



11 October 2024, 12-1 pm

Vom Gesetzbuch in die Agrarlieferkette

Umsetzung von Sorgfaltspflichten in die Praxis

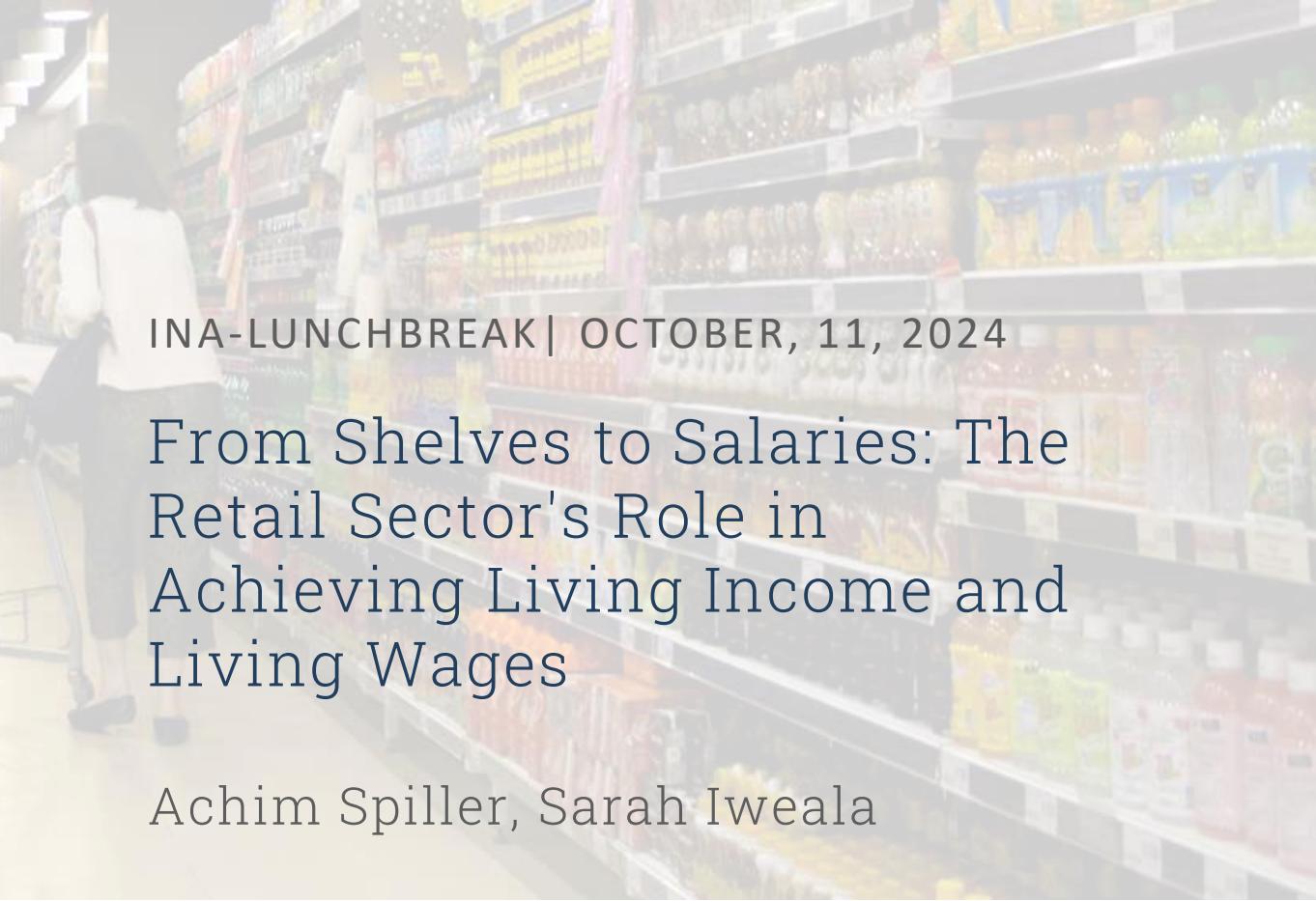


Bundesministerium für
wirtschaftliche Zusammenarbeit
und Entwicklung

durchgeführt von:



