

Press release

Supply Chain Initiative publishes annual report 2018

The Supply Chain Initiative (SCI) published its annual report for the year 2018 today. The results of the annual survey of registered companies showcase that the SCI continues to make progress in the promotion of fair business practices in the food supply chain as a basis for commercial dealings.

14 February 2019, Brussels – The Supply Chain Initiative (SCI) <u>annual report 2018</u> contains the results of the annual survey of registered companies, highlights its dispute resolution mechanism and points out the work of national platforms and initiatives. Overall, satisfaction with the SCI remains high among registered companies with a commitment to promote and respect the SCI <u>Principles of Good</u> <u>Practice</u>.

The survey results indicate that 9 out of 10 companies trained all or part of their staff members on the Principles. Since their registration 84% of the registered companies communicated their adherence to the SCI to their business partners at national and/or group level. 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%).

"Our primary purpose is to promote fair business practices throughout the food supply chain as a basis for commercial dealings. We also aim to ensure that companies can lodge complaints without fear of retaliation, and are able to resolve their issues and disputes in a quick and efficient manner. 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," says Michael Hutchings, SCI Chair.

The dispute resolution mechanism is a key pillar of the work of the SCI and allows companies to lodge an aggregated dispute with the Chair in full confidentiality, provided there is a cross-border element and the issue could not be resolved at the national level. In 2018, disputes were reported and dealt with exclusively at the national level with 20 companies having been faced with an alleged breach of at least one of the Principles of Good Practice since 20 November 2017. 16 companies resolved the issue informally. Four companies were not able to solve the issue informally, as a result of which 1 company lodged three complaints.

"There is a wide range of national platforms and initiatives based on the SCI model or who have taken into account the SCI Principles of Good Practice. The report highlights the dispute resolution activities of the Belgian, German and Finnish models as examples of good practice. I am encouraged to see how effective their respective dispute resolutions at national level are, which is where the impact of our work is most visible," concludes Michael Hutchings.



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Note to the Editors:

The Supply Chain Initiative (SCI) is a joint initiative of several EU level associations. They represent the food and drink industry (FoodDrinkEurope), the branded goods manufacturers (AIM), the retail sector (the European Retail Round Table (ERRT), EuroCommerce and Independent Retail Europe) and agricultural traders (CELCAA). SMEunited is an observer.

The SCI aims to implement and enforce a set of good practice principles agreed by 11 EU-level organisations. Companies subscribe on a voluntary basis to the principle of good practice and a set of commitments to ensure fair treatment of all partners in the food supply chain. The SCI is designed to ensure that registered companies respect their commitments towards other market operators and benefit from a set of dispute resolutions options.

As of the end of 2018, 412 companies from across the entire EU have registered. Taking into account the subsidiaries of international groups, 1,198 operating companies are signed up.