, followed by conversations. The matter is escalated to the Governance Committee and the independent Chair as a last resource. Only aggregated complaints are considered and anonymity is guaranteed.

### FINNISH BOARD OF TRADING PRACTICES IN THE FOOD SUPPLY CHAIN

- The Finnish model is based on their Board of Trading Practices in the Food Supply Chain, which is independent and hosted by the Finnish Chamber of Commerce. It focuses strictly on trading practices and has been re-launched in 2017 to resolve disputes and proactively issue recommendations or opinions. All other topics are dealt with by relevant ministry working groups.
- Two recommendations on shelf-life and written contracts and one opinion on assortment periods have already been issued. Having **independent views** on these issues, has helped the dialogue between players at national level.
- The Board is open to receive complaints from anyone and therefore does not have a direct membership base. Almost all companies involved are registered at the EU-level Supply Chain Initiative. The Board is financed by the Finnish Grocery Trade Association and the Finnish Food and Drinks Industries' Federation. All involved have good relationships with authorities but regret that farmers are not involved.
- Trading practices in Finland are considered quite good. The most common way to settle a dispute is to negotiate between companies. There is however a fear of retaliation as the market is small, even if handled anonymously, there is a possibility that the involved parties are known.
- The situation in Finland is currently uncertain as a national law is being discussed, which foresees an Ombudsman whose responsibilities would overlap with the Board.

<sup>12</sup> Please see the participants list below for a complete overview of workshop participants I

#### SPANISH CODE OF GOOD BUSINESS PRACTICES IN FOOD CONTRACTING

- In Spain, a mixed model combining voluntary initiatives and the law, is in place. The authorities investigate unfair trading practice and impose sanctions. At the same time, a voluntary Code of Good Business Practices has been set-up as part of self-regulation efforts. The Code originated from the law and has been adopted in 2015. It promotes the use of mediation to solve disputes.
- Companies can sign up to the code and to date it has over 1000 members. The majority of members is from industry and the aim is to increase the retail signatories, although it should be noted that the retailers who already signed up represent 30% of the market.
- Stakeholders involved in the platform include farmer unions, cooperatives, the food and drink industry, retail associations, the regional government, members of agriculture, commerce/ economy and competition authorities.
- Spain is currently working on its dispute resolution mechanism, which has been slightly delayed due to changes in the national government, but it is hoped that it will be presented in January 2019. The idea is to create a complementary system to the Code that regulates bilateral commercial relations among companies. A private arbitrator would be appointed, which is a new approach. Relationships between stakeholders is good, so many issues could be solved informally.

#### GERMAN DIALOGUE PLATFORM

- The German platform was created as a voluntary initiative in 2013 and involves all players in the supply chain (retail, industry and farmers). It uses the SCI as its framework, which means that if companies signed up at the EU-level, they can make use of the dispute resolution mechanism, consisting of mediation, arbitration and expert opinions.
- A list of suitable mediators is provided but the platform does not get involved in the actual process. The arbitration procedure is based on a code, which foresees an arbitration board with a chair and two assessors, each representing one of the three sectors (retail, industry and farming). The expert opinion is issued in case an issue is of general importance. The first opinion is currently in preparation. Anonymity is guaranteed throughout each of these processes.

#### FRANCE - COMMISSION D'EXAMEN DES PRA-TIQUES COMMERCIALES (CEPC)

- In France, the Commission d'examen des pratiques commerciales (CEPC) is a consultative body that issues opinions. It is increasingly well considered but its opinions have become very legalistic and technical. Stakeholders however believe that not everything can be achieved by law and hope for a discussion platform.
- In France, a médiateur inter-entreprises deals with mediation in case of conflict regarding commercial relations. They deal with individual cases; however, the details of these cases are not disclosed in the opinions or recommendations.

#### CURRENT STATE OF PLAY IN NORWAY AND NETH-ERLANDS

- Norway was planning on setting-up a national platform but there will be a national law on fair trading, which will come into force in 2019-2020. It is **inspired by the British model**. In light of the mixed model presented by Spain, there may be the possibility to evaluate whether a national platform can be complementary.
- Similarly, in the Netherlands, efforts to build a national platform are **currently at a standstill** due to the ongoing legislative debate.

#### DISCUSSION POINTS

In light of the varying national systems, a number of key topics were discussed, with following takeaways:

- The role of competition authorities in supply chain initiatives at national level varies. In Belgium and Germany, the national platforms stick to a free competitive agenda and discuss situations without overstepping the legal boundaries. In case of doubt, the competition authorities are asked for advice. In Spain on the other hand, the competition authorities are involved more directly and offer guidance. In this context, the representative from the Netherlands cautioned, that the debate is changing from unfair trading practices to fair pricing. Pricing is however separate from the Supply Chain Initiative and should not be confused.
- The role of **consumer organisations** also varies. In Belgium, the topics discussed are considered too technical for these organisations to join as opposed to Norway, where consumer organisations would be very much involved.

