



The
Sustainable Juice
100% sustainable juice by 2030 Covenant

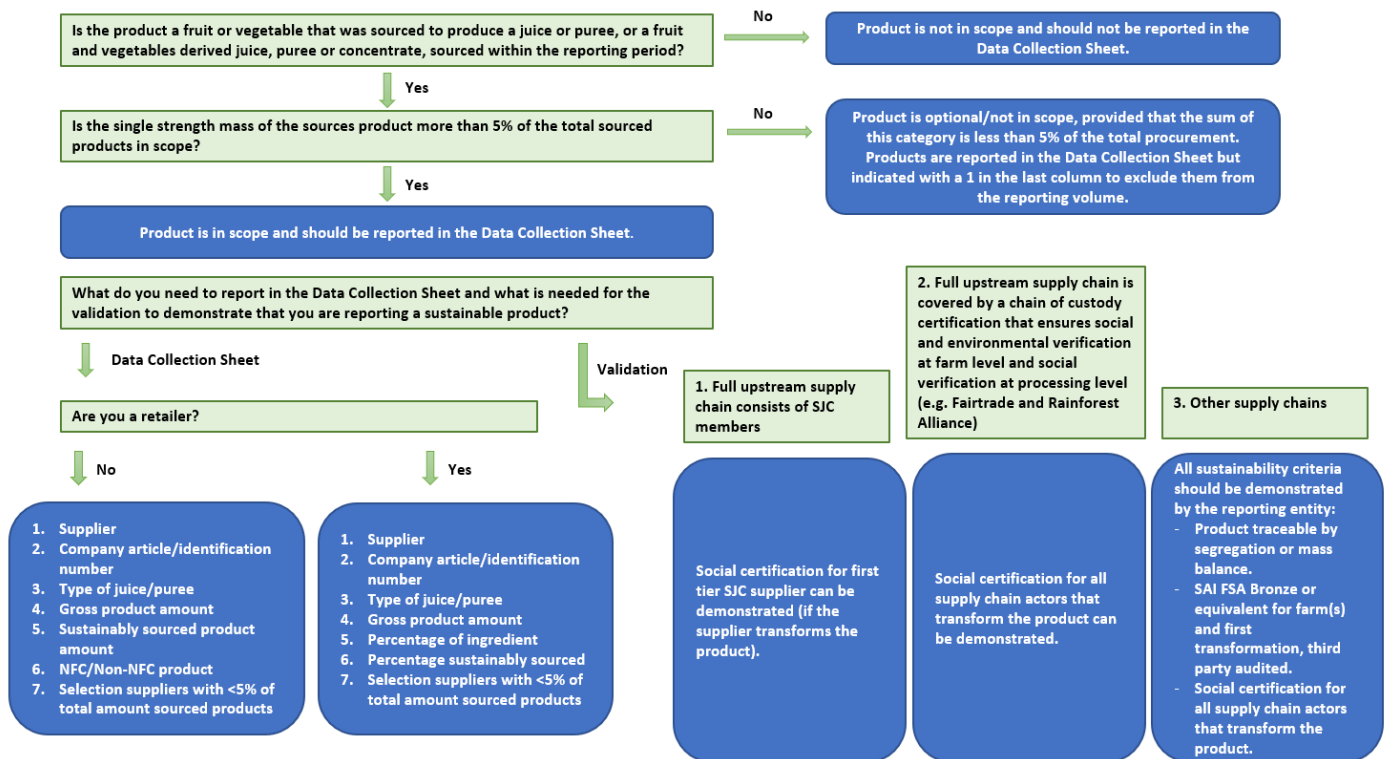
Monitoring protocol

Version 0.11

December 2022

A. Quick reference

The next chapters of this document contain a detailed background and definitions for the yearly reporting of sustainable juices as has been agreed amongst the members of the Sustainable Juice Covenant (SJC). The schedule below can be used as a quick reference to determine whether amounts are in scope, what should be reported in the data collection sheet and the validation which is needed to demonstrate whether the sustainably reported amounts are from a sustainable source according to SJC.



B. Update log

Version	Updates
0.1	Document creation.
0.2	Document to be reviewed by IDH.
0.3	Updates after review IDH and meeting SteerCo 12 July 2017.
0.4	Updates after pilot visits and feedback members
0.5	Clarification in 'How to report amounts?'. Final version for reporting on 2017 volumes.
0.6	Update to include calculation proposals for retail and flavor house organizations. Added to the monitoring protocol as Annexes. Final version for reporting on 2018 volumes.
0.7	Includes the following updates: figure updated on page 3 and page 14 to include product traceable by segregation or mass balance; EU juice consumption figure in 2018 under General Information; definition of 'claim' under the Sustainable Juice Covenant; clarification on the evaluation of SMETA audits; under option 3 (page 10): product traceable based on segregation or mass balance (mass balance only applicable from the first level of processing); clarification on the use of legally binding supplier contracts vs audit reports as assurance of sustainable sourcing. Updates approved in the Steering Committee meeting on 14 th May 2020.
0.8	Additional update to include the approach to monitoring where reporting members have acquired new entities. Update approved in the Steering Committee meeting on the 14 th of May 2020.
0.9	Update on the approach to monitoring for members that are new to the Sustainable Juice Covenant; an update to extend the validity of SMETA audit reports over 2020 due to Covid-19-related disruptions to auditing processes; and mass balance guidelines have been added as an annex to the MP (Annex 3).
0.10	Update on the processing standards. SMETA requirements have been updated. Requirements regarding BSCI/Amfori have been added. Retailers' data collection sheet reference has been added. Validation process and reporting deadlines have been updated following agreement with PWC.
0.11	Updated the monitoring plan based on the new designed data collection sheet. The data collection sheet has been simplified more such that it can be completed in an easier and faster way.

1. General information

The European market for juice and nectar is calculated at 9,067 million liters in 2018¹. With this covenant, the covenant parties aim to make a positive contribution towards sustainable production, processing and trade of fruit and vegetable derived juices, purees, and their concentrates in relation to economic, environmental, and social aspects.

The participating private sector parties recognize that they can and should play an important role in increasing sustainability of the supply chain both by scaling up existing initiatives aimed at increasing sustainability and by developing and implementing new initiatives. The implementation of this covenant provides an incentive to the development of markets for sustainable products and ensuring food security and contributes to achieving the Sustainable Development Goals (SDGs) 1, 2, 5, 8, 9, 12.

The SJC was founded in 2017. The SJC members have committed themselves to a shared ambition; 100% of the traded juices and purees by SJC members are originating from sustainable sources by 2030. On behalf of its members, IDH and AIJN have partnered not only to define a blueprint for measuring but also to set up a process of yearly reporting.

To follow up on the SJC ambition, IDH will annually monitor and report progress on realizing 100% sustainably received juices and purees in 2030. To be able to do so, all SJC members report individually on a yearly basis and the aggregated results will be shared.

This Monitoring Protocol is designed to make the process of reporting transparent for the juice sector as well as the SJC members; to establish a common understanding of the definitions that are to be used when reporting and to provide guidance in establishing a minimum level of data quality. One of the main objectives of this Monitoring Protocol is to ensure that SJC members report based on the same definitions as well as comparable levels of data quality.

The Protocol is based on consultations of all participants of the Covenant. Various meetings with the stakeholders were held to establish an understanding of the diversity as well as the maturity of the existing purchase and certification information that will be used to generate the data required.

