



**Partnership for  
Sustainable Orange Juice**

# Roadmap

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# 1. Objectives and milestones

The Partnership for Sustainable Orange Juice (PANAo) is a multi-stakeholder partnership of corporations, civil society, trade unions and the public sector. Its purpose is to improve the living and working conditions of workers and producers in the orange juice supply chain<sup>1</sup> in Brazil and, in the long term, to increase the share of sustainable orange juice<sup>2</sup> on the German market. An important aspect of implementing decent working and living conditions is ensuring that workers and producers are able to achieve a living wage or income for themselves and their families through their work.

The partnership's founding members in Germany are Christliche Initiative Romero (CIR), TransFair (Fairtrade Germany), and TIE internationales Bildungswerk (civil society); ver.di (trade union); Beckers Bester, REWE Group and Kaufland (industry); and the Federal Ministry for Economic Cooperation and Development (BMZ) (public sector). Through the work of CIR, representatives of various organisations from civil society, trade unions, research institutes and producer associations in Brazil were involved in discussing the topics and possible implementation measures of the partnership in the country during the first development phase. Since May 2020, the project has been implementing further formalisations and establishing a communication and dialogue structure in its new structure via GIZ.

Within PANAo, members jointly work to create orange juice supply chains in which

- All stakeholders along the value chain operate and act in a manner that ensures that labour and human rights laws are upheld and decent working conditions are maintained;
- Workers are enabled to earn a living wage and producers a living income;
- Natural resources are protected and preserved;
- Farming and marketing sustainably produced orange juice is the norm.

## To achieve these objectives, the work of PANAo is divided into two phases:

Phase 1 will establish a common understanding among the partners regarding the relevance and the challenges of improving living and working conditions in the supply chain and thus also raising wages and incomes. When working with wage-dependent employees it is especially important to understand the connection between wages, working conditions, existing or non-existent collective agreements and industrial relations. When working with smallholder farms and cooperatives<sup>3</sup>, topics such as productivity and market access in particular must be taken into account.

A range of pilot projects in Brazil will develop and test measures to improve working conditions, including raising wages and incomes, in various scenarios. Existing measures conducted by stakeholders in Brazil will be incorporated and supported.

Phase 2 will aim to scale up the approaches piloted in Phase 1 in order to improve working conditions in the supply chain across the country and increase the share of sustainable orange juice on the (German) market.

Within the partnership, companies, trade unions, civil society and the public sector will work together, ensuring that the perspectives of a variety of societal stakeholders are included in a jointly supported solution approach. At the same time, the participation of pioneering businesses that commit to implementing the objectives defined in this roadmap by signing the *Memorandum of Understanding* (MoU) will allow a rapid move to implementation in the pilot phase.

<sup>1</sup> PANAo examines both the supply chain/flow of goods and the value creation chain (change process and added value) of orange juice. This document uses the term (orange juice) supply chain as a collective term.

<sup>2</sup> PANAo defines sustainable orange juice as juice produced in accordance with the principles of social, ecological and economic sustainability. This means that it is produced in an economically, environmentally and socially responsible manner, and without endangering the ability of future generations to meet their own needs.

<sup>3</sup> Cooperatives are in this case defined as associations of smallholders or family units of agricultural production (detailed definitions of these terms can be found in Brazilian law N 11.326 and decree N.9.064).

PANAO will maintain close ties to German development cooperation, in particular due to the placement of its secretariat within the BMZ-funded “Programme for Sustainable Agricultural Supply Chains and Standards”. Also part of this programme is the Sustainable Agricultural Supply Chains Initiative (INA), an association of stakeholders from the private sector, civil society and politics who are collaborating to achieve greater sustainability in global agricultural supply chains. INA considers itself an open platform and testing ground and is not focused on specific raw materials. There are plans to collaborate closely with INA in order to take advantage of synergies and experiences from the different initiatives and avoid duplication as far as possible.

Working closely with networks such as the *Juice CSR platform* of the *European Fruit Juice Association (AIJN)*, the working group of German retailers on living wages and incomes within INA, the *Living Income Community of Practice*, the *Global Living Wage Coalition*, the *Sustainable Juice Covenant (SJC)* and the *Dutch Sustainable Trade Initiative (idh)* is also expected to aid in establishing synergies, sharing knowledge and attracting new members.

## 2. Implementation strategy

The various activities in particular in [Phase 1](#) are outlined below. Further details and a clear assignment of stakeholder groups to the corresponding activities can be found in the operational plan.

### Phase 1: Develop and pilot approaches to improve working conditions and increase wages and incomes

After establishing a common understanding of the issues regarding working and living conditions in the orange juice supply chain and reaching an agreement among the members regarding objectives and governance structures, [Phase 1](#) will focus on operative work to develop the project and its measures, as well as on pilot programmes. In order to create synergies between PANAIO and existing projects and structures, this work will be designed in such a way that the specific activities of PANAIO in the orange juice supply chain cohere with the cross-product work of the INA and other relevant projects and structures.