Initiative für nachhaltige
Agrarlieferketten

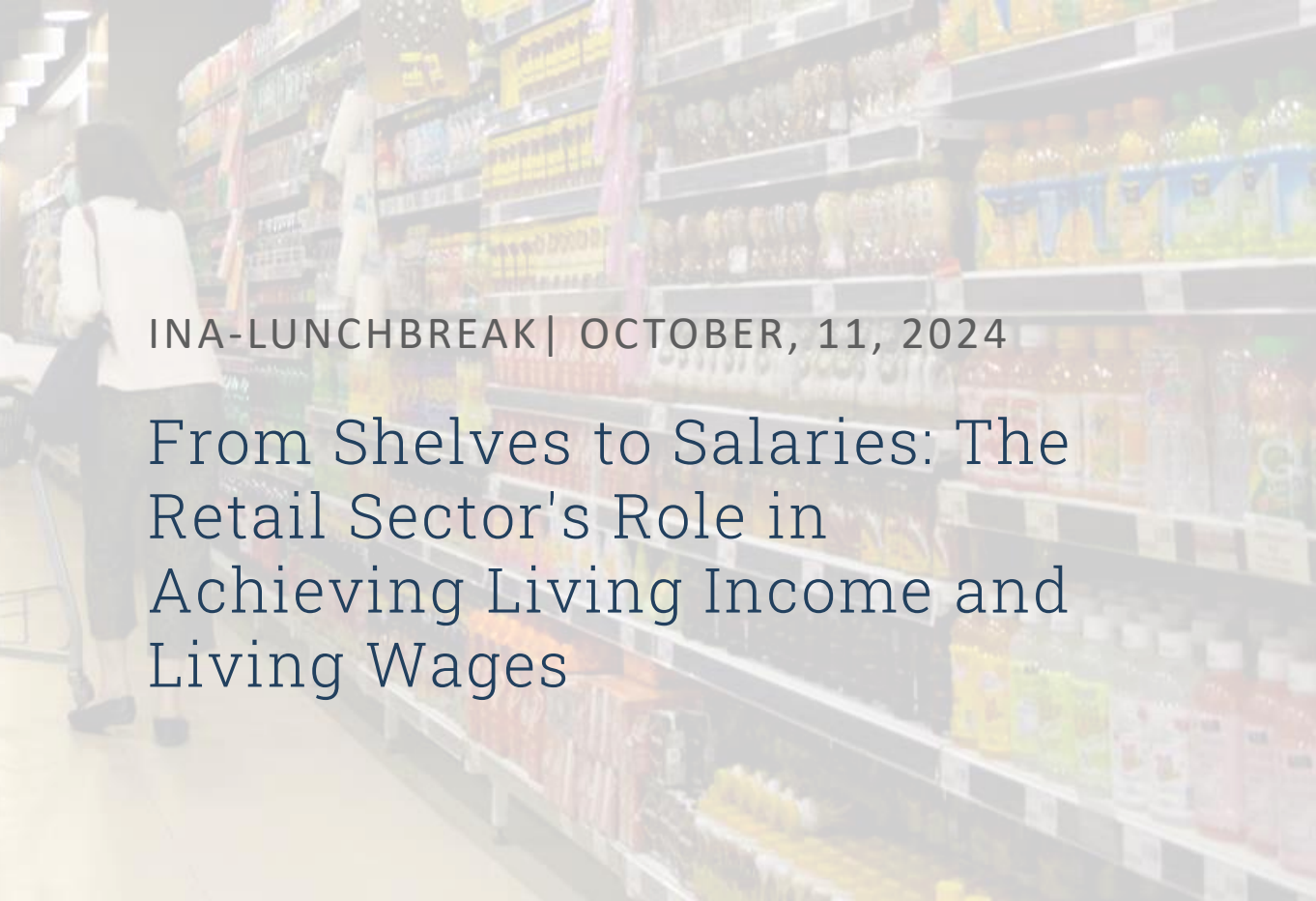


INA-LUNCHEBREAK | OCTOBER, 11, 2024

From Shelves to Salaries: The Retail Sector's Role in Achieving Living Income and Living Wages

