

Framework for the implementation of the Principles of Good Practice

Letter of intent

Date:

To: EU level sector organisation(s), of which the undersigned company is a member

[Company name] confirms its intent to implement the Principles of Good Practice

I hereby confirm that [company name] is committed to the Principles of Good Practice in vertical relations in the food supply chain and supports the Framework for their implementation and enforcement.

The respect of these Principles makes good business sense and this voluntary initiative allows us to demonstrate that we take their application seriously.

I am aware that the Framework implies a series of commitments as outlined in the Annex to this letter.

We intend to proceed to formal registration when it opens later this year. This will confirm that the measures necessary to comply with the Principles and the Framework have been taken and will contribute to the success of this voluntary initiative.

[signed by (an) executive(s) with the power to commit
the whole company in the EU including all subsidiaries in the EU]

Annex

Framework for the Implementation of the Principles of Good Practice

Company commitments and actions

In brief :

- Companies can decide whether to sign up to the framework
- If they decide to sign, they agree to:
 - Abide by the Principles of Good Practice in vertical relationships in the food supply chain
 - Accept to solve any disputes related to the application of these Principles through any of a defined set of dispute resolution options
 - Accept to implement all other mandatory features of the framework
 - Register their participation on a dedicated, publically accessible website

Mandatory features

Before registration

- Secure top management support for registration
- Carry out a self-assessment by reviewing internal procedures as appropriate to ensure compliance with the principles, including (if necessary):
 - Setting up/adapting training to ensure compliance with the Principles. Training should be underway but does not need to be completed by the time registration takes place.
 - Ensuring ability to participate in all dispute resolution options as of the moment of registration.
 - Communication to business partners as of the moment of registration.
 - Identify contact person(s) for internal dispute resolution and for process-related issues

Registration

By registering, a company confirms:

1. the completion of the self-assessment
2. that it has taken the necessary measures to comply with the principles and procedures for implementation and enforcement
3. that it is prepared to engage in the dispute resolution options the Framework provides for individual and aggregated disputes

Registration

- is by an executive or a number of executives having the power to commit the whole company in the EU including all subsidiaries in the EU (i.e. more than one executive may have to sign in case the company structure necessitates this).
- requires the designation of a contact person for internal dispute resolution at the time of registration
- requires the designation of a process contact person at the time of registration
- is on a dedicated public website. The names and titles of registering executives and contact persons of all registered companies will be published on the website.

Implementation

- Set up an internal dispute resolution procedure independent of commercial negotiations, impartial and quick.
- Ensure the ability to activate all dispute resolution options (including mediation and arbitration). This may require review and, if necessary, modification of contracts.
- Complete training to ensure compliance with the Principles
- Inform business partners of registration to the framework (companies are free to choose means)
- Companies are encouraged to offer public information on their participation in the framework
- Commitment to refrain from commercial retaliation in case of a complaint
- Commit to remedy a non-respect of the process commitments if flagged up by the Governance Group
- Participation in a mandatory annual survey by each national subsidiary for which the framework applies