

# Princes – Innovation in supply chain transparency



## Who is Princes?

Princes is an international food and drink group, in business for over 140 years. In addition to their 11 Princes manufacturing sites and 7,000 colleagues located globally, they also work with 2,500 direct suppliers employing 265,000 workers in over 44 countries.

## Summary

Princes has worked on a pioneering supply chain transparency approach, bringing to life human rights challenges and improvements for shoppers and consumers. This has been achieved through the launch of a blockchain technology enabled platform for Napolina tomatoes. They have also led the way in their sector by publishing a supply chain map for all their finished goods, ingredients and packaging suppliers, with additional information on gender equality, types of worker contract and access to worker representation.

## Context

This project is within the wider context of Princes' ethical trading and Human Rights approach, which prioritises partnership with key suppliers, seeking long-term supply agreements, in order to provide security, integrity and quality. They have dedicated resource committed to implementing social sustainability and driving improvements for workers in their supply chain, which is done through close engagement with colleagues from various functions within the group including commercial, technical, human resources and innovation.

A key focus has been identifying, mapping, risk assessing and addressing human rights issues in key supply chains. In 2021 they worked to improve their human rights due diligence in their canned fruit supply chains, including a detailed mapping exercise to understand the lower levels or 'tiers' of the supply chain. This took twelve months and resulted in being able to more fully understand the production sites and workforce in lower levels of the chain. Taking a detailed look at 16 of their fruit products, they could map 6,000 farms, 30 pack houses and 11,000 workers.



Risk to action

## What prompted the action?

Transparency of sourcing is key for Italian tomatoes, primarily from a human rights point of view but also to reassure customers and consumers of the origin of the tomatoes, since food fraud in the Italian sector remains an issue (even in 2022, Egyptian-origin tomatoes labelled as 100% Italian were found on the shelves of some UK supermarkets).

According to the Italian government, migrant labour accounts for up to a quarter of the total agricultural workforce in the country and there are certain widespread illegal practices that take advantage of and exploit migrant labour. Princes has a long-standing proactive approach on human rights issues in Italian agriculture, working for many years to tackle illegal labour practices, in partnership with various stakeholders including government and NGOs in Italy, and providing capacity building and awareness training and guidance for growers. They have been working hard to ensure that growers in their supply chain receive a fair and profitable price for their tomatoes, giving long term (3 year) contracts at prices agreed by the largest Italian farming body. This gives financial security to producers and ensures a fair margin for farmers, who can then provide safe working conditions and fair payment for workers. Before this project, they hadn't communicated this progress directly to consumers. As a business, they know that responsible sourcing is a key priority for their customers and consumers, who want reassurance and evidence of what's being done. So they decided to take action to bring the topic to life for shoppers.

## Taking action

### Using blockchain for supply chain transparency

Princes worked with a third party blockchain enabling company, Provenance, to communicate with consumers about their progress on tackling illegal labour practices in Italian agriculture. In 2021, they launched on-pack quick response (QR) codes on Napolina canned tomatoes products which had been produced at their own manufacturing site in Italy. Shoppers can easily scan the QR code, which gives a mobile-friendly experience, to see information about the supply chain. This includes the location of production sites and number of worker co-operatives, as well as linking to information about the positive impact of the product on workers and the community.

### Supply chain mapping

Princes has also worked with their suppliers to publicly share their first-ever supply chain map of finished goods, ingredients and packaging suppliers. This enables all customers and consumers to have full reassurance and transparency about how and where the products are made. The map also gives important information relevant to the human rights of workers such as access to worker committees / trade unions, types of employment contracts and gender equality.

In general, this kind of information is currently being shared by some garment retailers and also supermarkets, but it is pioneering amongst Princes' peer group of suppliers to supermarkets.

*"We're delighted to have pioneered a supply chain transparency approach, harnessing innovative technology, which engages consumers and directly communicates the work being done to tackle human rights challenges in the supply chain."*

*- Paul Williams, Head of Environmental and Social Sustainability*



## Outcomes

It has increased trust amongst customers and consumers, who have the ability to see proof that the company's sourcing and impact claims are credible. Princes holds focus groups with current, and potential consumers and has been pleased to see that more shoppers have heard about the company's sustainability efforts and how their

purchasing decisions can make a difference to workers' lives. Over 125,000 shoppers have scanned the QR codes on packs, to find out more about how the product is responsibly sourced. This has resulted in more than a 300% increase in the traffic to their Napolina responsible sourcing product claims online.

## Moving forward

The on-pack traceability has provided a scalable solution for responsible sourcing communications across the Princes Group. It has already been extended to Princes' brand tuna and other fish products in the Netherlands, as well as own label partners, and other products are in the pipeline for roll out.

As the business looks ahead in terms of the on-pack traceability, they aim to enhance this further by providing information and stories from the farm level and widening the information to also include environmental sustainability topics. They will also be using the data they receive to understand whether the project has had an impact on shoppers' purchasing decisions.

Princes will continue to produce their supply chain map annually and work to convince remaining suppliers to share the data.

*"Citizens are expecting brands to be more open so that we can all make more conscious, informed purchasing decisions. This partnership with Princes is about helping get the information into the hands of shoppers and creating a more honest dialogue about the work that's being done, in progress towards a more positive food system."*

*- Jessi Baker, Provenance founder and CEO*

## Lessons learnt

"We have been reminded that transparency is a journey, and not an end point and whilst it takes time to work with suppliers, to convince them of the advantages of this approach, we have a number of concrete examples to demonstrate the benefits in shopper engagement and consumer understanding. It's given us the ability to be more vocal and proactive about the significant progress on worker welfare being achieved at lower levels in the supply base".



## What makes this a leadership approach?\*

### Proactivity

Princes has shown proactivity to initiate the use of a pioneering approach with blockchain technology, in order to meet a need, to increase traceability and confidence of customers and consumers.

### Ownership

Their efforts over many years to tackle illegal labour practices in Italian agriculture and to ensure farmers receive a fair price has shown on-going ownership of the opportunities to continuously improve.

### Partnership

The success of this approach has been dependent on a number of key partnerships. The most important partnership is with their Italian production site and the group of farmers that supply them, but also their lengthy partnership with various stakeholders within Italian agriculture, including government and NGOs, has been essential to make the improvements for farmers and workers.

Princes also initiated a partnership with Provenance, to work together to deliver this approach, and to show leadership in direct consumer engagement in their sector.

\* Key behaviours that Co-op champion are proactivity, ownership and partnership. Click [here](#) to learn more about Co-op's supplier engagement programme. Co-op's 'Supplier's Guide to Ethical Trade' sets out the standards suppliers are expected to meet.