Achim Spiller, Sarah Iweala

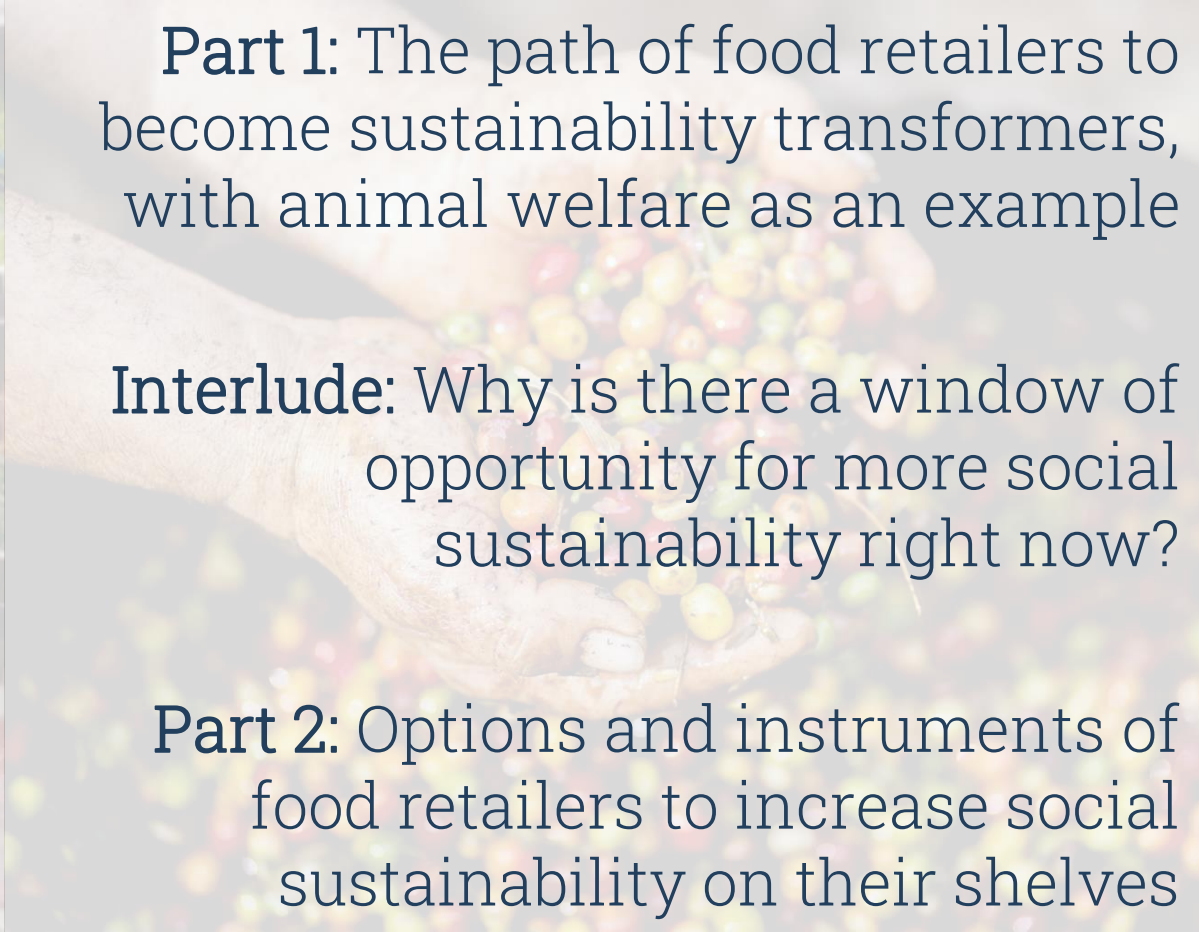




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From Shelves to Salaries: The Retail Sector's Role in Achieving Living Income and Living Wages

Part 1: The path of food retailers to become sustainability transformers, with animal welfare as an example



