



**Partnership for  
Sustainable Orange Juice**

# **Principles of Cooperation**

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## Table of Contents

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<b>1. BACKGROUND AND OBJECTIVES</b>	<b>3</b>
<b>2. OBLIGATIONS AND CRITERIA</b>	<b>4</b>
Corporations (retail and industry)	4
Civil society (non-governmental organizations and standard-setting organizations)	4
Trade unions	5
Public sector	5
<b>3. STRUCTURE AND BODIES</b>	<b>6</b>
Steering committee	6
Working groups	7
Secretariat	7
Structure and partners in Brazil	7
Further development	7
<b>4. MODALITIES OF COLLABORATION</b>	<b>8</b>
Confidentiality	8
Antitrust law	9
Financial contribution	9
Continuous revision	9

## 1. Background and objectives

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Alongside apple juice, orange juice is the most popular fruit juice in Germany. In 2018 and 2019, a per-capita consumption of 7.4 and 7.2 litres, respectively, even put orange juice in first place<sup>1</sup>. The world's largest producer and exporter of orange juice is Brazil; two thirds of the country's orange juice exports go to the European Union, and Germany, with a market share of 17 percent, is the largest purchaser of Brazilian orange juice<sup>2</sup>.

Working conditions on orange plantations in Brazil are frequently characterised by poor social and labour standards. During the harvest, workers often perform piecework, sometimes without personal protective equipment, particularly against pesticides, while working under extreme physical strain. Working time violations are widespread, while workers' wages and smallholders' incomes are frequently insufficient to meet their basic needs.

These challenges can only be solved jointly by a range of stakeholders along the supply chain. The EU, and especially Germany as one of the main purchasers of Brazilian orange juice, bear particular responsibility regarding conditions in orange juice supply chains.

The Partnership for Sustainable Orange Juice has therefore set itself the goal of improving the living and working conditions of workers and producers in the orange juice supply chain and, in the long term, increasing the proportion of sustainable orange juice on the market. An important aspect of implementing humane working and living conditions is ensuring that workers and producers are able to achieve a living wage or income through their work.

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1 <https://www.fruchtsaft.de/branche/daten-und-fakten/> (28/05/2020)

2 CIR (2017) "Der Wandel - Schattenseiten und Lichtblicke in der globalen Orangensafttherstellung"

## 2. Obligations and criteria

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The partnership serves to pool know-how, expertise and resources, is based on constructive dialogue, and works to raise awareness within the market. PANA O members undertake to support the partnership at all levels. Cooperation and communication between the stakeholder groups in Germany and Brazil is a central key to its success.

Every member undertakes

- To implement the common goals and support the measures and activities of the partnership;
- To advertise the partnership and publicise its goals and activities;
- To report transparently on membership and the progress made by the partnership;
- To contribute expertise and ensure regular attendance at meetings.

When applying for membership, members are required to indicate the stakeholder group to which they belong. The following criteria must additionally be met by the respective stakeholder groups in order to qualify for membership in the partnership:

### **Corporations (retail and industry)**

- Participate actively in developing methods and models and undertake to work towards corresponding implementation within their supply chains;
- During the pilot phase, contribute actively to identifying suitable plantations for implementing pilot projects and encourage their supply chain partners to participate;
- Demand and promote resource-friendly farming certified according to ecological criteria among their suppliers.

### **Civil society (non-governmental organizations and standard-setting organizations)**

- Contribute to strengthening relevant civil society stakeholders in the producing countries;
- Integrate aspects central to improving working conditions in the orange juice supply chain into their advocacy work;
- Participate actively in developing methods and models and ensure that these take the interests and needs of local stakeholders into account.
- Support producers in implementing standards (e.g. through training courses, supporting materials or consulting);
- Include relevant social, ecological and economic conditions in their standards;
- Help raise awareness regarding issues in the orange juice sector, thereby also promoting demand for certified orange juice especially on the German market but also in other countries within and outside Europe;
- Share information from the certification programme (e.g. certified volumes, certified members) with PANA O members while maintaining data privacy.