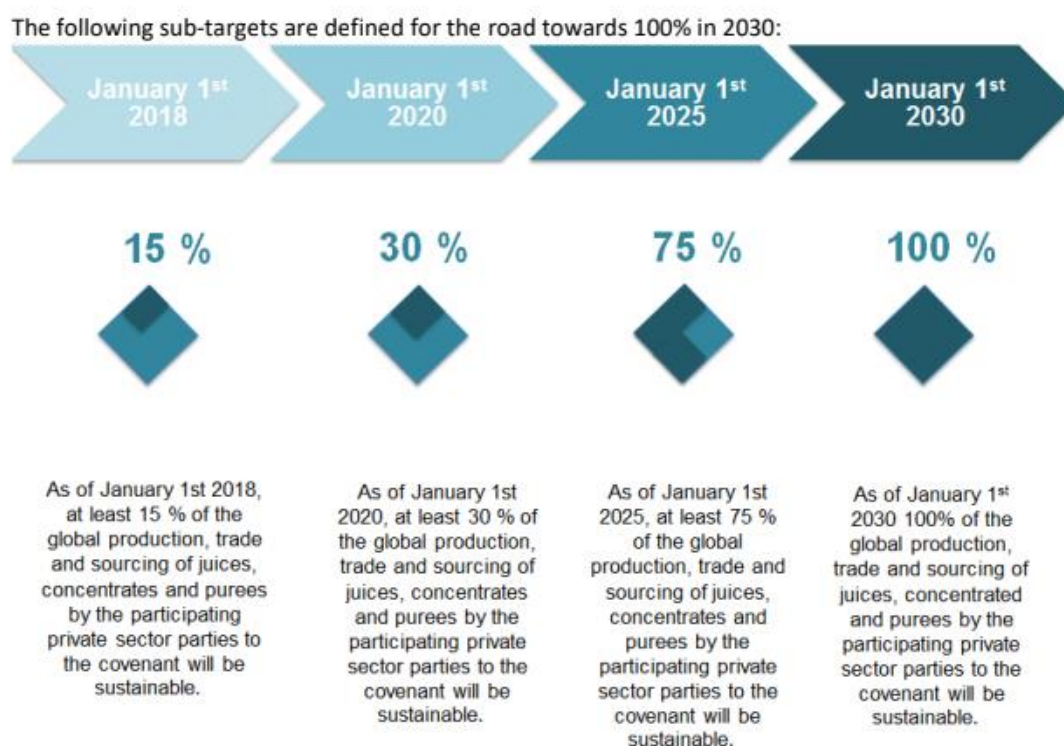
2. Definitions, reporting and data

As SJC members will be generating data from different sources and in different formats, it is essential that it is clear to parties what the details of the reporting requirements are. The question to be answered through progress reporting is the following, based on the SJC ambition to have

All production and trade of fruit and vegetable derived juices, purees and their concentrates by the private partners in this covenant are 100% sustainable by 2030.

¹ AIJN, 2019. AIJN Liquid Fruit Market Report 2019

The following sub-targets are defined for the road towards 100% in 2030:



The definitions that form the basis for the SJC are described in the following paragraphs. These definitions have been tested, agreed, and approved by the SJC member pilot group of traders. The SJC members are expected to report according to these definitions.

a. How to report amounts?

Totals: Total received mass of fruit and vegetables to produce juices or purees and fruit and vegetable derived juices, purees and their concentrates converted to single strength concentration.

The following should be considered regarding reporting total mass:

Measurement and reporting are in mass (tonnes).

- Reported amounts for producers, processors and bottlers should be recalculated to single strength mass, see 'recalculation'.

If you are a processor, you can recalculate the mass tonne of fruit purchased to single strength juice produced. If you are a bottler, you should recalculate the purchased juice to single strength juice bought and if you are a retailer, you should recalculate the ingredient in SKU to single strength juice.

- Total reported mass can be based on segregation or mass balance calculations
- SJC members will report individually before the 1st of April of each year covering their sourcing of the full previous calendar year.

- Cut-off is based on delivery date at the reporting entity; volumes that are delivered within the reporting year at the reporting entity should be reported.

The following should be considered with regards to origin:

- All production/trading countries are in scope.
- All juices and purees that are received within the reporting year by the reporting entity are in scope, regardless of if the products are re-exported to other countries, or directly delivered to other countries without going through the traders' facilities at all.

Recalculation to single strength

For producers, processor and bottlers, the reported amounts should be recalculated to single strength amounts. The source to be used for the actual brix level of the delivery is up to the discretion of the member, if there is supporting evidence for the calculation and the expected inaccuracy caused by the method applied is non-material. Sources can include a sample of the actual product, recipe brix or the average of the brix range in the specification. EU Fruit Juice Directive or other AIJN approved single strength brix levels should be used to recalculate to single strength amounts. The reporting in the data collection sheet will support this recalculation.

Products that are sourced as single strength (NFC) should not be recalculated. For retailers, we assume that all reported amounts are sourced as single strength (NFC). A guidance calculation proposal for retail organizations for the calculation of products sourced back to single strength equivalent can be found under **Annex 1**.

Mixed products: the single strength brix level of a mix juice should be calculated as a weighted average by multiplying the brix level of each component by the portion of that component.

Flavor house organizations: A guidance calculation proposal for flavor house organizations for the calculation of products sourced back to single strength equivalent can be found under Annex 2.

Minor volumes of received products

Received products that are less than 5% of the total received mass in the reporting year (converted to single strength mass) can be excluded from the total reported (sustainable) mass for the Covenant. The sum of the minor volumes that are excluded cannot exceed 5% of the total received mass in the reporting year.

The participant is required to report the total mass of these products in the reporting template (data collection sheet) by indicating which of those products belong to the minor volumes. These amounts will not be considered when measuring the sustainability progress.

Mass balance methodology

Participants are allowed to report using mass balance reporting on product level. The (sustainable) sold mass should not necessarily contain the same physical goods as the (sustainable) received mass (no physical segregation required). Total mass sold as sustainable cannot exceed the total received sustainable mass plus the end balance of the previous year.

For reporting under this covenant, a mass balance administration should be 'closed' at the end of each reporting year. Any remaining amount of sustainable product should be taken as the opening balance of the next reporting year. Sustainable volumes can be carried over for a maximum of 3 years. If the reporting entity decides to report using a mass balance, the mass balance administration, including procurement and sales data, should be documented for each reporting

year.

This mass balance administration should support the claim that the reporting entity has not sold more sustainable products than they have received. An assessment on the mass balance administration of the reporting entity should be part of the annual data validation, at least on a generic level. Both procurement and sales data should be reported in the data collection sheet.

Annex 3 provides detailed guidelines to the mass balance approach under the Sustainable Juice Covenant.

Definition of 'claim' under the Sustainable Juice Covenant

The use of the word 'claim' in the Monitoring Protocol refers to the percentage sourced sustainably by a member, as reported under the Juice Covenant to the third-party monitoring organization and IDH. The use of the word 'claim' under the Monitoring Protocol does not refer to an external claim or an external product claim.



b. What is the definition of juices and purees?

Products that are in the scope of the covenant are:

- Fruit and vegetable derived juices, purees, and their concentrates in compliance to the Fruit Juice Directive.
- Fresh fruit and vegetables that are received to produce juices and purees.
- Other ingredients are out of scope.

c. What is the definition of a sustainable source/product?

