



Aiming for 100% sustainable juice by 2030...

...the clock is ticking

Back in March this year leading European beverage and food companies joined forces and formed a coalition aiming for 100% sustainable juice and puree by 2030.

Under the coordination of IDH, the Sustainable Trade Initiative - the companies Döhler, FrieslandCampina Riedel, Refresco and Verbruggen Juice Trading Sustainable Products b.v., signed a global covenant targeting 100% verified sustainable sourcing for their juices within the next decade. With the support of AIJN, the European Fruit Juice Association, they have agreed to work on the certification and verification of their supply chains as well as addressing specific sustainability issues.

As part of the commitment, the companies' progress towards 100% sustainability will be monitored by an independent third party, based on a

common definition on sustainability criteria (including SAI FSA and SMETA based principle). In 2018, the companies are committed to having 15% of their volume sourced sustainably, rising to 30% in 2020, 75% in 2025 and to then have 100% volume sourced sustainably in 2030.

Some of the immediate next steps for the coalition is to get the annual process monitoring in place, setting pre-competitive projects in the field and to develop an activity plan for the first year.

Here Bernd Isenberg from IDH talks to Fruit Juice Focus about how it all started, what the challenges are and how the fruit juice industry and the

consumers will benefit in years to come.

Fruit Juice Focus (FJF): Can you give us some background to IDH and how it operates as a champion for sustainability?

Bernd Isenberg - IDH (BI): IDH (the Sustainable Trade Initiative) accelerates and up-scales sustainable trade. Established back in 2009 by the Dutch government, we build impact-oriented coalitions of private sector organisations, civil society organisations, governments and other stakeholders with the aim of helping to improve the sustainability of international supply chains. By bringing together public and private



Bernd Isenberg, IDH



interests, and utilising their strengths and industry knowledge, the IDH programmes are aimed at making sustainability the new norm. IDH has experience in more than 15 sectors including cotton, tea, fruit and vegetables, and other crops.

With a 105 M euro match funding grant from the Dutch Ministry of Foreign Affairs, IDH organises scoping, development and implementation of public private, precompetitive market transformation programmes. The IDH investments in market transformation programs are match funded by private companies.

We work with leading multinational companies, governments and civil society to bring about real, practical and measurable sustainability objectives that help reduce poverty, safeguard the environment and foster fair and transparent trade.

We basically bring everybody involved around the table in the sector specific landscapes and jointly develop a sustainability agenda for that industry drawing from the

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sustainability issues involved in the various supply chains.

FJF: How did the IDH get involved with the fruit juice sector?

BI: The Juice Covenant is something that was set up very recently - it was started in March this year. It came off the back of another closely related sector that we are already working in which is the sustainability initiative for fresh fruit and vegetables (SIFAV2020) which was launched in 2012 and now has more than 40 members. The aim of this project is to ensure that members make their imports of fruits and vegetables from Africa, Asia and

South America 100% sustainable in 2020 – quite an ambition!

Interestingly the juice programme is a little bit of an exception because they don't only focus on produce from developing countries but produce that is sourced globally no matter where it is coming from.

Since the above initiative has been very well received by the industry and by the participating companies and organisations there has been quite some demand for setting up something similar for processed fruits and vegetables and also for juices. At the beginning of last year (2016)

AIMING FOR 100% SUSTAINABLE JUICE BY 2030

THE SUSTAINABLE JUICE COVENANT

About
Since several years, the juice industry has been discussing how to drive sustainability in the supply chain by mitigating supply chain risks and fulfilling market demand for sustainable juice. The sustainable juice covenant is the action plan by and for the juice industry to put its sustainability ambitions into action.

How to reach 100% Sustainability?

- ▶ Joint target setting – aiming for 100% Sustainable Juice and Puree by 2030
- ▶ Certification and verification of supply chain
- ▶ Independent monitoring of progress - Annual monitoring of percentage verifiably sustainable
- ▶ (optional) Issue mitigating projects - Opportunity to apply for co-funding from IDH addressing key sustainability issues in Africa, Asia and Latin America.

What do we count as sustainable?
Fruit and vegetables from farms which comply to the SAI FSA bronze criteria and are verified/certified accordingly, which are processed and packed in its supply chains by ETI/SMETA/SA-8000 certified industry partners.

What is expected of you?

- ▶ Commit to aim to source 100% Sustainable Juice and puree in 2030
- ▶ Report progress annually and allow independent verification
- ▶ Promote the Juice Covenant
- ▶ Share knowledge on sustainability with covenant members

Benefits for companies

- Public expression of your sustainability ambition
- Proven, practical approach to sustainability
- Independent monitoring of your progress (co-funded by IDH)
- Opportunity to apply for IDH co-funding for issue mitigating projects
- Exploit market opportunities and reduce your risk exposure

Endorsed by: AIJN EUROPEAN FRUIT JUICE ASSOCIATION, DÖHLER, Refresco, Frutco AG, Rainforest Alliance.

AIMING TO SOURCE 100% SUSTAINABLE JUICE AND PUREE BY 2030

15% 2018 → 30% 2020 → 75% 2025 → 100% 2030

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we were approached by certain AIJN (European Fruit Juice Association) member companies who were asking us whether we could set up something similar for the juice sector.

We started having discussions with two companies to see how we could make that work in practice resulting in the covenant which the first four members signed up to when we launched in 2017.