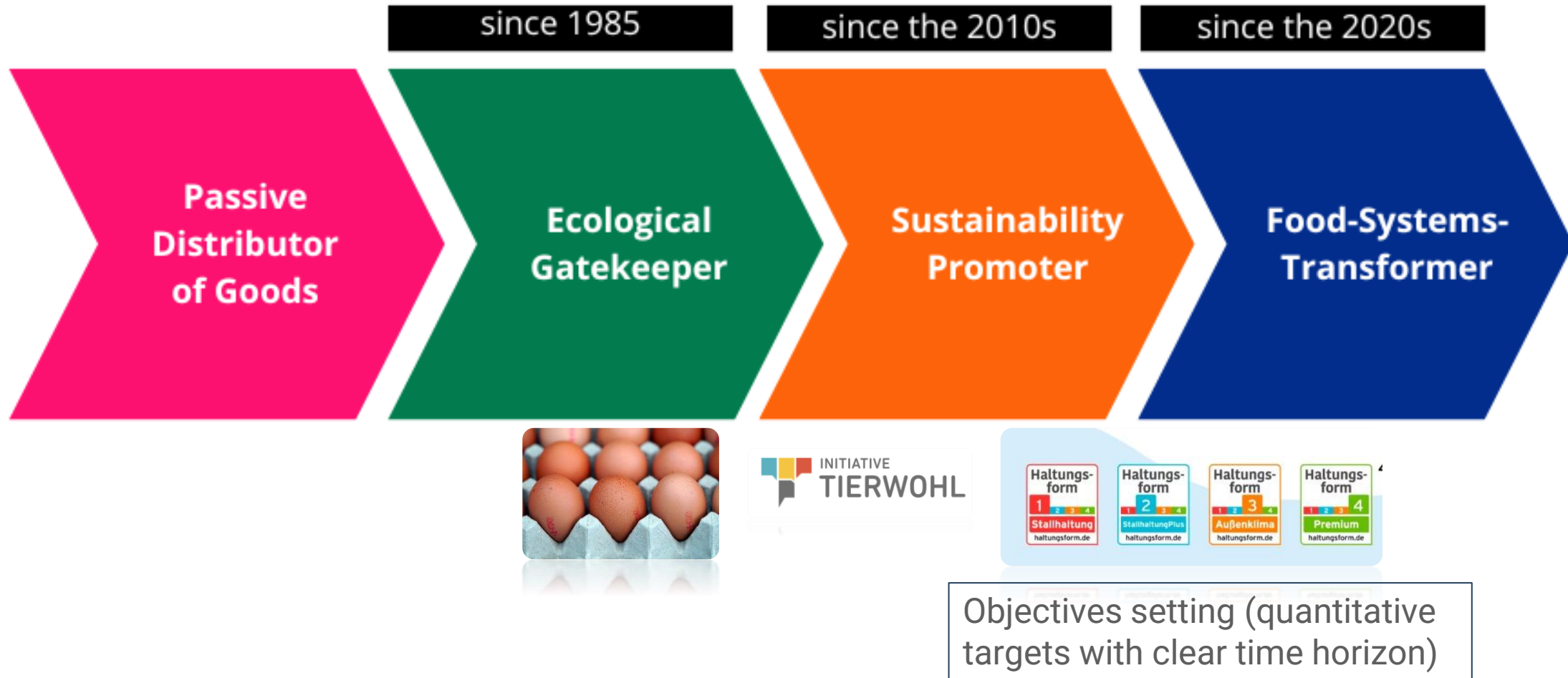
Interlude: Why is there a window of opportunity for more social sustainability right now?

Part 2: Options and instruments of food retailers to increase social sustainability on their shelves



Part 1: The path of food retailers to become sustainability transformers, with animal welfare as an example