A product is considered sustainable if all upstream tiers are certified or verified (3th party audit).

At farm level a social and environmental verification that is equivalent to FSA bronze is required (more info on page 12 &13).

At processing level, a social verification that is equivalent to GSCP (until end of 2023) or SSCI (starting 2024) is required (more info on page 9 & 10)

For validation purposes, the reporting entity should be able to identify the different upstream supply chains of his products. There are different types of value chains for which different

validation is necessary.

Option 1: Supply chain of SJC members

Definition

It can be demonstrated that the entire upstream supply chain of the product only consists of members of the SJC Covenant.



Requirements

For reporting purposes:

- In the data collection sheet the reporting entity should include the sustainable mass or percentage as reported by the first-tier supplier. This sustainable mass or percentage can be applied to the received mass of the reporting entity. For extra guidance on how to fill in the data collection sheet, please refer to **Annex 4**.

For validation purposes:

- The reporting entity can demonstrate that the full upstream supply chain consists of SJC Covenant members.
- The reporting entity should be able to demonstrate that their first-tier supplier has been verified on social criteria (audit or certificate) certified according to the specifications below,
- If this supplier makes physical changes to the product or packaging (including blending, de drumming, drum filling, processing).
- If the first-tier supplier is the farm or primary convertor, this supplier should be certified SAI FSA Bronze equivalent or higher.
- The supplying SJC member should be able to demonstrate the sustainability status of the products that are supplied to other members.

Requirements to social compliance in processing:

- Until the end of 2023:
 - Social standards that are found equivalent to level B of the GSCP benchmark for industrial standards. These are:
 - ETI/SMETA 4 pillar
 - SA8000
 - BSCI/Amfori
 - Other social standards that have gone through the SSCI benchmark for industrial standards, that have been found equivalent to the benchmark and that have been approved to be included by the SJC steering committee. Requests that are approved during the reporting year, are valid for that complete reporting year.

- Starting 2024: social standards have gone through the SSCI benchmark for industrial standards, that have been found equivalent to the benchmark and that have been approved to be included by the SJC steering committee. Requests that are approved during the reporting year, are valid for that complete reporting year.
- The scope of certificates and audits should cover the processing of the sourced materials claimed to be sustainable. The certificate is valid from the audit date, up to the date of validity that is indicated on the certificate or audit report.
- A full re-audit needs to be performed at least every three years for SMETA/ETI & SA8000 or 2 years for BSCI/Amfori
- The reporting entity should be able to show these certificates and/or audit reports upon request of the contracted 3rd party monitoring company.
- The certificates should be valid on the time of delivery of the products. If the certificate is only valid for a part of the sourcing period, the following rules apply:
 - In case of an initial audit: only the volumes produced/processed after the date of the initial audit can be considered for reporting.
 - In case of a follow-up audit or re-audit: the volumes of the whole year can be considered for reporting.

The mass balance system should account for such validity.

- Specific for ETI/SMETA:
 - Minor non-conformities (green) identified through a SMETA audit are acceptable under the Sustainable Juice Covenant (i.e., minor non-conformities will not have an impact on the sustainability status of the volumes traded).
 - Major or critical non-conformities (orange; red; dark red/black) are not acceptable under the Sustainable Juice Covenant. Volumes pertaining to this audit report are not considered sustainable unless a follow-up audit shows that these have been remediated. A major or critical non-conformity should be closed during the specified remediation period which can take up to max. 90 days, unless there is a valid reason that this period takes longer. A valid reason can be 'a force majeure' or a remediation that takes more than 90 days (e.g., capex). In that case this should be clearly explained by the auditee and approved by the auditor.
 - A SMETA audit report is considered valid for a period of three years (based on the date of audit) under the Sustainable Juice Covenant.
 - Considering that monitoring under the Covenant is applicable to volumes traded during the preceding year, it is assumed that the point in time during which the Juice Covenant monitoring takes place will be beyond the end of the specified remediation period (i.e., a major or critical non-conformity should have already been closed during the specified remediation period, or the volumes traded will not be recognized as sustainable. The remediation period will not still be open during the time of the Juice Covenant monitoring).
 - On the basis of efficiency in the Juice Covenant monitoring, it is recommended that SMETA audit reports are uploaded to the SEDEX portal. However, the SMETA audit reports can also be made available at the time of the data validation company visit.
- Specific for BSCI/ Amfori
 - A-, B- or C-scores within the BSCI Amfori system are acceptable under the Sustainable Juice Covenant
 - Audit reports with an A- or B-score are valid for 2 years. Audit reports with a C-score are valid for one year.
 - D- or E-scores are unacceptable under the Sustainable Juice Covenant. Volumes coming from facilities with a D- or E-score are not considered sustainable unless a follow-up audit shows that this score has been changed to a A-, B- or C-score. Non compliances related to

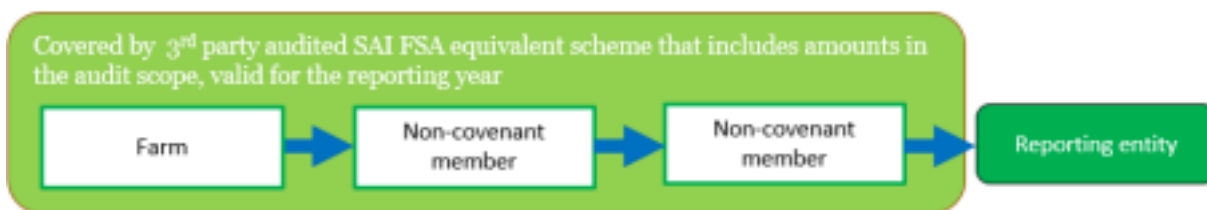
this score need to be remediated within the remediation period stated in the corrective action plan and a follow-up audit needs to show that the respective non-compliances have been remediated and that the scoring has changed to either A, B or C.

- Zero-tolerances are unacceptable under the Sustainable Juice Covenant. Volumes coming from facilities rated with a zero-tolerance are not considered sustainable unless a follow-up audit shows that this zero-tolerance has been lifted. Non- Compliances related to this zero-tolerance need to be remediated within the remediation period stated in the corrective action plan and a follow-up audit needs to show that the zero-tolerance has been lifted.
- Specifically relating to the validity of SMETA and BSCI audit reports in 2020 – 2021 (COVID-19 measures):
 - Audit validity may be extended once for a period up to three months providing that:
 - The producer is unable to host and audit due to the impact of COVID-19
 - No auditing company can perform the audit due to the impact of COVID-19
 - SJC members need to supply the proof of extension (BSCI), a proof from the auditee and CBA (SMETA), as well as the last audit report to the third-party monitoring party to count volumes as sustainable.
- Specific for BRCGS
 - Site with a valid audit certificate (3 year period) – volume is counted as sustainable. This means that when a surveillance audits finds a non-conformity on a fundamental requirement this should have been closed during the specified remediation period, or the volumes traded will not be recognized as sustainable. Minor non-conformities on all other requirements are acceptable.
 - Site with unsolved con-conformity/conformities on a fundamental requirement and without a decision of BCRGS certification committee – volume is not counted as sustainable.

