SIFAV

Annual Report 2023

SIFAV
Sustainability Initiative
Fruit and Vegetables

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Message SIFAV Chairwoman

Stefanie Vermaesen

As a founding partner of SIFAV in 2012, we believe the added value of SIFAV for the fruits and vegetables sector is enormous. Sector collaboration is key in accelerating sustainable change in the fruits and vegetables sector. Working together towards a common goal and using shared solutions helps us truly focusing on taking action and positive impact making on the ground.

Dear all,

We are proud to present you with the first SIFAV annual report! In this report, we take you through our progress, share best practices, as well as learnings and also challenges.

2022 was our first official year of data reporting and publishing our due diligence reports. It has been a great learning experience and provided us with an opportunity to have a first understanding on where we stand, where we encounter challenges and where we can improve and make an impact as a sector. It is good to see that we made progress under our environmental and social programs. Next to this, we have been able to incorporate many of the learnings throughout 2023 to prepare ourselves well for 2024.

I want to take this opportunity to say that I am proud that our collective action on good water management in Ica, Peru and southern Spain have officially been launched. This is truly groundbreaking and pioneering work. Many thanks to all partners that are stepping forward on this important topic and have already invested so much time and energy to get these projects off the ground.

In light of all these positive developments, I am really looking forward to 2024. I do realise very well that taking these first steps is challenging and, at times, even difficult. But despite these challenges, we do take our responsibility as a sector, and we take steps forward. With SIFAV, we have a great group to learn, share knowledge, act, drive change and restore and regenerate. Only together we can build a sector for the future.

I hope you enjoy the read and as always do not hesitate to connect with SIFAV partners, members of the SIFAV Steering Committee or the SIFAV Secretariat.

Warm regards,

Stefanie Vermaesen
SIFAV Chairwoman
Sustainable Business Manager for Nature's Pride & Berries Pride

SIFAV 2025

Introduction, mission, and vision

Driving sustainability within fresh fruit and vegetable value chains

The Sustainability Initiative Fruit and Vegetables (SIFAV) is a membership-based initiative coordinated by IDH*, that aims to actively contribute to more sustainable fresh fruit and vegetable supply chains globally. SIFAV unites private companies, civil society organisations and voluntary standards active in the fresh fruit and vegetable sector.

Partnering for more sustainability in the fruit and vegetable industry

SIFAV drives collaborative action by creating a level playing field through joint targets and by developing credible tools, policies, and approaches in working groups and with the support of experts. Through strategic partnerships providing expert guidance and advice, SIFAV partners initiate innovative joint projects, co-create tools, develop sector policies and measure and report on the progress towards the 2025 targets. This helps the SIFAV partners to drive sustainability in their own supply chains.

SIFAV currently has 47 partners by the end of 2023 committed to scaling up their sustainable engagement with regards to fresh fruit and vegetable supply chains through collaboration. Partners participate in exchange and learning sessions and working groups, contribute to the development of tools and approaches, and track progress via annual reporting towards the SIFAV 2025 ambitions and goals. The annual reporting is done under agreements of confidentiality.

* IDH seeks to transform markets by working collaboratively with stakeholders across global value chains, towards a joint vision for sustainable trade.

The SIFAV 2025 programs

SIFAV strategy builds on an environmental, a social, and a due diligence program. All private sector SIFAV partners commit to shared ambitions for 2025 within each of these three programs and annually report on the progress they make.

Due Diligence represents the foundation of SIFAV accompanied by the environmental and social programs.

ENVIRONMENTAL PROGRAM

Objective
Measure and reduce the environmental footprint of priority products

Focus area
Climate change, water and food loss

- 25% carton footprint reduction in three priority products
- Implementation of water standards (third-party verification) for 70% of volume from high water risk regions
- 25% food loss and waste reduction in three priority products
- Reduction of water use to best practice levels in 3 jointly selected catchments

SOCIAL PROGRAM

Objective
Generate positive impact on salient issues with regards to working conditions and Living Wages

Focus area
Decent and equal wages

- Implementation of jointly approved social thrid-party verification, to at least 90% of volume coming from high and medium risk countries by 2025
- Taking a first step in improving Living Wages or Living Income, by analysing living wage and living income gaps in one of their supply chains and if possible, also making a commitment towards reducing these gaps

DUE DILLIGENCE PROGRAM

Objective
Accelerate transparency and continuous improvement

Focus area
Smart risk rating and joint leverage

- Jointly and individually reporting on risks and progress on an annual basis from 2022 onward
- Implementing robust human rights and environmental supply chain due diligence policies and processes according to OECD and UN Guidelines

1. Due diligence program

Under the due diligence program, SIFAV partners commit to implementing robust supply chain due diligence policies and processes, as foundation to achieve positive social and environmental impact in their fresh fruit and vegetable supply chains. Towards this ambition, SIFAV partners committed to annually provide a due diligence report with the aim that by 2025 their value chains due diligence policies and processes will be robust and mature.

