

ACTIVITY REPORT

Sustainable Juice Covenant

2022/23



The
Sustainable Juice
Covenant



Dear reader,

It's a pleasure to share with you the first Activity Report of the Sustainable Juice Covenant (SJC) since the launch of the initiative in 2017. It covers the activities that took place in the period of June 2022 until June 2023.

With this Activity Report we want to inform you about what the SJC members are doing to reach their joint target of 100% sustainable juice by 2030. The report includes a section on how the group is proceeding towards the Covenant's ambition, as well as on how specific supply chain projects on the ground are developing. Another section focuses on testing innovative practices to further enhance environmental and social sustainability. In terms of sustainable volumes, the 2022 sourcing results are promising.

Moving forward, it remains very important for all members to continue focusing on their individual scores and trajectories. This is essential to ensure that the group will continue to increase its overall percentage of sustainably sourced juice volumes in the years to come. Moreover, 2022 has been a

crucial year in terms of developing the carbon reduction approach for the SJC. You find more information on the following pages.

Enjoy the read and please do not hesitate to reach out to us in case you would like to know more about our initiative!

Best regards,

Sonia Cordera

SJC Chairwoman | IDH Director Sector Initiative

»The 2022 sourcing results are promising. Continued focus on individual trajectories remains important«





Introducing the SJC

The Sustainable Juice Covenant (SJC), hosted by IDH¹, is a platform of ambitious juice companies that are committed to the goal of 100% sustainable juice sourcing by 2030.

The SJC provides clear definitions for sustainability at every step of the supply chain, an annual independent monitoring of progress achieved by members, collaboration, as well as learning opportunities on key topics like carbon or due diligence and support and co-funding of collaborative projects on the ground. By working together, exchanging knowledge, and sharing learnings, the SJC members can build trust across the supply chain, and collectively raise the bar for sustainable sourcing in the global juice sector.

¹IDH convenes, co-creates, and co-finances inclusive and sustainable solutions that enable people in business, investment, and government to create value for people and the planet.



The
Sustainable Juice
100% sustainable juice by 2030
Covenant

hosted by  **idh**
transforming markets

Sector-wide initiative

The SJC was created in 2017 by a couple of frontrunning juice companies with the aim to accelerate the uptake of sustainable juice produce. Since then, the initiative has been growing continuously. In 2023, the SJC counted 13 members (see list below). All companies active in the juice sector are welcome to join the Covenant, whether it be producers, processors, juice bottlers, retailers, NGOs or standard organizations.

MEMBERS OF SJC IN 2023



Joint target: 100% sustainable sourcing by 2030

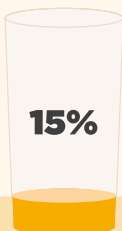
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A joint roadmap towards sustainable sourcing

Consumers want confirmation that what they are drinking is sustainable – in the sense of products having been produced responsibly, respecting the environment as well as the people involved in the production process across the supply chain.

In addition, upcoming legislation (like the EU Corporate Sustainability Reporting Directive, CSRD) will be requiring companies to demonstrate their sustainability efforts.

JANUARY 1st
2018



JANUARY 1st
2020



JANUARY 1st
2025



JANUARY 1st
2030



Joint target: 100% sustainable sourcing by 2030

The main objective of the members of the SJC is to increase the amount of sustainable juice volumes and to reach 100% sustainable juice by the end of 2030. To achieve this, the SJC provides a joint definition of sustainability and a practical roadmap for companies on how to verify juice supply in accordance with widely recognized certification schemes. This benefits all parties in the supply chains as an increasing number of companies use the same definition for sustainability.



KEEPING TRACK OF SUSTAINABLE VOLUMES

Under the SJC, juice products are considered sustainable if they meet social and environmental criteria along the entire supply chain.

Fruit and vegetables from farms with a sustainability certification at least equivalent to SAI/FSA Bronze (based on third-party verification) which are processed and packaged by industry partners that are verified according to a social standard equivalent to SSCI are considered sustainable.

SJC members are asked to report on their percentage of sustainable juice volumes once a year (for the previous calendar year). This monitoring campaign is the basis to keep track of members' progress towards the

SJC's ultimate objective of 100% sustainable volumes by 2030 as well as the intermediate targets. To make sure that the numbers are reliable, a third independent party is asked to perform the monitoring.