Option 2: supply chain mass balance covered by chain of custody certification

Definition

The full upstream supply chain is covered by a chain of custody certification that ensures social and environmental verification at farm level and social verification at processing level (e.g., Fairtrade and Rainforest Alliance).



Requirements

For reporting purposes:

- In the data collection sheet the reporting entity should include the sustainable mass or percentage as reported by the first-tier supplier. This sustainable mass or percentage can be applied to the received mass of the reporting entity. For extra guidance on how to fill in the data collection sheet, please refer to **Annex 4**.

For validation purposes:

- The reporting entity can demonstrate that the full upstream supply chain of the product is covered by this certification. This certification should be third party audited and valid for the period of sourcing. If the certificate is only valid for a part of the sourcing period, only the part of the mass that was received within the period of validity may be reported as sustainable.
- The reporting entity should be able to show that all supply chain actors, except for the primary transformation, are socially certified according to the specifications as described at option 1 above.

Option 3: Other supply chains

Definition

Supply chains that are not categorized as option 1 or 2.



Requirements

For reporting purposes:

- In the data collection sheet the reporting entity should include the sustainable percentage as reported by the first-tier supplier. This sustainable percentage can be applied to the received mass of the reporting entity. For extra guidance on how to fill in the data collection sheet, please refer to **Annex 4**.

For validation purposes:

The reporting entity is responsible for the full chain of custody of the upstream supply chain. This requires that the reporting entity should be able to demonstrate:

- The full mapping of the upstream supply chain, up to the farm or the conversion from fruit to juice. The specific traded volume must be fully traceable upstream either based on segregation or mass balance. However, mass balance principles are only applicable from the first level of processing; for the farm-level, segregation needs to be applied. In the case of segregation, the source of the product should be traceable using batch numbers or other types or unique authentication of produce. In the case of mass balance, the supplier will need to apply mass balance principles to the delivered products, in which case a supplier declaration on the sustainability status of the delivered goods, calculated according to mass balance principles, should be available.

Supplier declaration: a formal signed statement from an upstream supplier to the reporting member detailing the volumes supplied, and the percentage of the volume supplied that is sustainable, calculated according to mass balance principles.

Annex 3 provides detailed guidelines to the mass balance approach under the Sustainable Juice Covenant.

- Environmental and social compliance in farming and primary conversion: a sustainability certification or verification that is at least equivalent to SAI/FSA Bronze, which is based on 3rd

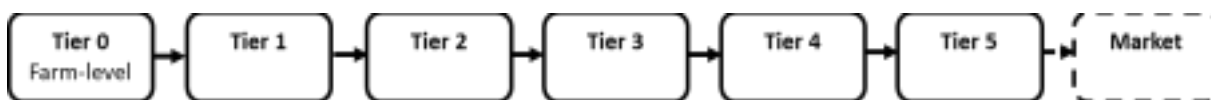
party auditing as defined by SAI/FSA and includes the farm and primary conversion. A tool that helps you assess the equivalency level of standards to FSA is available [here](#).

- Social compliance in processing: Refer to option 1 for requirements.

d. On the use of legally binding commitments and certificates as proof of sustainable sourcing:

If a reporting member is more than one tier from the farm-level, it is possible to use legally binding supplier contracts as proof of sustainable sourcing. However, it is not possible to use legally binding contracts as proof of sustainable sourcing if a reporting member is 1 tier or less from the farm level, or if upstream entities are processing entities (including processing, blending, or bottling).

If upstream entities are processing entities, certificates (audit reports) are required as proof of sustainable sourcing; audit reports can also be accessible through applicable online portals (e.g., the SMETA portal). The following diagram provides further explanation.



- **Tier 0 (farm-level):** if an SJC member is at tier 0 (farm-level), proof of certification (audit reports) is required to provide assurance of sustainable sourcing. This relates to FSA bronze level or equivalent.
- **Tier 1:** if an SJC member is at tier 1, proof of certification (audit reports) is required to provide assurance of sustainable sourcing from the farm-level (tier 0), pertaining to all upstream volumes. This relates to FSA bronze level or equivalent.
- **Tier 2:**
 - If an SJC member is at tier 2, supplier declarations, legally binding contracts or audit reports can be used as assurance of sustainable sourcing from the farm-level (tier 0). Supplier declarations and legally binding contracts need to refer to FSA bronze level or equivalent.
 - If an SJC member is at tier 2, proof of certification (ETI/SMETA, BSCI or SA8000 audit report) is required to provide assurance of sustainable sourcing from tier 1 (primary processing); audit reports can also be accessible through applicable online portals (e.g., the SMETA portal).
- **Tier 3 to Tier 5, and beyond:**
 - If an SJC member is at tier 3 to tier 5 (or beyond this), supplier declarations, legally binding contracts or audit reports can be used as assurance of sustainable sourcing from the farm-level (tier 0). Supplier declarations and legally binding contracts need to refer to FSA bronze level or equivalent.
 - If an SJC member is at tier 3 to tier 5 (or beyond this), proof of certification (ETI/SMETA, BSCI or SA8000 audit report) is required to provide assurance of upstream sustainable sourcing for any tier beyond tier 0 (i.e. if at tier 4, audit reports required for sourcing from tiers 1 – 3; if at tier 5, audit reports required for sourcing from tiers 1-4); audit reports can also be accessible through applicable online portals (e.g. the SMETA portal).
 - In the case of certificates, the reporting entity should be able to show certificates upon request of the contracted 3rd party review provider.

The SJC will continue to support increased transparency; this approach will be reassessed on an annual basis.

e. Sustainability requirements for mixed products

In case of a mixed product, the supply chain and certificates of each component should be demonstrated according to the requirements described above. If the member cannot demonstrate this for all components, the sustainability percentage of the product is limited to the percentage of the component that is sustainable.

Example:

A procured mix product contains:

- 50% Apple – sustainable (supply chain + valid certificates can be demonstrated) 25% Orange – not sustainable
- 25% Pineapple – not sustainable

In this case, the product should be reported as 50% sustainable in the data collection sheet and the supply chain and valid certificates should be demonstrated for validation purposes.

f. Newly acquired entities

For entities that have been newly acquired by an SJC reporting member and where there is more than a 50% shareholding by the SJC reporting member in the newly acquired entity, the reporting member has the option to exclude the sourcing volumes applicable to this newly acquired entity for up to one year from the date of acquisition.