Evolving role of retailers



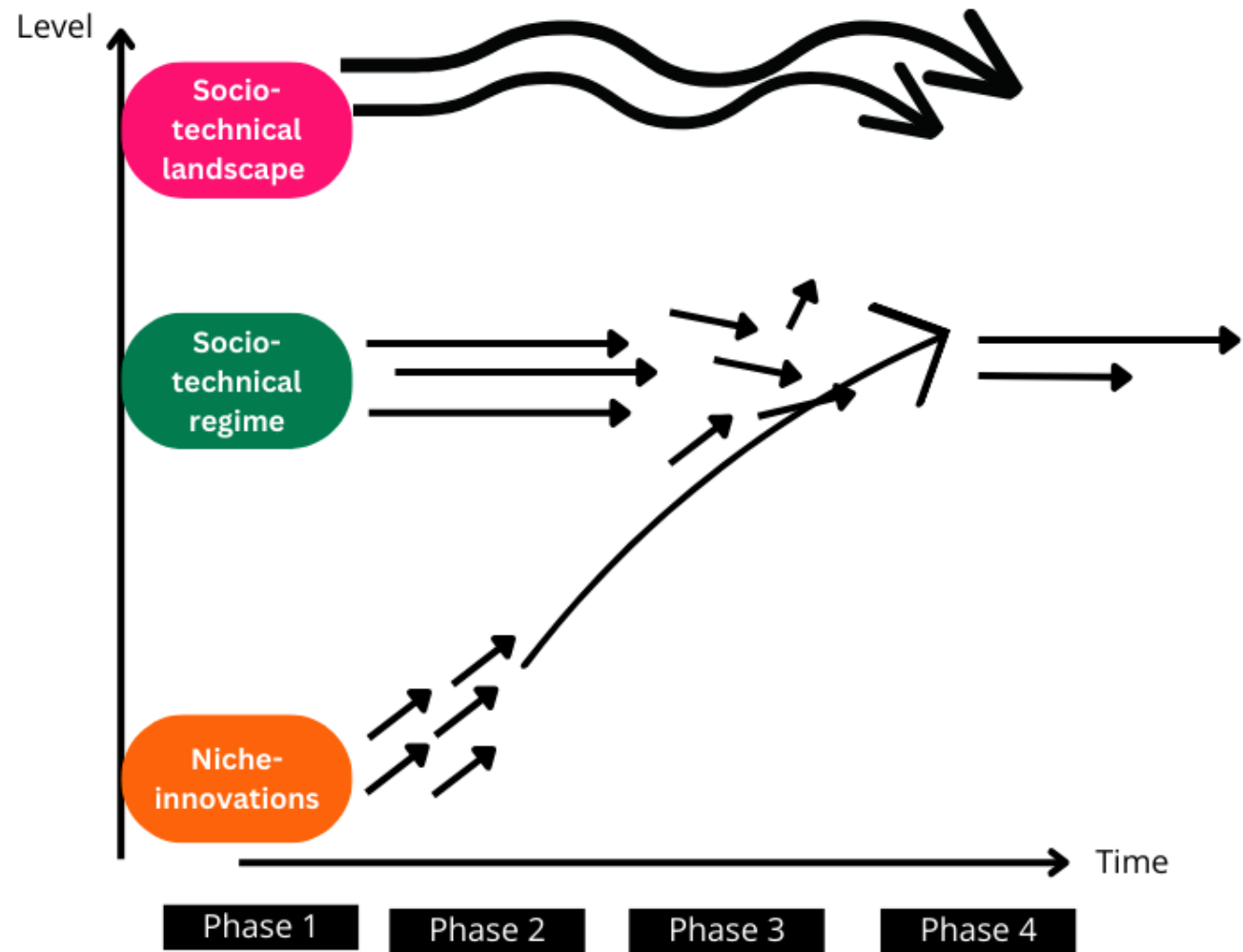
Source: Own illustration.



Interlude: Why is there a window of opportunity for more social sustainability right now?

Geels' Multi-Level Perspective on sustainability transitions

- Large-scale changes in societal systems occur through interactions across three levels
Landscape | Regime | Niche
- Application to different aspect of food systems
Organic | Animal Welfare | Alternative Proteins