»Juice products are sustainable if they meet social and environmental criteria along the entire supply chain«

SUSTAINABILITY ACROSS

THE WHOLE SUPPLY CHAIN





Activities in 2022-2023

REPORTING AND MONITORING PROCESS

In Q4 2022, the SJC improved the annual reporting process by simplifying the reporting sheets and developing a specific sheet per type of juice company (processor, bottler, or retailer), therefore adapting the reporting to the reality of the different types of companies. These sheets were used in practice during the reporting cycle of 2023. All members observed a clear gain in efficiency using the new simplified reporting sheets.

SUSTAINABLE SOURCING RESULTS

The reporting process under the SJC takes place during the first two quarters of the year and measures the sustainable sourcing of the previous year. Therefore, in 2023, SJC members reported on their 2022 sustainably sourced volumes.

Progress on the target of 100% sustainable sourcing by 2030 is monitored on an annual basis by an independent third-party. In 2023, this process was performed by PricewaterhouseCoopers (PwC)².

² PricewaterhouseCoopers Accountants N.V. ("PwC") has written a summary report on the responsible sourcing performance of the Sustainable Juice Covenant. This report is addressed to Stichting IDH Sustainable Trade Initiative ("IDH") and is prepared solely for their benefit. This report does not contain an audit opinion or other form of assurance in relation to the services provided by PwC or the information on which PwC's services are provided. In that respect, PwC has provided the limited reconciliation activity but does not provide assurance over the outcomes and results.



»Progress on the 100% target is monitored on an annual basis«





SUSTAINABLE VOLUMES INCREASING STEADILY

The overall percentage of sustainably sourced juice reached 59% in 2022, which represents an increase of 16% compared to 2021, showing that overall, the SJC is on track to reach its joint intermediate goal of 75% sustainable sourcing in 2025. Looking at the results of each individual company, we notice differences in performance between the members.

Moving forward, to ensure that the group can continue to increase its overall sustainable juice percentage, individual members will be encouraged to develop an internal roadmap focusing on implementing the recommendations of the monitoring report and increasing their scores. The SJC will make sure to follow up with each member and to provide support where needed.

Looking at the overall evolution of the sustainability percentage over the years since the foundation of the Covenant, we see a steady increase in both sustainable volumes and percentages, showing the exponential effect of several companies adhering to and promoting the same principles on sustainability within their supply chains, ultimately benefiting the whole sector.

+16%

sustainably sourced juice compared to 2021

Sourced volumes 2022

(20,5 Mio. MT total*)

12 Mio. MT Sustainable

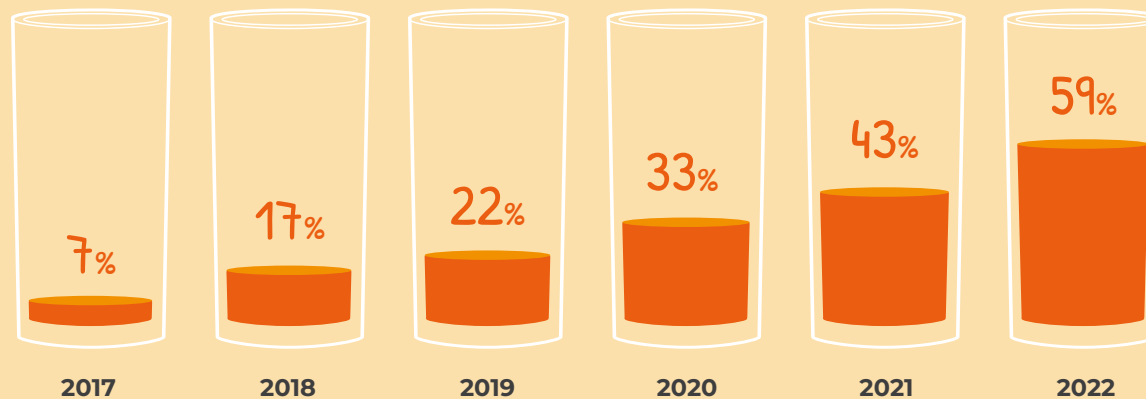
Sourced volumes 2017

(3,1 Mio. MT total)