3. What is the reporting period?

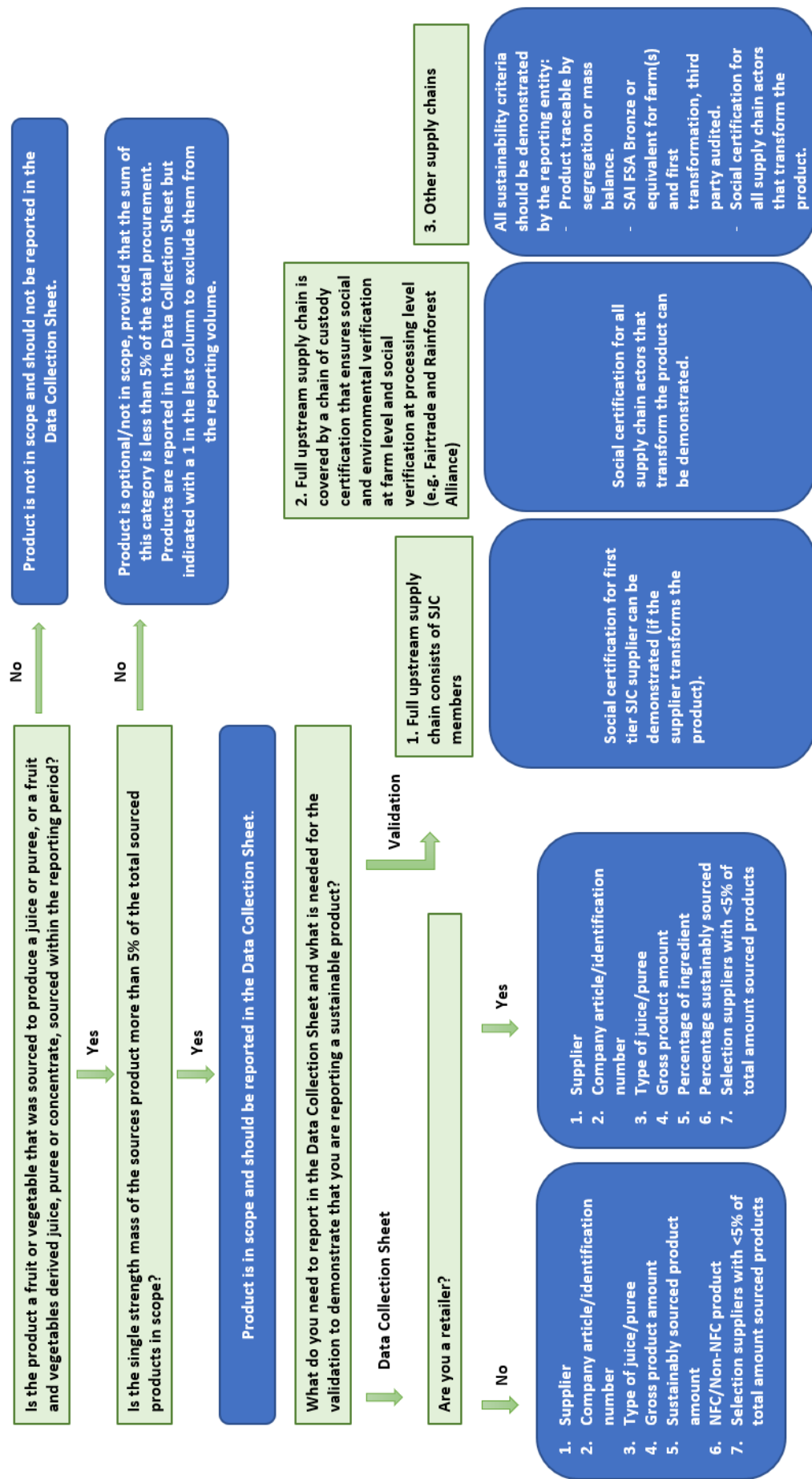
Reporting period: the reported data should cover products received in the calendar year in scope, from January 1st through to and including 31st of December.

The following should be considered with regards to the definition of the reporting period:

- The dates are based on the date of delivery of the products

a. Reporting data: how to report, completeness and accuracy of data

All SJC participants reporting according to the SJC monitoring protocol should ensure all sustainable and non-sustainable received products are reported. To ensure these volumes are reported correctly and completely participants can use the scheme below to determine what to report, to include in the data collection sheet and what is needed for validation to demonstrate that the reported sustainable product is sustainable.



Reporting should be done using the SJC data collection sheet which will be provided by SJC.

The participant should ensure sufficient records are available that allow for validation of the reported mass data to the relevant data source data (e.g., grower and sustainable sourcing evidence). All certificates that cover the reporting year (so not only the most recent) should be stored or be available through other means by the operator to ensure correct and complete sustainable sourcing claims for the full reporting year can be made.

For review purposes, reporting SJC participants will share their data with the SJC review provider (to be determined) in a confidential environment. The review provider is bound under confidentiality agreement with SJC and can only use the data provided for the sole purpose of the review process. The SJC review provider is not allowed to share in whatever way or form individual SJC participant data with any third party without written consent of that third party nor will any data be shared

SJC will only communicate the yearly percentage on the highest aggregated level every year. No individual company results will be communicated to the other participants.

b. Validation

This chapter outlines the approach of validating the data given by the SJC members. Validation will be carried out on the data by performing a few specific assessment activities, without providing any assurance on the reported data.

The objectives of data validation exercise are:

1. Obtain a general impression on data handling within the organization and to validate the certifications used by the organization.
2. Understand the administrative process of the data within the organization (data flow).
3. Assess the completeness of purchase-volumes reported (including total volumes and total sustainable volumes).
4. Assess the mass balance administration for the different products.
5. Assess the accuracy and completeness of the sustainable received volumes reported.

Subject Validation activities
<p>General impression on data handling Qualitative questions</p> <p>Interview with responsible staff to answer the following questions:</p> <p><i>A. Which department is responsible for delivering which data? (Data collection and reporting) B. Which systems are used to record and process the data (IT landscape)?</i></p> <p><i>C. How does the data flow seem to capture, process and report relevant data for the purpose of the covenant (relevant data points include the mapping of the upstream supply chain, mass data, product group, supplier, reference to sustainability/social certificate)?</i></p> <p><i>D. What are relevant organizational, supplier or system changes (if any)?</i></p> <p><i>E. What experience does the company have with quantifying data about sustainable sourcing? F. Which risks/obstacles has the company identified in relation to report data for the purpose of the covenant?</i></p>

<i>G. How comfortable do you feel with the data reported by your company?</i>	
Understanding the process	Walkthrough
Sustainable received	Validity check
<i>Based on one sustainable received product from one supplier in scope the dataflow of the administrative process from primary data source till the report in the data collection sheet will be tested. This includes the total volume received of that specific supplier as well as the part sustainable received. Should there be different alternative data flows for different product groups, the test may be expanded to understand the process for different alternatives.</i>	
Sustainable received	Validity check
<i>Testing the validity of the suppliers that are marked as sustainable by selecting a sample of suppliers. It is reviewed whether the required documentation is available to demonstrate their status as sustainable for the reporting/sourcing period, e.g., checking the availability and validity of the required certificates.</i>	
Completeness of the reported volumes	Reconciliations, reasonableness check, cut off.
<i>In order to assess the completeness of reported volumes, the following activities will be performed:</i> <ul style="list-style-type: none"> <i>A. Reconciliation of reported totals with the underlying purchase records in the administrative systems of the organization.</i> <i>B. Check cut off points for the reporting year.</i> <i>C. Reasonableness assessment on completeness of reported items, including % of sustainable received products.</i> <i>D. Comparison with data in the ERP system.</i> <i>E. Reasonableness of excluding the de-minimis source streams smaller than 5%.</i> <i>F. Assessing the mass balance administration.</i> 	
Accuracy of the sustainable volumes reported	Test of detail
<i>Random sampling of a few sustainable received products in order to test whether the definition of sustainable sources is applied correctly, and the volumes are registered correctly. It includes requesting the primary data sources, like the supplier invoices or where the volume, country of origin and the sustainable mark is presented, the audit report and if necessary, the corrective action plan resulting from the audit.</i>	

The validity check will be performed on-site if the member company is in The Netherlands and online if the member company is located outside of The Netherlands . To make the visit most meaningful, every participating organization is requested in preparation to the visit to provide information in advance.