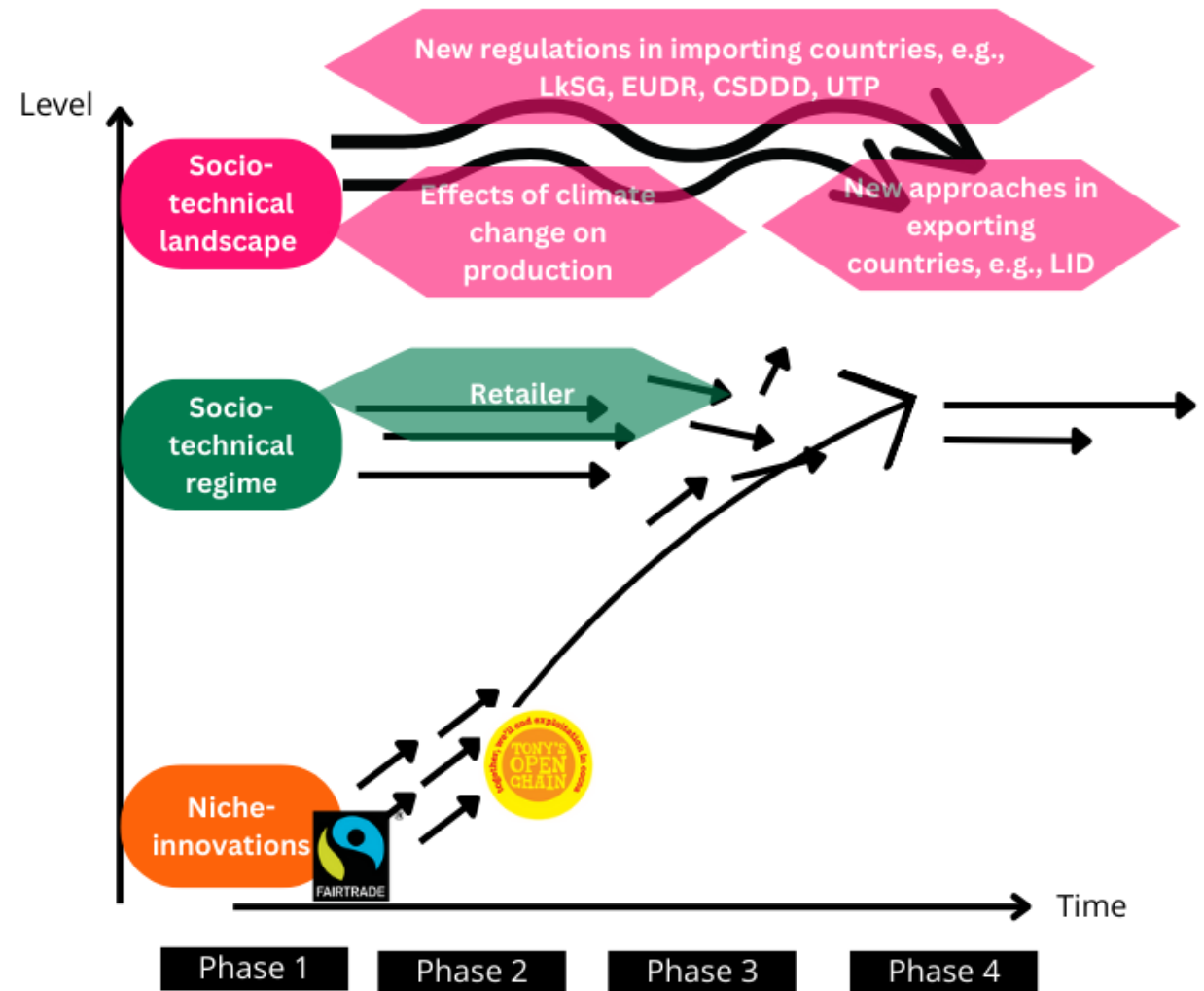


Source: Geels 2018: 226; El Bilali 2019, Schulze et al. 2021, Mylan et al. 2023

Geels' Multi-Level Perspective on sustainability transitions

- Large-scale changes in societal systems occur through interactions across three levels
Landscape | Regime | Niche
- Application to different aspect of food systems
Organic | Animal Welfare | Alternative Proteins

>>> How to possibly leverage a narrow window of opportunity for more social sustainability?