- **Disseminating information** on the voluntary initiatives has been acknowledged to be challenging in several countries. It was suggested that countries, with high levels of proactivity have seen better results. It is also important to ensure that the positive messages are communicated and companies understand the dispute resolution mechanism.
- It was stated that it would be useful to **promote the Supply Chain Initiative and national platforms** through placing articles in relevant **trade publications**, taking into account the right timing.
- Participants discussed whether a dispute that is raised by a single company should still be considered by the Supply Chain Initiative. If it affects other parties, then the association should be used to make a **collective complaint**.
- It was also noted that complaints come about most often through informal interactions. **Dialogue** has therefore proven key in identifying and resolving cases.
- In this context, the **credibility of key personalities involved** in platforms is important. This has played an important role in the UK with the appointment of Christine Tacon and will also have an impact in Finland, with the appointment of an Ombudsman.
- With regards to the still relatively low number of dispute resolution cases, it was noted that the fear of retaliation still remains but at the same time, having procedures in place also means that companies adapt to avoid disputes.
- When asked about whether a **culture change** is visible at national level due to all these initiatives, participants stated that things were generally moving in the right direction. Changes can for instance be seen in contracts and the ability to resolve conflicts before they become official disputes.

## DISPUTE RESOLUTION MECHANISM OF THE SCI

Michael Hutchings acknowledged that disputes are generally best dealt with at national level, which has been confirmed by this workshop. A group of companies or an association acting on their behalf may submit an aggregated complaint to the Chair of the SCI, who will then verify that the request has substance and merit, has a cross-border impact and ensure that all national options have been exhausted. Along the entire process, the Chair guarantees the anonymity and confidentiality of the parties and information involved. If the complaint is indeed receivable, the parties are heard by the Chair of the SCI and if justified the party allegedly in breach is asked to comply or explain. The case may also be referred to an external mediator or arbitrator if deemed in the best interest of all parties involved. So as to ensure that key learnings of any case are shared to the benefit of the entire sector, guidance and recommendations may be developed by the Chair.

#### CONCLUDING REMARKS

Michael Hutchings acknowledged the excellent participation of all attendees and noted the good cooperation among the sectors at national level. The value of a workshop that allows for an exchange of information and good practices has been highlighted and it was agreed that it would be useful to organise another workshop in 2019. He also announced that the European Commission kindly translated the SCI Rules of Governance and Procedures into all EU languages and that these will be made available on the SCI website as soon as possible. Participants were also encouraged to share any relevant updates with the SCI on an ongoing basis and to liaise on promoting the initiatives via relevant trade journals.

#### LIST OF PARTICIPANTS TO THE WORKSHOP

#### National platforms/initiatives and associations

Elena	Arroyo de Oñate	FIAB (Federación Española de Industrias de Alimentación y Bebidas)
Murk	Boerstra	FNLI (Federatie Nederlandse Levensmiddelen Industrie)
Nathalie	de Greve	Comeos
Flora	Dewar	COCERAL
Jarle	Hammerstad	Virke (Enterprise Federation of Norway)
Helge	Hasselgard	DLF (Grocery Suppliers of Norway)
Felipe	Medina	ASEDAS (Asociación Española de Distribuidores, Autoservicios y Supermer- cados)
Stefanie	Sabet	BVE (Bundesvereinigung der Deutschen Ernährungsindustrie e.V)
Miriam	Schneider	HDE (German Retail Federation)
Anja	Siegemund	Markenverband e.V.
Heli	Tammivuori	Finnish Food and Drinks Industries' Federation
Friedrich	Trosse	SMEunited Food Forum
Pieter	Verhelst	Borenbond
Tiina	Vyyryläinen	Finnish Grocery Trade Association
Pieter	Weyn	Fevia
Olli	Wikkberg	Finnish Board of the Trading Practices in the Food Supply Chain

#### Companies

Başak	Babaoglu	Metro AG
Julian	Böcker	EDEKA ZENTRALE AG & Co. KG
Arthur	Cassanet	Carrefour
Guillaume	Dumoulin	Carrefour
Carolina	Müller	Markant
Hubertus	Nölting	EDEKA Verband
Elin	Schumacher	EDEKA ZENTRALE AG & Co. KG
Silvia	Warth	Kaufland

#### Governance Group members

Susanne	Czech	ERRT (European Retail Round Table)
Jusaine		
Marianne	Dehousse	AIM (European Brands Association)
Christel	Delberghe	EuroCommerce
Evelyne	Dollet	FoodDrinkEurope
Fabienne	Eckert	SCI Manager
Inès	Filali	EuroCommerce
Mella	Frewen	FoodDrinkEurope
Else	Groen	Independent Retail Europe
Michael	Hutchings	SCI Chair
Pascale	Rouhier	CELCAA (European Liaison Committee for Agricultural and Agri-Food Trade)



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