After the visit, every participating organization will receive a management letter with observations and areas of improvement (if applicable) to prepare for the next reporting period.

Offsite validation

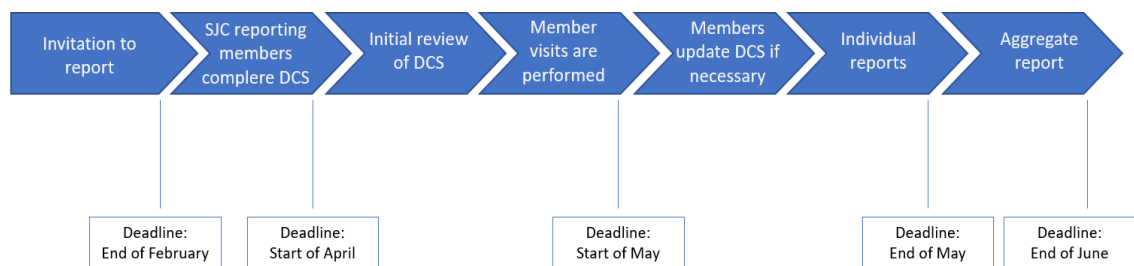
For SJC members located outside of the Netherlands it is not deemed cost- and time efficient to perform a site visit. The SJC review provider should ensure sufficient procedures are used to ensure robust off-site validations are possible. Such a procedure should be supported by videoconference and desktop sharing to perform:

- The organization and process description assessments by interview.
- Reconciliations to source data (e.g., ERP systems) using screen sharing (e.g., Webex, Skype, Hangout). - Other source documents should be sent by email upon request, for example process descriptions, screenshots, MS excel administration, certificates.

c. Reporting procedure

Invitation to report

SJC members will receive an invitation to report their total volumes of (sustainable) received products over the previous calendar year before 1st of April . This Monitoring Protocol will accompany the invitation to report. In April company visits will be performed. The yearly outcome of the measuring will be presented to the SJC members at the end of June



d. Companies that are new members of the Sustainable Juice Covenant

- The monitoring of annual progress under the Sustainable Juice Covenant relates to sourcing figures from the previous calendar year.
- The sourcing volumes from the calendar year prior to the company's membership start date (date of signing of the Juice Covenant) will not be included in the Juice Covenant's final aggregate monitoring figures for that same year.
- New members are, however, obliged to participate in a first year of monitoring as a 'trial run', an opportunity for new members to align with the Juice Covenant reporting requirements and the monitoring process without contributing to the total aggregate figures.
- The sourcing volumes of new members will be included in the total aggregate monitoring figures when the sourcing volumes accord to a calendar year that is within the company's period of membership of the Sustainable Juice Covenant (i.e., after the date of signing of the Juice Covenant).

Annex 1: Retail Calculation Proposal

Under the Sustainable Juice Covenant, the percentage of sustainable product is calculated as the total amount of sustainable products (fruit and vegetable derived juices, purees and their concentrates) packed/processed/traded, per product location, versus the total amount of product purchased.

All are based on the quantity of kg/tons recalculated back to so-called single strength, if necessary, that complies with the described sustainability criteria as agreed by the participating parties of the covenant.

Products that are in scope of the covenant include:

- Fruit and vegetable derived juices, purees, and their concentrates in compliance with the European Fruit Juice Directive²;
- The consumer-based products (drinks, nectars, juices, smoothies, etc.) which are based on these raw materials.

For retail organizations, the following example outlines a proposal for calculations back to single strength and determining the volumes/percentage of sustainably sourced products.

- SKU 1: 100,000 liters; 100% Orange Juice; 100% sustainably sourced.
 - Volume sustainably sourced: 100,000 litres.
- SKU 2: 200,000 litres; 50% Orange peach nectar (of which 25% is orange; 25% is peach); 100% orange sustainable and 50% peach sustainable.
 - Volume sustainably sourced: 75,000 litres.
- SKU 3: 300,000 litres; 100% Orange Juice; 0% sustainably sourced.
 - Volume sustainably sourced: 0 litres.
- Total product volume traded: 600,000 litres.
- Total volume in scope (juice sourced): 500,000 litres
- Total volume sustainably sourced: 175,000
- % sustainably sourced: 35%

The table on the following page elaborates on this example further.

A specific data collection sheet that considers these recalculations has been set up for retail partners.

² Directive 2012/12/EU of the European Parliament and of the Council of 19 April 2012, amending Council Directive 2001/112/EC relating to fruit juices and certain similar products intended for human consumption

Annex 2: Flavor House Calculation Proposal

Under the Sustainable Juice Covenant, the percentage of sustainable product is calculated as the total amount of sustainable products (fruit and vegetable derived juices, purees and their concentrates) packed/processed/traded, per product location, versus the total amount of product purchased.

All are based on the quantity of kg/tons recalculated back to so-called single strength, if necessary, that complies with the described sustainability criteria as agreed by the participating parties of the covenant.

Products that are in scope of the covenant include:

- Fruit and vegetable derived juices, purees, and their concentrates in compliance with the European Fruit Juice Directive³;
- The consumer-based products (drinks, nectars, juices, smoothies, etc.) which are based on these raw materials.

Of relevance to flavor houses, this includes the following raw materials (as defined within the European Fruit Juice Directive – see footnote):

Fruit

All fruit. For the purposes of this Directive, tomatoes are also considered as fruit. The fruit shall be sound, appropriately mature, and fresh or preserved by physical means or by treatment(s), including post-harvest treatments applied in accordance with Union law.

Flavour

Without prejudice to Regulation (EC) No 1334/2008 of the European Parliament and of the Council of 16 December 2008 on flavorings and certain food ingredients with flavoring properties for use in and on foods, flavors for restoration are obtained during the processing of the fruit by applying suitable physical processes. Those physical processes may be applied to retain, preserve, or stabilize the flavor quality and include in squeezing, extraction, distillation, filtration, adsorption, evaporation, fractionation and concentration.

Flavour is obtained from the edible parts of the fruit; however, it could also be cold pressed oil from citrus peel and compounds from the stones.

Sugars

Sugars as defined by Council Directive 2001/111/EC of 20 December 2001 relating to certain sugars intended for human consumption (2)

Fructose syrup

Sugars derived from fruits.

Pulp or cells

The products obtained from the edible parts of fruit of the same species without removing the juice. Furthermore, for citrus fruit, pulp or cells are the juice sacs obtained from the endocarp

³ Directive 2012/12/EU of the European Parliament and of the Council of 19 April 2012, amending Council Directive 2001/112/EC relating to fruit juices and certain similar products intended for human consumption

Example

For flavor houses, the following example outlines a proposal for calculations back to single-strength and determining the volumes/percentage of sustainably sourced products.

The flavor house sources inputs from different suppliers and sourcing regions. The product range sourced is a mix of juice, purees, concentrates, oils, aromas and terpenelesses.

For the juice concentrates and purees, single-strength equivalent volumes are calculated based on the ratio of the concentrate brix level to the EU Fruit Juice Directive single strength brix level for the product. This is the standard approach outlined in the SJC Monitoring Protocol.

For oils, aromas and terpenelesses, single-strength equivalent volumes are calculated on a 1:1 basis relative to the original volume of the oil, aroma or terpenelesses.