0,22 Mio. MT Sustainable

Sustainable volumes per year

in percentage of total

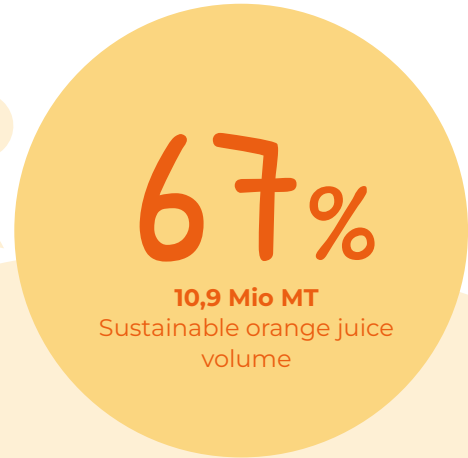


*expressed in single strength juice

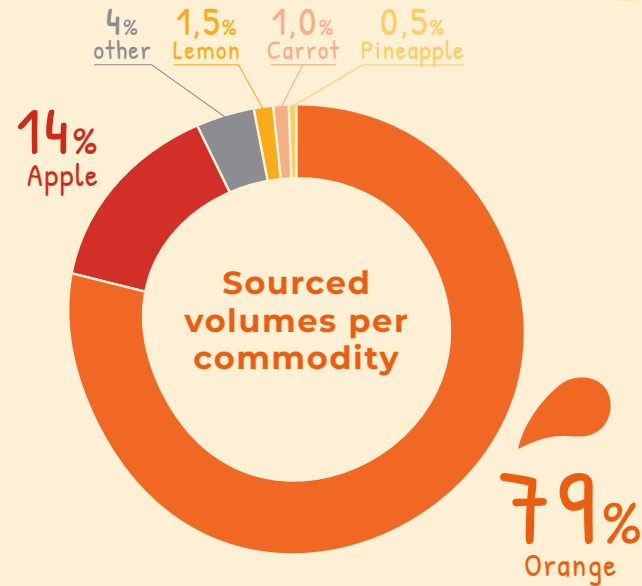
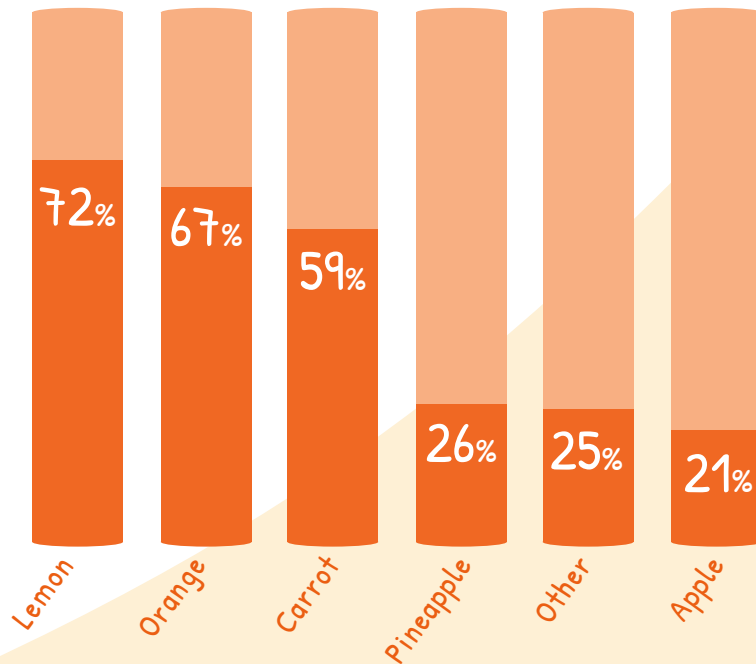


RESULTS PER JUICE TYPE

Looking at the commodities in detail, as in previous years, orange juice and apple juice continue to be the largest traded commodities under the SJC, whereas in terms of sustainability percentage, lemon juice is currently leading the SJC commodity ranking with 72% followed by orange juice (67%). Among the less significant fruit traded under the SJC, good progress in terms of sustainability has been achieved, in particular for strawberry (54,7%) and banana (55,3%), with an increase of 21 and almost 17 percentage points respectively in sustainable volumes in 2022 compared to the year before.



Sustainable volumes per commodity





02

Projects

Driving action on the ground

The projects supported by the SJC are collaborative projects designed and driven by SJC members.

They are aimed at addressing important sustainability issues within global juice supply chains as well as increasing sustainably sourced volumes, particularly for those commodities with a low sustainable sourcing percentage. SJC members work together on these projects and the SJC Secretariat is supporting them by providing co-funding and expertise where needed. The learnings of these projects are then shared with the broader membership so that all companies can benefit and apply them in their own supply chains.

In the period between June 2022 and June 2023, we finalized project Farm Gate 2.0 in India focused on driving sustainable mango farming practices and started a project on sustainable apple sourcing in Poland.