### **Trade unions**

- Help ensure that the interests of workers in the producing countries are better represented;
- Contribute actively during the pilot phase to identifying suitable plantations for implementing pilot projects;
- Participate actively in developing methods and models and ensure that these take workers' interests and needs into account.

### **Public sector**

- Aids the work of the partnership by networking and coordinating with existing (BMZ) measures in Brazil and in Germany;
- Supports and promotes relevant transformations towards sustainable supply chains at the national, European and international level;
- Works within its own structures to ensure sustainability criteria are taken into consideration when procuring orange juice;
- Supports civil society stakeholders to strengthen advocacy groups representing workers;
- Contributes to funding the secretariat.

### 3. Structure and bodies

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The PANAQ governance structure in Germany is comprised of the following bodies:

#### Steering committee

- Consists of six (6) people and is constituted as follows:
  - Three (3) representatives of the corporations stakeholder group
  - One (1) representative of the civil society stakeholder group
  - One (1) representative of the trade unions stakeholder group
  - One (1) representative of the public sector stakeholder group
- Makes decisions by consensus;
- Meets at least twice a year;
- Is newly elected by the members every two (2) years;
- Elects a chairperson to a one(1)-year term;
- The chair rotates between the stakeholder groups.
- The chairperson's duties are
  - To represent the partnership externally, on behalf of all its members, in interactions with potential partners and members. In these interactions, the chairperson may only communicate decisions approved by the steering committee;
  - To prepare and draw up steering committee meeting agendas in coordination with the secretariat;
  - To lead the steering committee meetings (moderation may be external).

#### Duties:

- Determines strategy and alignment of PANAQ;
- Approves new regulations and guidelines;
- Decides on the acceptance of new members;
- Instructs the working groups;
- Instructs the secretariat.

#### Election process:

- Members of each stakeholder group elect their own representatives.
- An exception is the representative of the public sector stakeholder group; this representative is delegated by the German Federal Ministry for Economic Cooperation and Development (BMZ).
- The election is held during the annual members' meeting. In preparation,
  - The secretariat requests nominations for the stakeholder groups three (3) months before the end of the term of office;
  - The members notify the secretariat of their nominations within four (4) weeks;
  - The secretariat sends out the lists of nominees to all members of the respective stakeholder groups one (1) month before the end of the term of office.

## Working groups

- May be suggested and requested by members by submitting a corresponding concept to the steering committee;
- Are made up of representatives of all stakeholder groups;
- Are mandated by the steering committee for a pre-determined period of time and report to the steering committee;
- May receive professional assistance from external individuals or institutions.

### Duties:

- Serve to further develop the content and concept of the partnership;
- Advise the steering committee.

## Secretariat

- Is committed to implementing the goals of PANAIO;
- Acts as a neutral intermediary and is equally responsible to all stakeholder groups;
- Is tasked by the steering committee with coordination and implementation, and reports to the steering committee.

### Duties:

- Is responsible for process support, coordination and project management within the partnership in Germany and Brazil;
- Is responsible for expanding and optimising communication and process structures;
- Is responsible for preparing and following up on steering committee meetings (in coordination with the chairperson);
- Receives and reviews new membership applications;
- Represents the partnership externally and in interactions with external parties and stakeholders on behalf of the steering committee.

## Structure and partners in Brazil

In the first development phase (2016-2019), representatives of trade unions, certification institutes, research institutions, producers' associations and civil society in Brazil were involved in discussions on PANAIO through the work of CIR.

Since May 2020, GIZ has been responsible for and coordinated the partnership's activities. Further details will be formulated and coordinated step by step in cooperation with all relevant stakeholders.

## Further development

Relevant organisations that support the objectives and strategy of PANAIO and are members of one of the stakeholder groups listed in Chapter 2 may apply for membership in PANAIO.