Total percentage of sustainably sourced volumes is calculated as the percentage of sustainably sourced to the total volumes traded.

This example is illustrated through the table below:

Manufacturer	Vendor Holding	Category	Product Name	Volume FY18 kg	Brix conversion factor	Product concentration conversion factor	Calculated back to single strength/fold juice (kg)	Sustainable	NOT Sustainable	Sustainable (%)
Manufacturer 1	Vendor 1	Citrus Specialty	ORANGE AROMA 1131 RM	500,000	1.0	1	500,000	100,000	400,000	20%
Manufacturer 2	Vendor 2	Citrus Specialty	ORANGE OIL BRAZIL TECH RM	500,000	1.0	1	500,000	100,000	400,000	20%
Manufacturer 3	Vendor 3	Fruit Specialties	APPLE JUICE 70 B	250,000	11.2	70	1,562,500	781,250	781,250	50%
Manufacturer 4	Vendor 4	Citrus Specialty	ORANGE JUICE BRAZ LOW PUL 65 B	50,000	11.2	65	290,179	290,179	0	100%
Manufacturer 5	Vendor 5	Citrus Specialty	LEMON OIL CP 5X ITALIAN TYPE	100,000	1.0	5	500,000	500,000	0	100%
Manufacturer 6	Vendor 6	Citrus Specialty	GRAPEFRUIT JUICE 58 B	10,000	10.0	58	58,000	0	58,000	0%
Manufacturer 7	Vendor 7	Fruit Specialties	APRICOT PUREE 30-32 B	10,000	11.2	31	27,679	0	27,679	0%
Manufacturer 8	Vendor 8	Citrus Specialty	TERP PORTUGAL FIRAR	1,000	1.0	1	1,000	0	1,000	0%
Manufacturer 9	Vendor 9	Fruit Specialties	BLACKBERRY JUICE CONC 65 NAT	500	8.0	65	4,063	4,063	-1	100%
Manufacturer 10	Vendor 10	Citrus Specialty	BERGAMOT TERPENELESS	500	1.0	1	500	0	500	0%
Total Volume Product Received:				1,422,000						
				Total Single-strength		3,443,920				
				Total Sustainable		1,775,492				
				Total % Sustainable		51.55%				

Annex 3: Mass balance guidelines

Introduction

Mass Balance refers to the conservation of mass within a physical system. Mass balance approaches are used across a wide variety of systems, from chemical processes, to tracking the flow of pollutants, recyclates and materials produced or processed sustainably. All approaches center on the principle of mass conservation: matter cannot disappear or be created spontaneously within a system, and therefore a system's input mass must be equal to the system's output mass.

Applicability of mass balance to the Sustainable Juice Covenant

The Sustainable Juice Covenant is centered on the target of 100% sustainable sourcing by 2030, applicable to all upstream sourcing volumes. This is applicable across the supply chain, and is according to a recognized set of sustainability standards at farm-level and processing:

- **Farm-level:** FSA bronze or equivalent (applicable to standards that have been benchmarked against FSA and are equivalent to FSA bronze or higher)
- **Processing/blending/bottling:** SA8000 or ETI/SMETA 4 pillar

For volumes to be recognized as sustainable, they need to meet these requirements at both farm level and processing/blending/bottling, and if not, juice volumes cannot be recognized as sustainable. In this regard, juice volumes have a binary sustainability characteristic: either 'sustainable' or 'non-sustainable'.

The Juice Covenant includes globally sourced and traded volumes. Juice volumes are traded either as physically segregated batches, or batches are consolidated and blended.

Where batches of juice are consolidated and blended, it is not feasible to trace the sustainability characteristics of specific juice volumes across the supply chain, and we therefore need to do so based on mass balance principles.

Mass Balance Principles

Mass balance principles allow for the physical mixing of batches, while the bookkeeping of sustainability characteristics needs to be kept separate.

For simplification under the Sustainable Juice Covenant, we propose that all volumes are calculated to single-strength juice equivalent. This is relevant to concentrated juices and purees (non-NFC), the mass of which can be calculated to single-strength equivalent based on the ratio of the concentrate brix level to the reference brix level. The trade of juice volumes between supply chain partners can therefore be traced based on a common unit of measure (mass of single-strength juice equivalent).

Under the Sustainable Juice Covenant, this would therefore reduce the variables to the following:

- The type of juice/commodity that is being traded.
 - The mass of a single-strength equivalent of the juice/commodity.
 - The sustainability status of the juice/commodity: 'sustainable' or 'non-sustainable'.
- Chain of custody option: mass balance or physical segregation.

As a rule, batches that are of the same juice/commodity, have the same characteristics ('sustainable' or 'non-sustainable'), and are handled under the same chain of custody option (physical segregation or mass balance) can be physically mixed and can be mixed in the bookkeeping. Batches that are not of the same juice/commodity, have different sustainability characteristics, and are handled under different chain of custody options, can be physically mixed but cannot be mixed in the bookkeeping.

Figure 1 below illustrates physical mixing and associated bookkeeping based on a mass balance approach. In Figure 1, output has been split into either sustainable or non-sustainable product. Under the Juice Covenant, it is also possible for companies to supply juice product to customers/clients for which a proportion is sustainable or non-sustainable. If this is the case, it is important that this split is reflected in the mass balance bookkeeping, and that the sustainable/non-sustainable juice that is split between output products is, on balance, equal to the input juice batches.

Figure 2 below represents an alternative where sustainable and non-sustainable juice is split within output products, and the associated mass balance bookkeeping.

Boundaries

Under a mass balance approach, it is important to define the temporal and spatial boundaries within which the physical mixture of products can take place, and these have implications on the mass balance calculations.

Temporal boundary

The temporal boundary refers to the timeframe for which the outgoing batches of sustainable and non-sustainable products must be equal to the incoming batches. It can be that a mass balance system needs to be continuously in balance, in which case the system needs to be in balance at any point in time. Alternatively, we can specify a period for which the mass balance system needs to be in balance. We can refer to this as the 'mass balance period'.

Under the Sustainable Juice Covenant, the mass balance period is one calendar year (12 months). At the end of each mass balance period, the mass balance system needs to be in balance. In other words, at the end of each calendar year, the incoming sustainable mass (single-strength juice equivalent) must be equal to the outgoing sustainable mass.

However, if at the end of the mass balance period, the outgoing sustainable mass is lower than the incoming sustainable mass (i.e., there is a negative deficit at the end of the calendar year), then we have a mass balance credit. Mass balance credits can be carried over between mass balance periods for a maximum of three consecutive mass balance periods (i.e., for a maximum of three years). After three mass balance periods, the mass balance credit will become invalid. Mass balance credits are commodity/product specific (i.e., mass balance credits can be traded within commodities/products but not between commodities/products).

Spatial boundary

Under the Sustainable Juice Covenant, mass balance credits can be transferred between operations if both operations are under the ownership of the same company/reporting entity and relate to a specific commodity/product.

