



Fair Trade movement position on sustainable supply chains initiatives

As pioneers in making supply chains work for the most disadvantaged in world trade, the Fair Trade movement welcomes any initiative tackling working conditions that lead to unsustainable supply chains. We therefore look forward to ambitious goals and deliverables in this area. The initiatives should first and foremost be accompanied by sufficient resources and technical assistance in order to be effective.

Multi-stakeholder networks on social and environmental standards

The setup of this type of participative processes is a welcomed step, since it includes all parts of the supply chain and is very much in line with Fair Trade's own partnership oriented and collaborative nature.

The scope of such initiatives should cover the entire supply chain: from farmers, including artisans and workers, to end consumers. Priority should be given to ensure that all parts of the chain are guaranteed a living income -in the case of farmers- or wage -in the case of artisans and workers-.

Addressing imbalances of power in global supply chains

It is important to look at the causes of unsustainable supply chains, not only the consequences: imbalances of power in supply chains -especially in agricultural ones- often lead to unfair trading practices and negative consequences for worker and farmers. Governments should look at how their market-regulation and competition powers can prevent imbalances of power in supply chain and put in place robust enforcement mechanisms against unfair trading practices.

Capacity development in producing countries

EU donors should fund the strengthening of the operational and advocacy capacity of producer organizations, so they are able to influence policy design and implementation in their respective countries. They should also facilitate the participation of small producers in sustainability certification schemes and explore other market access opportunities to EU countries.

Governments should work together with businesses to develop targeted programmes to better support the specific context, needs and priorities of smallholders' organizations in their supply chains. This is facilitated if long-term relationships are built with these organizations and mechanisms are developed to involve farmers further along the value chain.

Empowering consumers to make more informed choices

The need to provide clarity about the different consumer-facing certifications available on the market is uncontested. Consumers do not only need to be informed about the production processes of the goods they buy, but also about the true costs associated to it.

For instance consumers should be aware of average farm-gate price and average workers' wages. A fair share of climate change adaptation costs should also be reflected in the final price of products.

Awareness-raising about the social and environmental consequences of individual consumption choices is not enough: what is also needed is further education for consumers to adopt less resource-intensive consumption patterns.

Transparency in global supply chains

Labelling is just one tool for demonstrating to the public that products have been made in a way that ensures social and environmental standards have been met, but further measures should be considered such as the reporting and publishing of factory lists, vendor audits and other information that helps the public understand how products have been made and under which conditions.

EU countries should provide market rewards for companies that publicly disclose supply chain information and that go beyond the legal requirements. The initiatives put forward should work together towards making this a pre-competitive requisite.

Make companies responsible and accountable

The uptake of existing voluntary sustainability standards should be further promoted and complemented by public policy measures. Standards should be instrumental in the implementation and enforcement of rules that already exist at an international or national level. The proposed initiatives should aim at achieving a level playing field for companies engaged with Fair Trade to operate in full compliance with basic human rights legislation. This should be aligned with the national Action Plans of the UN Guiding Principles on Businesses and Human Rights.

In addition, all economic operators should be held to account for their direct and indirect involvement in supply chain accidents, disasters and disputes in third countries. In this sense, we welcome the proposal of a voluntary fund as proposed by the German government (Vision Zero Fund) financed by corporate contributions to promote occupational health and safety of workers.

Other incentives and measures for companies to scale-up the good practices

Additional incentives are needed for voluntary standards to be deployed effectively: additional market rewards for instance from public procurers to bidders can be an important player to drive the market in the right direction. EU governments need to give the right signals for companies to increase their sustainable offer. This should be backed by specific measures to support contacting authorities in their sustainable purchases (e.g. joint procurement platforms that better match the offer and the demand).

Furthermore, economic operators should be given guidance on how to move beyond compliance with existing certification schemes, for instance by encouraging them to adopt a more responsible sourcing strategy. Special attention should be paid to the specificities and needs of SMEs to make sure that they can also adopt an ambitious sustainability approach.

The implementation of the internationally agreed Sustainable Development Goals will provide the right enabling framework for global partnerships. Whatever initiative is adopted in the field of global supply chains should be in line with the new development agenda.