Source: Geels 2018: 226, El Bilali 2019, Schulze et al. 2021, Mylan et al. 2023



Part 2: Options and instruments of food retailers to increase social sustainability on their shelves

Status Quo

- Margins of retailers
 - cocoa: 10% (BASIC 2022), coffee: 11% (BASIC 2024) *
- Market share of Fairtrade certification
 - cocoa: 17%, bananas: 16%, coffee: 5%
- Private labels
 - 28% of chocolate, 20% of coffee, > 90% of bananas**
- Social sustainability as a niche
 - e.g., private label initiatives

*largest margins in the chain of coffee, chocolate and banana, but below average retailers' margin, due to loss leader position; for bananas only the gross value capture for the EU-average is available (36-43%) (BASIC 2015)

**with exceptions



Source: <https://www.fairtrade-deutschland.de/produkte/kakao/hintergrund-fairtrade-kakao>; <https://www.fairtrade-deutschland.de/produkte/bananen/hintergrund-fairtrade-bananen>; <https://www.fairtrade-deutschland.de/produkte/kaffee/hintergrund-fairtrade-kaffee> & <https://www.esmmagazine.com/supply-chain/germany-sees-8-5-increase-in-fairtrade-sales-in-2023-264860>; photo: <https://pro-planet.info/veryfair>, <https://www.aldi-sued.de/de/p.choceur-choco-changer-g.49000000000805993.html>



Source: Own illustration

collaborative

Taking part in sector wide approaches

- Joining sector-wide approaches, such as the “Initiative Tierwohl” or the “German retailers working group on living income and living wages”
 - Advantages: Avoiding duplications in efforts and first-mover disadvantages
 - Hurdle: Uncertainty regarding competition law
 - Requirement: Legal framework and format that allows for co-opetition

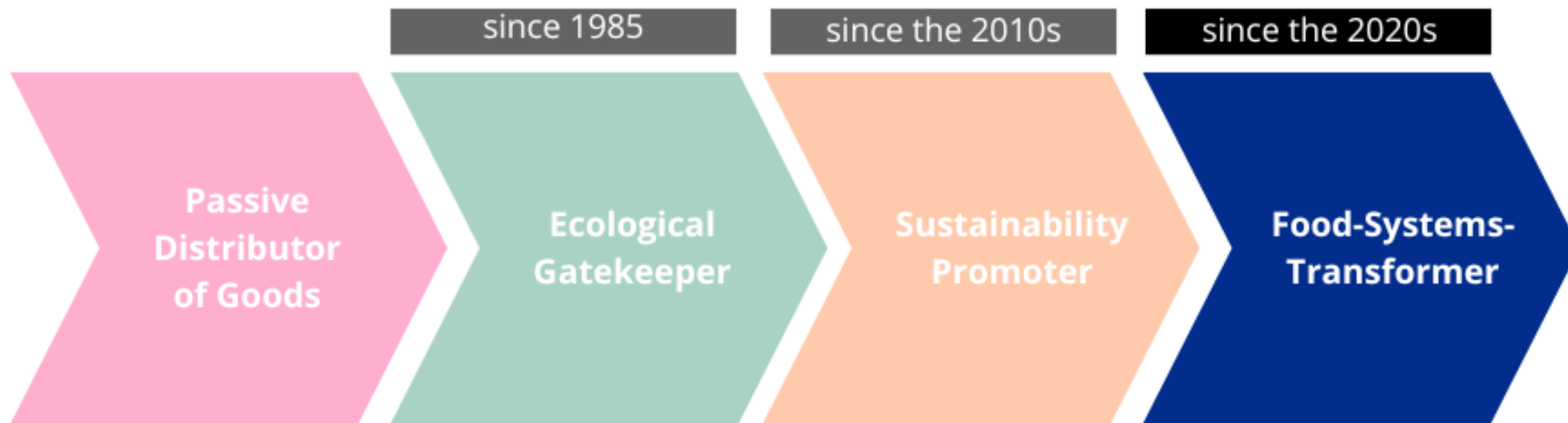
company specific

Creating fair food environments

- Positioning private labels as frontrunners (beyond the niche)
- Listing and promoting brands with a proven track record in social sustainability
- Avoiding price leadership for products
- Creating reward programs for customers with social sustainability focus

Sources: Fountain 2023, Hütz-Adams 2023, GIZ 2023

Next step: Food-Systems-Transformers



Landscape pressure is fragile
Lobbying for good
(Legal) framework to allow for co-opetition

Source: Own illustration.

References

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The upcoming Lunchbreak

8 November 2024

Topic: Due Diligence Fund

Initiative for Sustainable Agricultural Supply Chains (INA) – INA
(nachhaltige-agrarlieferketten.org)