Relevant organisations that support the aims and strategy of PANAIO but belong to other stakeholder groups may become partners or supporters of PANAIO. Such affiliations should be discussed on a case by case basis for each organisation and may for example involve professional exchange, contribution of expertise to the working groups, joint studies or the like.

The aim is to further expand the structures in both countries in the coming years and more closely interconnect these structures within the partnership. A key intention is to establish structures that make it possible to bring the challenges, requirements and needs of the various stakeholders in the partnership together through regular exchange and collaboration. The members remain legally independent of one another within the partnership; in particular, their cooperation does not establish a Gesellschaft bürgerlichen Rechts (partnership under the German Civil Code) or any other association under company law between the members. The question of further institutionalisation of the partnership will be discussed in 2021 at the earliest.

## 4. Modalities of collaboration

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Signing the Memorandum of Understanding and joining the Partnership for Sustainable Orange Juice does not prohibit PANA O members from collaborating with other partners pursuing the same or similar objectives. Any communication by individual members regarding PANA O or their membership in PANA O must take the form of agreed communication materials.

### Confidentiality

All members undertake to permanently treat confidential information of other members confidentially. In particular, they undertake to not disclose such information to third parties, to protect it from unauthorised access by putting in place appropriate technical, organisational and legal measures, and to only use it within the scope of the collaboration.

Members shall disclose confidential information to their own employees only where necessary and only if those employees are obligated to maintain confidentiality in accordance with the obligations set out above. Confidential information may only be recorded to the extent necessary for collaboration.

This obligation does not apply if and to the extent that

- Confidential information of other members was already public outside the sphere of this collaboration before this agreement was concluded, or was made public by third parties lawfully, i.e. without breaking a confidentiality agreement, legal regulation or official directive;
- Confidential information is publicly known at the time this agreement is concluded or becomes public thereafter without culpable violation of the above obligation;
- Confidential information was gained by other members through independent discovery or creation or by means of a publicly available product;
- Disclosure is necessary to facilitate collaboration within the partnership or to maintain the legal interests of the members and is made to auxiliaries obligated in writing to maintain confidentiality or to advisors professionally obligated to maintain confidentiality;
- Members have been relieved of this obligation by the other members;
- In the event of instances falling under Section 5 of the German Trade Secrets Act or where there is a mandatory duty to disclose based on the decision of a court or public authority. In this case the members shall inform each other immediately in writing or text form of these circumstances and jointly determine the extent of disclosure within the legally permissible scope.



## Antitrust law

PANAO pursues exclusively social, environmental and development policy objectives and neither intends or nor exerts any influence on competition between its member companies or on the orange juice markets.

The members of PANAO undertake

- To at all times act in a manner compliant with antitrust laws;
- To not use PANAO directly or indirectly as a forum for anti-competitive conduct outside the partnership's social, environmental or development policy objectives;
- To not discuss or coordinate specific market behaviour unrelated to the objectives of PANAO, particularly regarding retail prices, pricing components, divisions of territory or customer allocation.

Should it become necessary to exchange competitively significant information, especially as described above, in order to achieve the social, environmental or development policy objectives of PANAO, the members of PANAO shall make every effort to ensure that such exchange takes place only in a manner compliant with antitrust law. For example, details of such competitively significant information may only be exchanged via a neutral body that is obligated to maintain confidentiality towards the members of PANAO regarding details and will only make information and results available to the members of PANAO in a form that allows no conclusions to be drawn regarding the original data or their provenance.

## Financial contribution

As PANAO is developed further, its members will in the medium term review and discuss whether, and if so, to what extent the structure of the partnership can be supported through financial contributions from all members. This may for example take the form of membership fees introduced in phases.

## Continuous revision

This document describes and defines the principles of PANAO. As the partnership and its activities are developed step by step and continuously, it will be updated accordingly. Reviews to establish whether an update is required will generally take place once a year. New content shall be submitted to the steering committee for approval.