Since then we have two more companies that have joined the group (Frutco AG and V&K Pineapple Canning) and one major organisation - The Rainforest Alliance who has also signed up to the covenant. The group is slowly growing. We are looking to expand further and are very much focused now on getting more participants on board and at the

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same time validating the process that will enable companies to track their progress towards the target for 100% sustainable juice in 2030.

Although the initial companies signed up are European based they all have a global footprint and going forward we expect more companies outside of Europe to get involved as has been

proven with the signing up of the Thai company mentioned above.

FJF: How many companies would you need to ensure the initiative has major penetration across the industry?

BI: Our target for 2017 is to have 10 companies on board by the end of the year. When you are looking at the type

and size of companies that are joining, like Refresco and Döhler for example, we will be getting quite far already in terms of market share with those 10 companies. Then in the next few years we will expect to grow to about 20 or 30 companies – maybe even reach 40, but we can't expect everyone to join the covenant. It's really the companies that are serious about their responsibilities and who want to carve out a space for themselves in sustainability who are going to go for this.

FJF: How does the covenant work? Is it a legally binding agreement?

BI: The companies have a moral obligation – not a legal one. They signed up to commit themselves to fulfilling the aim of becoming 100% sustainable juice providers by 2030.

FJF: How do you at IDH monitor and benchmark progress by the participating companies towards the 100% sustainable juice by 2030 objective and how do you communicate this?

BI: We don't communicate with the group about any individual company's progress. This is confidential to them but we do communicate with the group as a whole by publishing aggregated averages across all the different areas we are working on.

Together with members of the Covenant we set up projects to address specific sustainability issues such as smallholder inclusion, working conditions, responsible agrochemical management, and climate resilience.

The companies are monitored by a third party on their progress towards the target and there will be intermediate targets as well. For example the first one will be 15% in 2018 and then the company will get feedback by the monitoring organisation showing where they stand and how to make progress towards the 100% target.

FJF: Does each participating company have a specific person or department

set up to work with the monitoring company and IDH?

BI: Very often it is the procurement teams but it can also be their sustainability departments so it depends a bit on the company as to who is in touch with us and the monitoring team.

FJF: 2030 is quite a long way off – after that date will there be continued monitoring to make sure companies are still maintaining these standards?

BI: This is a difficult question as it is so far away. We are having those discussions now for the fresh fruit and vegetables covenant which is up in 2020 and there the intention is definitely to keep on measuring so we would imagine that there would be similar process with the juice initiative.

FJF: You say that firms don't talk to each other about their progress but talk instead to the monitoring company or IDH. Do they have more formal meetings or platforms to exchange ideas on progress going forward?

BI: We do. First of all the steering committee meets regularly – four times per year – ready to give this programme a strategic direction and also to get behind the workings of the field level projects that we are going to implement. Next to that there is also the general assembly which is going to take place once per year which is also aimed at being a learning platform where companies can exchange theory and case studies with each other on how to improve on their share of sustainable sourcing.

FJF: Are you flushing out elements of the supply chain that are below the required standards that will lose business because of the initiative?

BI: We are not ourselves analysing specific parts of the supply chain to see what the sustainability issues are. But what we have done is commission the WWF to develop a digital map

of 60 sustainability hotspots in the processed fruits and vegetables sector. So for example you could click on Ecuador bananas and then you would see what specifically the risks are for sourcing bananas for processing in Ecuador. You can see what the social, environmental and economic sustainability is for this hotspot and compare risks associated with this source.

We make this hotspot map accessible to the members of this covenant, and jointly develop issue mitigation projects to address the identified risks.

FJF: Were there any pressures from consumers that prompted this initiative?

BI: Yes there was and still is pressure from the consumers. The companies that have signed up for the covenant so far are not retailers so they don't have a direct link with the consumer but they have recognised the opportunities arising from this pressure on the retailers who are their customers.

The companies that are working together with us now are often approached by their clients that say 'we want you to sell more sustainable juice to us', but they don't provide a clear direction on the definition of sustainability. This is why it is very important and commendable that the juice industry has taken the initiative into its own hands the process being facilitated by IDH which is an internationally recognised and credible organisation, together with the industry body the AIJN and others organisations.

We are agreeing on a definition of sustainability that should become the norm for the industry. This gives the companies a clear proposition and message to retail and also to the end consumer on how we as an industry are jointly tackling sustainability.

FJF: How have IDH and the AIJN collaborated on this project?



BI: The AIJN has been very much involved in the sustainable juice initiative from the very beginning. They have endorsed the covenant as one of the ways for companies to put the AIJN code of business conduct into action. Equally they do make it clear that they can't prescribe it as the only way for members to become sustainable and that it is one of several options toward sustainability. AIJN have been actively participating in our steering committee meetings as advisors. The AIJN is also providing part of the funding that is necessary to run the Covenant secretariat.

We also make use of the AIJN as a platform to provide the covenant with ongoing support and promotion. The Juice Summit in Antwerp this October will feature presentations on sustainable juice at the main event



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and at the CSR side-stream. We did the same last year and the AIJN has been very instrumental in getting this initiative known by the industry.

We anticipate more companies signing up and even though the 2030 objective for companies to be 100% sustainable may seem a long way off, the sooner they join the covenant and

get started the better for the fruit juice industry and for the consumers.

For more information on the sustainable juice initiative and how your company may benefit from joining please contact Bernd at isenberg@idhtrade.org, or Elske at stevenson@idhtrade.org or visit www.idhsustainabletrade.com ●