»Projects are aimed at addressing important sustainability issues as well as increasing sustainable volumes«





Activities in 2022-2023

SUSTAINABLE MANGO FARMING IN INDIA: PROJECT FARM GATE 2.0

The two-year project Farm Gate 2.0 was set up by Dutch juice bottler Riedel and Indian food processor Foods & Inns and focused on increasing sustainable practices on smallholder mango farmers in Ratnagiri and Konkan in India.

In total, 130 smallholder farmers participated in the project and ultimately achieved FSA Silver certification for their mangoes. Based on more sustainable farming practices and better market access, they were also able to improve product quality and increase their yield by 5.8% and their revenue by 15%. These are great results, particularly given the fact that the region was hit by exceptional cyclone weather in 2022.



← More info on the outcomes of this project can be found here.





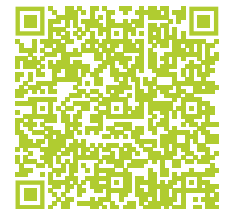
UPSCALING SUSTAINABLE APPLE SOURCING IN POLAND

On a global scale, Poland is a major supplier of apples and amongst the SJC members, the country is the largest provider of apples used in both NFC (not from concentrate) and concentrated juice. Because only a low percentage of the traded apple volumes from Poland is certified as sustainable under the SJC (14%* in 2020), SJC member Döhler initiated a three-year-project to help 100 Polish farmers from the Sandomierz region to implement more sustainable agricultural practices. The project is supported by the SJC, the Sustainable Juice Platform (SJP) and fellow industry players Keurig Dr Pepper, Eckes-Granini and Riedel.

After one year of project implementation, good progress has already been made. All farmers involved assessed their biodiversity level, obtained the FSA 3.0 silver certificate for their apple production and started assessing their soil health and greenhouse gas emissions.



More info on the outcomes of this project can be found here →





03

Thematic working groups & learning sessions

Exchange on key topics

In addition to helping initiate and run projects, the SJC also supports its members on topics that are important to them by organizing exchange and learning sessions, developing joint tools, and working on common action.

Working in a collaborative and pre-competitive way on certain topics has a lot of advantages, such as cost efficiency, the possibility to develop sector benchmarks or the creation of joint roadmaps and guidelines – but also the chance to learn from each other's experiences and the exchange with regards to common challenges. Therefore, the SJC is organizing regular exchange sessions among its members and working groups to advance on key topics.

»Collaboration leads to a lot of advantages such as cost efficiency«





Activities in 2022-2023

WORKING TOWARDS A LIVING WAGE

A living wage is the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Living wages are necessary to lift people out of poverty and are a key component of a sustainable supply chain. In 2021, SJC co-funded with the Sustainable Juice Platform (SJP) the Anker Living Wage Benchmark study for the region of Sao Paulo, the main region for orange cultivation in Brazil.

To further support fruit juice companies in acting on this topic, the SJC also co-funded the translation of the salary matrix, the tool to calculate living wage gaps, into Portuguese in 2022. In collaboration with SJP, SJC initiated conversations with several retailers and bottlers to start a coalition on this topic. This work was not conclusive. Nonetheless, the SJC (and IDH) continue to support individual fruit juice companies that want to work on the topic of living wages.



»A living wage allows for a decent standard of living for the worker and her or his family«