To achieve this, a range of activities will be implemented in a phased plan. The phases are not necessarily chronologically consecutive; rather, they can, and in some cases must, be implemented concurrently.

#### 1. Step: Establish a basis

- *Relevance of the topic at member organisations*  
 Members establish relevance for the topics of improving working and living conditions and ensuring living wages and incomes in the orange juice supply chain within their organisations. Wages and incomes are an elementary component of decent work and must therefore always be discussed and processed within the overall context.
- *Embed topic in corporate or organisational strategy*  
 The commitment to decent working conditions within supply chains, including living wages and incomes, is integrated into the (sustainability) strategy of the participating companies and organisations so it can be brought successfully to implementation. Members definitively commit to collaborating in PANAIO by signing the MoU.

#### 2. Step: 2. Analyse the supply chain and develop a project design

- *Analyse supply chains regarding working conditions, wages and incomes*  
 The member companies analyse their supply chains to establish greater transparency regarding goods flows and the provenance of goods.  
 The partnership jointly identifies general social and ecological challenges, for example by conducting a human rights impact assessment. Findings already established by stakeholders in Brazil in collaboration with workers are incorporated. In addition, regional benchmarks on working conditions, living wages and incomes are surveyed (e.g. Anker benchmark study in the state of São Paulo) in order to subsequently calculate the wage/income gap<sup>4</sup> corresponding to these models at the selected production sites (e.g. using the idh salary matrix).
- *Project development*  
 Existing approaches are analysed and assessed, and then used as a basis for developing pilot projects and measures for PANAIO that aim to improve working conditions and increase wages and incomes. Existing measures by stakeholders in Brazil are taken into consideration and strengthened. Collaborating with civil society and trade union stakeholders in Brazil on developing the respective projects ensures feasibility and acceptance on the ground.

<sup>4</sup> In this context, the term wage/income gap refers to the difference between the actual wages or incomes on the plantations and the surveyed benchmark for a living wage or income in the region.

### 3. Step: 3. Implement pilot projects and agreed measures

- *Integrate suppliers*  
Based on criteria agreed in PANAIO, the companies work with their supply chain partners to develop a strategy for implementing pilot measures on selected plantations.
- *Improve framework conditions*  
Based on the conducted analyses, further activities to improve social and ecological conditions and strengthen trade unions or cooperatives locally are derived in cooperation with supply chain partners and local stakeholders.
- *Implement activities*  
Then implementation of the measures to improve working and living conditions, increase wages and incomes and establish other needs-oriented measures to reduce social and ecological risks on the pilot plantations begins. Strengthening advocacy groups for workers, smallholders and other relevant civil society stakeholders in Brazil is a fundamental aspect of all pilot projects.

### 4. Step: Monitoring and evaluation

- The experiences gathered from implementing the pilot projects and other measures are continuously monitored and evaluated and the measures adjusted in accordance with this evaluation. Monitoring in PANAIO is based on agreed performance indicators and a correspondingly established baseline. These data are used to process lessons learned and establish best-practice examples. Close involvement of local stakeholders in Brazil must also always be ensured in these processes.

## Phase 2: Scale up the piloted approach and establish it on the mass market

Following the pilot phase and any adjustments to the measures taken, PANAIO aims to scale up its approaches and implement them on the mass market in order to improve working conditions in supply chains across the country and increase the share of sustainable orange juice on the (German and European) market.

To do so, PANAIO will develop a strategy for integrating measures step by step into the supply chains of the participating companies in order to improve working and living conditions and achieve living wages and incomes. This upscaling strategy is to take the results of the pilot projects into account and will already be developed while [Phase 1](#) is in progress.

In order to reach the mass market, the project will, among other things, 1) cooperate with standard systems that integrate expanded criteria regarding decent working conditions and freedom of association as well as living wages and incomes into their systems; 2) acquire further (retail) companies to increase the share of sustainable orange juice on the (German) market; 3) have to collaborate more closely with the major producers of concentrated orange juice in Brazil.

Regarding cooperation with existing standard systems, the members will, going forward, assess and determine which discussions specifically on orange juice will take place in PANAIO and what should be discussed product-independently within INA, on other platforms or via the Juice CSR Platform.

### **Supporting processes:**

Concurrently with the above steps and phases, the processes and structures within the partnership will be formalised and institutionalised. This includes further development of dialogue and learning structures between stakeholders in Germany and Brazil, networking and cooperation with existing initiatives in the sector, processes regarding political framework conditions, and dialogue processes with the Brazilian government. The project will regularly assess whether its strategic alignment and its implementation activities are appropriately targeted or require corresponding adjustments.

Regarding external communication, it is intended to widely promote/present PANAQ after its public launch in 2020/2021, for example through presentations at trade fairs and public events on sustainable supply chains, and by presenting and discussing the experience gleaned from the pilot projects. This will also attract new members. In order to ensure transparent communication on the progress and activities of PANAQ, members will regularly report publicly on their work (e.g. in sustainability reports).