

The Belgian Competition Authority assesses a sustainability initiative on 'living wages in the banana sector'

The Belgian Competition Authority considers that the sustainability initiative of IDH-Transforming Markets and certain large retail chains to promote living wages in the banana sector, does not raise competition concerns. Sustainability initiatives consisting of partnerships between companies can require a complex balancing of interests between the environmental and sustainability benefits of the cooperation, on the one hand, and their effects on competition, on the other hand.

The proposed initiative aims to close the gap between actual wages and living wages in the banana sector. The project targets fresh bananas coming from companies with five or more employees and sold on the Belgian market by the majority of retailers, either as branded or private label products.

In order to assess the effects on competition of the envisaged cooperation on sustainability standards, the following parameters were taken into account, among others: transparency for the participants in the standard selection process, voluntary participation, freedom of participants to set stricter standards, no (possibility of) exchange of commercially sensitive information, effective and non-discriminatory access to the requirements and conditions of the standard, no significant price increase or choice reduction, continuous monitoring of the implementation of the sustainability standard.

Moreover, sufficient safeguards have been built into the proposed cooperation to prevent the exchange of commercially sensitive information and preserve participants' individual pricing autonomy.

IDH-Transforming Markets further confirmed that no recommendations will be made on how to pass on any changes in costs in the supply chain, and that no mandatory or recommended minimum prices will be communicated to the actors involved.

Finally, the implementation of the project across the supply chain will be monitored by IDH-Transforming Markets. The different KPIs will be reviewed regularly to measure progress and the actual impact of the initiative in the main source countries will be assessed annually. In addition, the data entered by the participants will be verified by an independent third party.

In the future, IDH-Transforming Markets will keep the Belgian Competition Authority informed of any changes and further development of the proposed initiative.

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The Belgian Competition Authority (BCA) is an independent administrative authority that contributes to the definition and implementation of competition policy in Belgium. Concretely, the BCA pursues anti-competitive practices, such as cartels and abuses of a dominant position, and reviews the main merger operations. The BCA cooperates with the other competition authorities of the member states of the European Union and the European Commission within the European Competition Network (ECN)