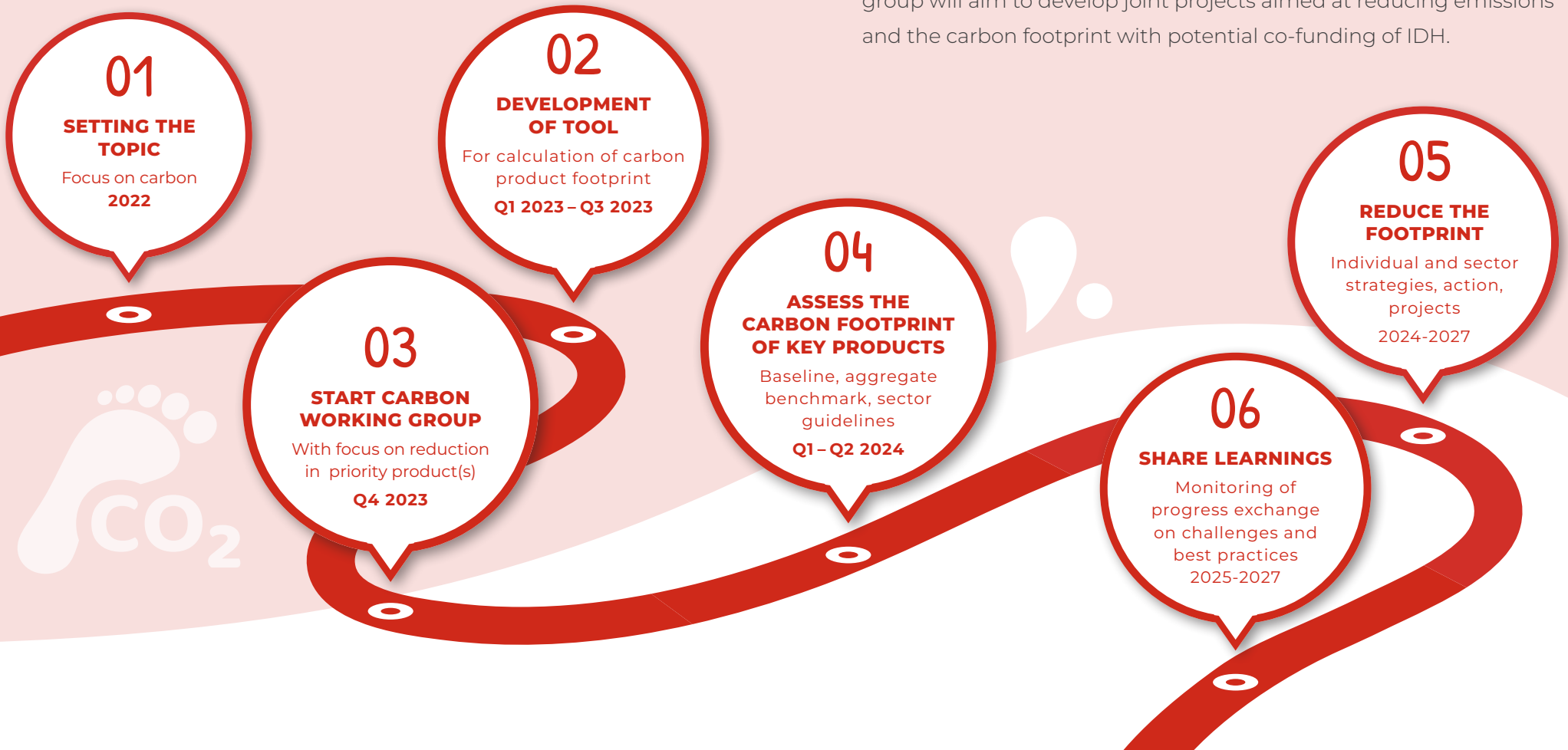
↑ Anker Living Wage Benchmark study



REDUCING THE CARBON FOOTPRINT

In 2022, the SJC members indicated that working on their carbon footprint is the priority topic for them, given the high impact on ecosystems and climate, international and institutional ambitions being set (like the EU 2030 Climate Target Plan and the Paris Agreement) and upcoming legislation and requirements on the matter. As a first step, it was decided to develop a tool for the juice sector that would allow companies to calculate and compare the carbon footprint of different juices, identify

'hot spots' per supply chain stage, as well as possibilities for emission reduction. The development of the tool started in 2022 with the support of IDH and is scheduled to be finalized in September 2023. Following the launch of the tool, a working group will be set up around a common reduction goal for preselected priority products. The working group will serve to guide and help members with measuring their footprint, by setting common guidelines, discussing challenges, exchange learnings and provide expertise where needed. Moreover, the working group will aim to develop joint projects aimed at reducing emissions and the carbon footprint with potential co-funding of IDH.





LEARNING SESSIONS

Apart from the annual General Assembly, where members share their best practices and keynote speakers are invited to elaborate on essential topics, for example on regenerative agriculture in 2022 and due diligence in 2023, the SJC also organizes learning sessions for its members on key topics.

In 2023, SJC partnered up with the Sustainable Juice Platform (SJP), the European Fruit Juice Association (AIJN) and the International Fruit and Vegetable Juice Association (IFU) to organize quarterly online learning sessions for juice companies on key sustainability topics – the Juice Environmental Deep Dives (JEDD). The first session was held in March 2023 and focused on the topic of biodiversity, showcasing different projects in Brazil, Poland and Senegal. The upcoming sessions will be centered around food loss and waste and water.



JEDDTalks

JUICE ENVIRONMENTAL DEEP DIVE
JUICE MATTERS WORTH SHARING



contact & imprint

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The
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