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Thursday, June 21, 2007



## Retail giants agree to fair sourcing plan

By FoodWeek Online @ 9:27 AM 1 Comments Retailing\_News



By Robert Stockdill, FOODweek group editor, in Shanghai

The world's biggest retailers have agreed to adopt a common standard for ensuring suppliers follow fair trade practices.

At the annual CIES World Food Business Summit in Shanghai, chairman Roger Corbett, ex Woolworths Australia CEO, said member retailers had unanimously agreed to the drafting of a Global Social Compliance Program.

"We retailers and consumer brands are increasingly sourcing from emerging markets – China being the largest in the world," Corbett told the record 840 delegates at this year's summit.

"While bringing to our customers a diversity, quality and price they expect, we as global players have a responsibility to ensure that the trade is fair."

Member companies of the CIES include international giants Wal-Mart of the US, Metro of Germany, Ahold of Holland and Carrefour of France. Woolworths Australia, Franklins and Metcash are also members, with delegates attending this week's conference. Coles Group is a notable Australian absentee.

Corbett said that for more than a decade, global companies have risen to meet the challenge around human rights and social standards in the global supply chain.

"What we have learned is that we must now share by coordinating industry efforts so we can deliver a global and sustainable approach to the improvement of working conditions in the global supply chain.

"That is why the Global Social Compliance Program has been developed. I urge its support and at today's board meeting, all the major members endorsed this initiative and undertook to provide their support.

"This project represents another great opportunity to work co-operatively and bring about more inclusive and balanced global markets."

The compliance program was one of two major announcements Corbett as chairman got to make yesterday. The second was a "breakthrough" on the CIES' Global Food Safety Initiative (GFSI).

This initiative was begun in 2000 to produce continuous improvement in our food safety systems cost efficiently upstream in the supply chain and above all to guarantee safer foods for our customers worldwide.



Yesterday, CIES members agreed to recognise compliance with any one of four CIES benchmark food safety compliance schemes by suppliers, eliminating the need for suppliers to create different sets of compliance documentation or procedures for different retail customers.

"This means the suppliers can apply their preferred scheme and the GFSI goal of one certificate accepted everywhere in the world has now become a reality. This is indeed, a breakthrough," said Corbett.

"This will raise the standards of food safety and minimise the cost impact to our suppliers. Indeed, fellow retailers, if we can work with our suppliers to help cut their costs and improve their efficiencies, that is high on our objectives lists.

"This has applications right through the food chain for every nation," said Corbett.

The group that has worked on the GFSI will now concentrate on the application of food safety standards and look at upcoming issues such as government food standards, food safety and emerging markets.

"These two initiatives have the potential to have immense impact upon the food distribution and general merchandise distribution across the nations of this world, bringing a safer product and bringing fairer and more effective buying terms and conditions to our supply nations," said Corbett in his opening address to delegates.

This is the 51st annual summit held by the CIES. It finishes on Friday.

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By Patricia Wainwright @ Thursday, June 28, 2007 7:33 PM

Global sustainability depends upon supply chain and procurement practices being managed with society in mind not simply for bottom line and profit margins. Supporting world markets begins with the understanding that the smallest partner is the most important not the least. The move towards a Global standard has to be good business practice - but performance needs to be benchmarked and made transparent across a global stage if this is to be successful. It should also be coupled with some sort of obligatory report and legislative requirement. Not engaging should mark out a company, damage their profile and affect their licence to operate.

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