MIND THE GAP:
OXFAM'S FOURTH SUPERMARKET SCORECARD EXPLAINED

Some progress, but significant gaps still remain

Since the 2018 launch of Oxfam’s international Behind the Barcodes campaign, most supermarkets have started to take human rights in their global food supply chains seriously. Today, Oxfam publishes its fourth Supermarket Scorecard, which includes supermarkets from the UK, the Netherlands and Germany1. For the first time, four supermarkets have scored 55% or above in our research analysis.

The four Scorecards published since launch – covering 2018, 2019, 2020 and 2022 – reveal an overall pattern that most companies have taken significant steps to improve working conditions of the women and men who produce our food.2 However, labour rights violations remain systemic and pervasive, and the COVID-19 pandemic has exacerbated inequality in global food supply chains. While many supermarket owners and shareholders continue to make millions in profit, workers - especially women - have seen their incomes stagnate or even fall.

Change is possible and necessary

Throughout the past four years the Behind the Barcodes Supermarket campaign has reached millions of people across the world. Together with our supporters, we have called on powerful supermarkets to end human suffering in their supply chains, and to invest in their policies and practices to address workers’ rights and gender inequality in global supply chains. This has resulted in significant improvements across three key areas:

Undertaking Human Rights Due Diligence

A human rights due diligence approach is key to prevent, mitigate and remediate supply chain violations. By 2022, all supermarkets except PLUS have made explicit commitments to uphold the UN Guiding Principles on Business and Human Rights (UNGPs) and report against them. This is in contrast to only three supermarkets doing so just four years ago.

1 The Scorecard 2022 measures progress of the largest supermarkets in the UK, Netherlands and Germany. It has not measured the performance of US supermarkets, due to the fact that they did not make significant progress over the past year.
2 Except Asda, given that the company separated from Walmart in October 2020.
As a first step, the UNGPs require companies to carry out a broad scoping to identify where human rights risks are most significant. While none of the supermarkets had conducted such a scoping exercise before 2018, by 2022 all supermarkets except Asda had assessed and published a mapping of the existing adverse impacts on workers and producers across all of their food supply chains.

In 2020, Ahold Delhaize published its first human rights due diligence scoping. Ahold Delhaize is one of the world's largest food retail groups, and has supermarket chains in many countries, including in the US. Its Dutch subsidiary Albert Heijn made some progress in implementing its human rights due diligence policy and commitments during the past years. It is time for Ahold Delhaize to accelerate the implementation of human rights due diligence across all of its other global brands as well.

Based on their scoping exercise, Albert Heijn, Aldi North, Aldi South, Jumbo, Lidl and Tesco have published one or multiple “Human Rights Impact Assessments” (HRIAs) into high-risk commodities in specific countries. To complete such assessments, they engaged with labour unions and civil society to identify potential and adverse labour rights risks. Tesco, Aldi South and Lidl also examined the specific risks to women in their assessments. However, many of these HRIAs are still lacking concrete action plans including actions to changing purchasing practices in order to prevent the identified risks.

Supermarkets that score highest on the Scorecard tend to have much larger corporate social responsibility departments. These supermarkets are able to implement human rights commitments and action plans at a quicker pace and assign dedicated staff to address specific issues like gender equality. This is in contrast to the lower-scoring supermarkets, which have significantly less capacity through a limited number of generalists. It is therefore crucial to invest in human resources, to be able to implement all steps and aspects of human rights due diligence.

**Increased Transparency**

While none of the supermarkets had published lists of their suppliers before 2018, supply chain transparency has now become the norm rather than the exception.

Albert Heijn, Jumbo, Morrisons, Sainsbury's, Superunie (the buying group PLUS is member of) and Tesco have published their ‘first-tier’ suppliers. Jumbo and Lidl have published names and addresses of all tiers in at least three high-risk supply chains.

In the South, the international campaign has also made progress on transparency. Carrefour, the largest supermarket in Brazil, has now agreed to publish its first-tier fruit suppliers in 2022, as well as indirect suppliers by 2025.

These companies show that it is possible to ensure transparency within global supply chains. This is very encouraging to see, as supply chain transparency is crucial to detect human rights issues at an early stage.

**Increased Awareness of Gender Inequalities**

While most supermarkets were gender blind in their policies and approaches when we first assessed them in 2018, we have seen an increased awareness and now actual commitments by many supermarkets to tackle gender inequalities in their global supply chains.
Eight supermarkets now have gender policies or strategies in place; Albert Heijn, Aldi North, Aldi South, Jumbo, Lidl, Rewe, Sainsbury’s and Tesco. Some supermarkets (such as Lidl and Aldi) already stipulated concrete and time-bound actions to improve the situation of women, even engaging women’s rights organizations in developing this policy. Others have committed to do so in 2022, such as Albert Heijn and Jumbo.

Tesco clearly tops the list; no other supermarket scores close to 76% on gender. Building on its gender policy, the supermarket has set time-bound targets for improving the position of women across three of its highest risk food supply chains. It has also started to systematically track and disclose gender disaggregated data down to the farm level. Moreover, Tesco recently entered into a multi-year partnership with IUF to improve access to effective grievance mechanisms for women workers and to increase women’s voices and representation in the workplace.

