

## FAQ – Sustainable Juice Covenant (SJC)

### What is the objective of the SJC?

SJC's members are looking to drive sustainable change and to improve juice supply chains across the globe. Together, they have committed to a target of 100% sustainable sourcing of juices, purees, and concentrates by 2030. Most importantly the covenant provides a practical roadmap to certify & verify juice supply in accordance with widely recognized certification schemes. This benefits all parties in the supply chains as increasing number of companies use the same definition for sustainability.

By partners being aware of conditions at production and processing level, they can actively start a dialogue to address challenges with their producers and with other juice actors that are facing the same issues. The covenant therefore also offers a platform for members to engage, exchange knowledge, share learnings on critical sustainability topics and to work together on solutions and projects that support the sustainable transition towards a future-proof juice sector.

### How do members of the SJC define sustainability?

Consumers increasingly want confirmation that what they are drinking is sustainable and good in the sense of having been produced responsibly, respecting the environment as well as people involved in the production across the supply chain. Sustainability certification and audit schemes verify farming and production practices on key sustainability criteria. They also help supply chain partners address sustainability issues with their producers and monitor improvement over time. Under the SJC, juice products are considered sustainable if they meet social and environmental criteria along the entire supply chain. Specifically, social verification is required at processing level, while social and environmental verification or certification is required at farming level.

# Which standards are accepted under the SJC? What are the requirements?

The SJC supports a joint definition of sustainability based on widely recognized sustainability schemes, including the Farm Sustainability Assessment (FSA), Rainforest Alliance, SMETA and other comparable programs and certifications.

Key motivation of the covenant is to use preferred sustainability schemes rather than coming up with yet another standard. However, we do want to ensure that a certain level of assurance is met by these standards. We therefore work with independent benchmarks. Standards that have gone through a benchmarking process and that are found to be equivalent to that benchmark are accepted by SJC members to be used in the basket of standards.



- At farm-level: the FSA is used as a benchmark reference. Fruit and vegetables from farms that comply with the SAI FSA bronze criteria or equivalent and are verified/certified accordingly are accepted under the Sustainable Juice Covenant. The equivalency level of different standards and certificates can be assessed using the following tool: https://fsatool.sustainabilitymap.org/#!/fsaquestionnaire
- At processing & packaging level: Until the end of 2023 the GSCP (Global Social Compliance Program) is used as a benchmark reference for social certification and verification. As of 2024 its successor, SSCI (Sustainable Supply Chain Initiative), will be used. Currently the standards ETI/SMETA, SA-8000 and Amfori-BSCI are found to be equivalent and are therefore also accepted under the Sustainable Juice Covenant.

# Are there other requirements that producers/suppliers need to comply with for their volumes to be counted as sustainable by members of the SJC?

A valid certification or audit report from one of the accepted standards is required for juice to be considered sustainable under the SJC. Moreover, third party verification is required. This means that a sole self-assessment will never be accepted under the Sustainable Juice Covenant as a valid verification. Furthermore, minimum scoring and compliance levels are set for different standards, e.g. no major non-compliances are accepted for SMETA audits (unless remediated and a follow-up audit has solved these issues), or a minimum score of FSA Bronze is required for FSA.

All SJC members require their producers and suppliers to provide them with proof of valid certification, verification, or a supplier declaration form for the volumes they provide. They verify the documents and make sure that they comply with the minimum requirements set. Sustainable volumes are tracked for the full upstream supply chain by SJC members. All SJC members set up their internal reporting system.

## How does the SJC verify the efforts of the members?

Under the Sustainable Juice Covenant, members are asked to report on their percentage sustainable volumes once a year (for the previous calendar year). This monitoring campaign is the basis to keep members accountable towards the end goal of SJC, which is reaching 100% sustainable sourcing volumes by 2030.

To make sure that the validation is reliable, a third independent party is asked to perform the validity checks. This independent third party reviews the members annual reporting and performs company site visits as a part of the monitoring campaign. During the site visit, volume data, related data collection systems and a sample of supporting documentation are reviewed. Volumes traded under the SJC can be a mix of volumes certified by different standards, as long as these standards have been accepted by the Sustainable Juice Covenant (see previous questions).



If a member is not improving its sustainable sourcing volumes, IDH, the Sustainable Trade Initiative, will follow-up with this member. in case IDH concludes that there is no commitment by that company to reach the agreed goal, the steering committee can decide that they should leave the covenant.

#### What is mass-balance and is it accepted under the SJC?

The SJC recognizes sustainability in juice supply chains based on physical segregation and on mass-balance principles. Segregation means that juice always maintains physical product traceability. Mass-balance principles allow non-sustainable and sustainable batches to be mixed provided that overall quantities of non-sustainable and sustainable volumes are controlled, and that a system's input volumes are equal to the system's output volumes. Juices are routinely mixed during production. Therefore, mass-balance principles allow farmers and producers to gradually increase the share of sustainable juice while taking into consideration supply chain efficiencies and complexity. An assessment on the SJC members' mass balance administration is part of the annual SJC reporting campaign.

# Why is the SJC not labelled on packaged juice? Does this mean the juice is not sustainable?

The Sustainable Juice Covenant is not a product claim. It is a commitment and a practical roadmap to certify and verify juice supply in accordance with widely recognized certification schemes. Standards that are considered sustainable under the SJC include both consumer product-related schemes, such as the Rainforest Alliance and non-product related schemes, such as the Farm Sustainability Assessment and social schemes such as SA8000. Volumes produced by the SJC members can be a mix of volumes certified by different standards, and only a few standards provide a consumer label. It is therefore possible that certain volumes are found to be sustainable but this is not shown in the form of a consumer label.

# The SJC encourages members to set up projects on the ground. What kind of projects does it support?

The projects supported by the Sustainable Juice Covenant are collaborative projects driven by SJC members. They are aimed at addressing important sustainability issues within global juice supply chains and increasing sustainably sourced volumes. When these on-the ground projects are aligned with IDH's key sustainability topics and fulfil IDH's project requirements, IDH offers co-financing as well as support in terms of knowledge, insights, and coordination. The key focus areas for sustainability are:

- Better jobs: working conditions and living wages
- Better environment: topics like climate change, water, soil health, etc.
- Better income: smallholder inclusion and living income