



## Open Letter to Ahold

### **A responsible retailer listens to its workers**

“As a major retailer, we take seriously our responsibility towards all those who impact or are impacted by our business in some way. Our stakeholders give us insight and help steer us in the right direction so we can better meet their needs over time, with each group playing a unique role.”

These nice words make Ahold’s position unequivocally clear, as spoken by Ahold’s CEO Dick Boer in the Responsible Retailing Report 2014 that Ahold published March 9th, 2015.

Ahold is, no doubt, a major retailer. In the Netherlands, Albert Heijn is the largest supermarket chain. In the U.S., its subsidiaries Giant and Stop & Shop are the 5th largest retailers and are also leaders in online grocery sales. This means Ahold has direct influence on a large number of consumers and employees. But through their enormous buying power, retailers can also exert influence on the labour conditions of millions of workers worldwide that are employed by their providers.

Unfortunately, fair and decent labour conditions are not the standard in food production. The dismal reality within this sector is one of extreme poverty and poor labour conditions, even including cases of slavery. Given their buying power, large fast food companies and supermarket chains play a crucial role in this. The immense price pressure they impose leaves growers with ever diminishing space for paying decent wages.

For over a decade, important steps have been taken by workers themselves in the U.S. to structurally improve the labour conditions of workers in the food production. In 2005, Taco Bell concluded an agreement with the Coalition of Immokalee Workers (CIW) to pay the tomato pickers in Immokalee (Florida) one penny per pound extra. In the years since, over a dozen other fast food companies and supermarket chains have followed suit.

The efforts of the CIW have led to the creation of the Fair Food Program (FFP), which brings together growers, farmworkers and retailers to cooperate and guarantee the workers in the fields a decent livelihood and decent treatment, as well as farm auditing based on the experiences of the workers themselves. The workers have an essential voice in the shaping and reviewing of this program. This Worker-driven Social Responsibility (WSR) therefore differs crucially from Corporate Social Responsibility (CSR), where large companies set the standards.

The FFP is applauded by the U.N. Working Group on the issue of human rights and transnational corporations and other business enterprises. Ahold takes pride in participating in the Global Compact of the U.N., but despite this, it refuses to participate in the FFP. All the more striking is that Walmart, Ahold’s largest U.S. competitor, has signed the FFP.

Since 2010, this matter has been brought to the table of each Ahold Annual General Meeting. Each time, Ahold raises new arguments in order not to participate. For example, Ahold representatives say they trust the existing laws and regulations in the U.S. They also claim - in their own words - that Ahold already pays fair prices. Another claim is that Ahold’s own Standards of Engagement (demands

to growers) are so good that participation in the FFP is not necessary. Yet another is that the growers that cooperate with Ahold are already participating in the FFP.

However, the arguments of Ahold are not convincing. For example, in reference to U.S. law, regulations and supervision is insufficient. Already in 2009 the U.S. Government Accountability Office indicated that the state largely failed to exercise its oversight and protecting function in the agriculture sector. Also the argument of fair prices is not convincing because these prices in reality are not transparent and verifiable. Only when the workers in the fields are paid decently can one speak of fair market prices.

Ahold stresses that it buys from growers that are participating in the FFP, but as long as Ahold doesn't contribute financially to the FFP, it merely acts as a free rider. Also the argument that Ahold doesn't mingle in the wage negotiations between growers and workers does not hold, because the space for paying decent wages only arises from the price that the buyer is willing to pay.

In 2010, Ahold examined the labour conditions of its providers. In December of the same year, Ahold declared that its providers adhere to Ahold's Standards of Engagement. But which companies is Ahold referring to? What are the labour conditions on site? That information has not been made public.

And moreover: it is not for the CEOs or the shareholders of Ahold to define if circumstances in those companies are good or not. That judgement is for the workers themselves to make.

In Florida, the foundation has been laid for structural improvement. A crucial element is the commitment of retailers. In the meantime, an important group of Ahold's competitors have joined the program. We are curious to know which side Ahold is going to choose. Will the company keep on offering excuses for not participating in the FFP? Or will it use its enormous power in favour of respectful treatment of the people at the bottom of the chain that grows our food?

The signatories of this letter support the workers in Florida.  
Ahold, join the Fair Food Program now!!

April 10 2015,



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