Across the board, the 2022 scores reflect that companies are starting to tackle gender issues. However, supermarkets still need to prioritize and operationalize their gender policies in order to really address gender inequality in their supply chains.

But much more needs to be done

Despite steady progress in several key areas, the food supply chains of all supermarkets on the Scorecard remain riddled with accounts of labour rights violations. New policies and commitments have the potential to bring about concrete improvements for the lives of workers and farmers, but only if they are embedded within the business model of a company.

Across the board, supermarkets are struggling to address an underlying root cause of exploitation, which is the inequality of power between their business and the workers and producers in their value chains.

Three things that supermarkets still need to tackle:

**Buying Practices and Living Wages/Income**

Supermarkets have enormous buying power, as shown by the recent conflicts about price increases between Dutch supermarkets and big brands such as Nestlé. Harmful purchasing practices, such as aggressive price negotiations, late orders and last-minute changes, can undermine the human rights
efforts of a responsible sourcing department, and put enormous pressure on suppliers, often at the expense of labour rights.

Yet respect for human rights comes at a cost. Oxfam’s 2018 report to launch the Behind the Barcodes campaign highlighted how supermarkets are increasingly squeezing the amount they pay their suppliers, with less and less of the prices paid at the checkout counter reaching the workers and farmers who produce the food. Four years on, we find all supermarkets are still largely failing to demonstrate what changes they have made to their buying practices in order to align them with their human rights commitments.

Even the HRIAs that are now being undertaken by supermarkets are generally failing to specifically address how the company’s own sourcing and pricing practices impact on the human rights of people working in their supply chain.

Human rights need to be embedded across a supermarkets’ entire business model, including its buying department. In order to tackle low wages, the buying price should consider living wages and living income.

Many supermarkets are participating in initiatives that aim to tackle low wages or income, such as the German Living Wage and Income Initiative or the IDH Banana Retail Commitment on Living wage. Another recent example is of Tesco embedding its living wage commitment for bananas into its purchasing practices by financially contributing to help fill living wage gaps where they exist. In Thailand, we also started to see leading seafood companies addressing wage issues, and some of them made public commitments on steps towards living wage in their operations.

With the huge range of products in supermarkets, however, these examples have so far only made up a negligibly small proportion. It is unclear how supermarkets will aim to consistently integrate adequate wages and income as a non-negotiable cost into their price negotiations and contract terms for all of the products they offer on their shelves. Supporting their suppliers to respect human rights is also critical. Only Tesco states that it rewards suppliers that demonstrate strong performance on labour rights.

**Negotiating Power and Trade Union Representation**

In order to prevent human rights violations, workers, women and small-scale farmers need to be able to represent themselves and have a strong voice in wage or price negotiations and working conditions.

A number of supermarkets started to engage with trade unions in supplier countries during the past years. Yet only Tesco published how it has made significant efforts to remove barriers to freedom of association across its high-risk food supply chains, for example travelling to Brazil to meet with local rural unions.

Clearly, much more needs to be done to redistribute power across the value chain to prevent labour exploitation and low wages or income.

**Systemic and Collective Advocacy**

Human rights violations are widespread across the food sector. While supermarkets have a responsibility to prevent, mitigate and remediate risks to the people who produce our food, they have to be more vocal to be able to tackle the systemic human rights risks across the sector.

Food supply chains connected to southern countries have a legacy of exploitations like slavery and colonialism. Rural workers and smallholder farmers in such countries are mostly composed by non-white populations that are historically in vulnerable conditions. International trade conditions, which
supermarket supply chains are part of, often keep southern countries, and those populations working on food production, at subaltern positions. As we see supermarkets trying to address issues like racism in response to Black Lives Matter events, it is important that they reflect upon how racism is also present at their supply chains.

All supermarkets, except for Asda, Edeka and PLUS, have demonstrated how they either advocated for the need for labour rights protections, have spoken publicly on the need for action to support small-scale farmers or to address the root causes of gender inequalities.

In the UK, the 2015 legislation to prevent modern slavery greatly fostered awareness amongst companies to address labour rights risks in their supply chains. In Germany, the German Act on Corporate Due Diligence in Supply Chains is soon coming into force. And in the Netherlands and at the EU level, mandatory due diligence legislations are currently being proposed.

Leading retailers that have shown progress over the past four years in adopting human rights due diligence will be better positioned to comply with new laws, whilst laggards such as Edeka and PLUS will likely face challenges.

Next Steps

The Behind the Barcodes Scorecard 2022 shows progress on human rights across the food sector industry. Most supermarkets have published policies and commitments that have the potential to bring about actual improvement for food workers and farmers, and have taken the first steps in implementing these.

However, it is clear that supermarkets need to do much more to ensure human rights are respected and the women and men who produce our food get their fair share of the value they create. Oxfam will continue to monitor the progress and implementation of commitments made by these supermarkets to ensure that they deliver on the commitments made during the campaign.

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Author:
Charlotte Vollaard is a Business and Human Rights Policy Lead for Oxfam Novib and has been engaging with supermarkets on human rights issues as part of the Behind the Barcodes campaign