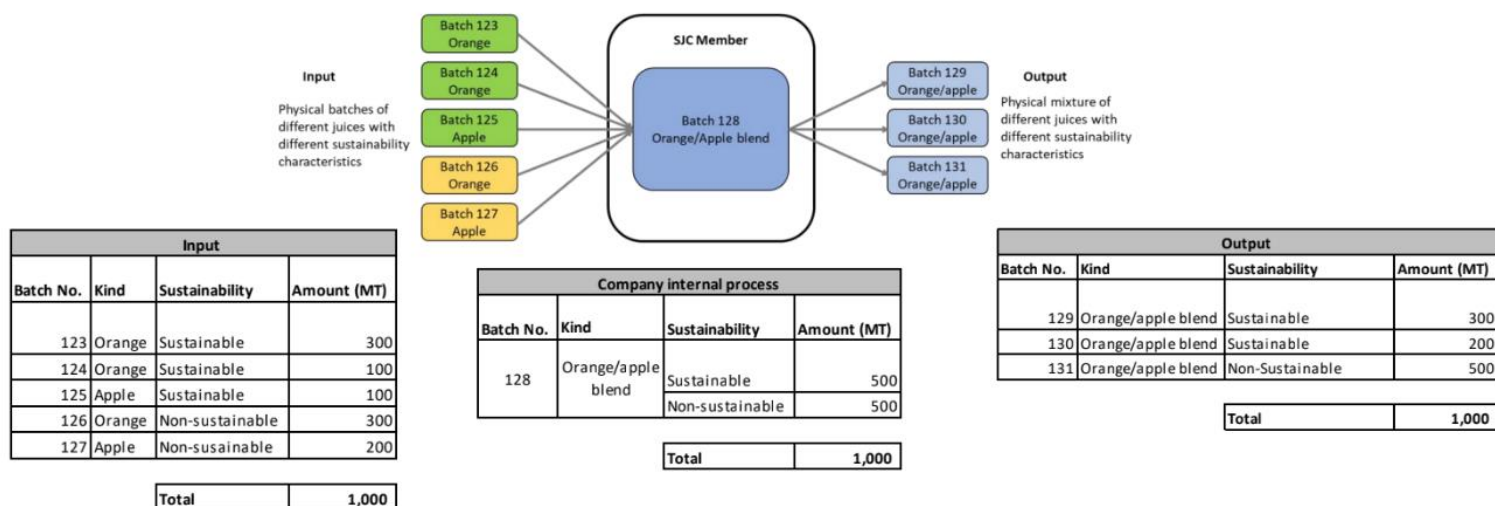


Figure 1: Illustrative example of the physical tracking of juice batches that have been consolidated and blended, and the associated mass balance bookkeeping. In Figure 1, output products are either sustainable or non-sustainable.

Output					
Batch No.	Kind	Sustainability	Amount (MT)	MT Sustainable	MT non-sustainable
129	Orange/apple blend	55% Sustainable	600	330	270
130	Orange/apple blend	85% Sustainable	200	170	30
131	Orange/apple blend	100% Non-Sustainable	200	0	200
Total			1,000	500	500

Figure 2: Illustrative example of the splitting of sustainable and non-sustainable volumes within output products, and the associated mass balance bookkeeping.

Annex 4: Completing the Data Collection Sheet

When you start with the data collection, please check out the quick reference card or the Data Collection Sheet to see which data you must deliver. While filling in the Data Collection sheet please keep in mind that the sheet should be filled out in English.

The Data Collection Sheet consists of the following three tabs:

1. **Overview tab:** The first tab is the overview tab where you must fill in your contact details (see picture below) and carefully read the instructions (section 1.3) about what you can see in every tab and what you must fill in for reporting. In the end of the overview tab, you will find the summary (section 1.4) of the reported amounts from the supply chains. This summary part is automatically generated and does not need to be filled in manually.

Data collection sheet - 2022 reporting

Version 2022.1

1.1 General information on the reporting entity

Name of the entity
Contact person at entity for IOH program
Address entity
Postal Code & city
Reporting period

01-01-2022 - 31-12-2022

2. **Juice types:** In the second tab you can find all the brix levels per juice type. If you are a producer, processor or bottler there is a possibility to add extra juice types and brix levels combinations. If you are a retailer and a juice type and brix level are missing in the list, you can reach out to PwC to discuss the addition of this juice type and brix level.
3. **Suppliers:** In the third tab you can add received amounts from supply chains. If you are a producer, processor or bottler you can choose between filling in your data in tonnes, kilograms, or percentages (only for the sustainable received amount)

3.1 Breakdown total amount sustainably sourced juice

Indicate if you would like to report the **Gross product amount** in KG or Tonne

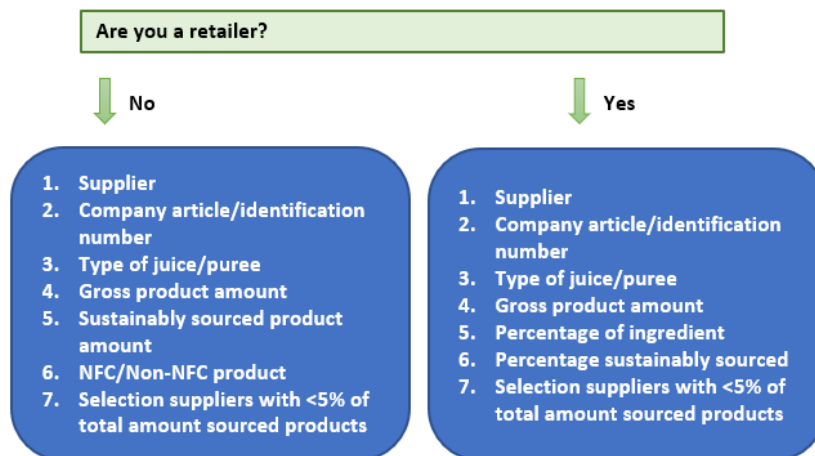
Indicate if you would like to report the **Sustainably sourced product amount** in KG, Tonne or Percentage

Please provide the amounts of sourced juice (sustainable and non-sustainable) for the reporting period, split per supplier and type of product.

Note that the grey marked areas are auto-populated and can't be changed.

	KG
	KG

Depending on if you are a retailer or not, you should complete the data collection sheet by having the following data ready:



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After completing the third supplier sheet, please check if you see any error messages in the supplier sheet in section 3.2 and 3.3

3.2 Incorrect completion

Number of incorrect spelled juice types

Number of missing solubal solids content

Percentage total amount sourced products of combination of suppliers chosen to be excluded

	0
	0
	0 %

3.3 Category totals:

Total amount sourced products:

Total amount sustainably sourced products:

Sustainable percentage:

-	Tonnes
-	Tonnes

If you see any of the grey areas turning red, you have an error and must check your filled data. All the cells in the supplier sheet, where you have added your data will turn red except if the error is about a misspelled juice type. For the misspelled juice types, there is a possibility that you misspelled the juice type via a typo or that the juice type is not present in the juice type tab. In this case, please report this to PwC (if you are a bottles, processor, or retailer) or add it to the juice type tab.

If there are no more errors popping up in section 3.2 and 3.3, you have completed your data in the correct way and should be able to see a summary of the reported amounts in section 3.3 and in the overview tab in section 1.4.

Before you finalize and return the data collection sheet, please make sure you have checked the following points:

1. In the overview tab all the contact details in section 1.1 are completed. In section 1.4 there should be no error messages about checking the supplier sheet
2. In the supplier tab section 3.2 and 3.3 should not show any error messages and the number of the total reported mass should be the total received mass in the reporting year

References

ISCC (International Sustainability and Carbon Certification) 2016. ISCC 203 “Traceability and Chain of Custody” (v.3.1)