Additionally, SIFAV partners have access to the Sustainability Risk Assessment (SRA) tool that was developed in collaboration with Agriplace, a global agriculture compliance platform. Though not mandatory for reporting in 2023, this tool allows SIFAV partners to identify and assess risks in their supply chains.

2. Social program

Under the social program, SIFAV aims to ensure decent labour conditions for workers in producing countries through the implementation of third-party social verification of working conditions. To reach the goals set for sustainable sourcing, the Basket of Social Standards has been developed to promote and mainstream the verification of good labour conditions on farms in high- and medium-risk countries.

In addition to verification, SIFAV partners also committed to work on living wages. Living wages are necessary to lift people out of poverty and are a key component of a sustainable supply chain. To take the first steps in living wages, SIFAV partners make use of tools and methodologies recognized by the Roadmap on Living Wages.

3. Environmental program

The environmental program aims to measure and reduce the environmental footprint of the priority products of SIFAV partners.

SIFAV has developed several tools to help its partners to annually track and report on progress. Under the environmental program, SIFAV partners can use the Environmental Footprint Toolkit (EFT) to measure the environmental product footprint of their products from cradle to retail and to identify hotspots along the supply chain. To keep track of implementation of water standards, SIFAV partners link volumes sourced from high-risk water regions to voluntary standards from the **Basket of Water Standards,** a selection of standards that have passed a third-party assessment for including key criteria on water management and agriculture.

SIFAV programs and the broader policy frameworks

The SIFAV ambitions are not just standalone ambitions but are also meant to help companies address broader international agreements, EU legislations and societal expectations (for example the 2015 Paris Agreement) and EU sustainability legislation such as:

- → **Corporate Sustainability Due Diligence Directive (CSDDD)**
- → **Corporate Sustainability Reporting Directive (CSRD)**
- → **European Sustainability Reporting Standards (ESRS)**

Results 2023

Due Diligence program

SIFAV partners have the option to use the Sustainability Risk Assessment tool (SRA tool) to identify risks on environmental, social and governance parameters.

2022	2021	
73% vs. 50%		of the SIFAV partners used the SRA tool to measure the main risks on all sourced volumes

As a result of the aggregation and analysis from the SRA, bananas have turned out to be the most sourced product representing the highest percentage in terms of volumes, followed by sweet potatoes and avocados. The aggregated results showed that biodiversity loss and eutrophication due to fertiliser use, as well as excessive working hours and discrimination are currently the most dominant sustainability risks within SIFAV.

Against that backdrop, SIFAV is currently working with The Biodiversity Consultancy to establish a biodiversity approach focused on identifying policies, practices and approach to measurement and reporting on biodiversity for SIFAV and the Aquaculture Working Group at IDH.

The SIFAV partners and the SIFAV Secretariat share the view on the importance of understanding the various upcoming EU Environmental, Social and Governance (ESG) legislations such as the CSRD and the ESRS, as well as the forced labour ban and the deforestation legislation. As part of the broader due diligence procedures, reporting through the SRA tool allowed SIFAV partners to gain more insight into their supply chain risks and include the outcome and reflections in their annual due diligence reporting at company level.

As every stakeholder has a role to play in a successful due diligence process, SIFAV and the **ITC Standards Map**, the world's largest database for sustainability standards, have started a collaboration in September to identify the role of voluntary standards in the mitigation of risks. With support from IDH and the SIFAV Secretariat, experts from the Standards Map will be identifying how voluntary standards cover certain risks through either the criteria in their schemes or the way in which auditors verify compliance with them. In doing so, we hope to make the process of prioritizing your risks more straightforward and to eventually find a way to add this extra due diligence filter into existing tools such as the SRA.

Social Program

The SIFAV partners reported on their sustainably sourced volumes under the **Basket of Social Standards**, an annual exercise SIFAV has been implementing since the SIFAV 2020 strategy. Under SIFAV2025, medium-risk countries have been added to the scope, and the SIFAV partners now report on both medium and high-risk countries.

The SIFAV partners continue to book progress with regard to the social program. They have manifested the relevance of the Basket of Social Standards in demonstrating that a substantial share of their volumes is sustainably sourced.

All private sector partners have also committed to implementing a living wage project by 2025.

Six SIFAV partners are also involved in either the **Belgian** or **Dutch** retail living wage commitment on bananas.

In 2022
87% of the volumes sourced by SIFAV partners in medium and high-risk countries* were verified through a social verification or certification scheme.

In 2020
85% of the volumes sourced from high-risk countries were covered by standards included in the basket, highlighting the positive results from high-risk countries.

In 2023
40% of SIFAV partners have a living wage commitment or projects in place to identify and address living wage gaps in their supply chains.

By 2025
90% of volumes coming from high and medium risk countries to be categorized under the approved social standards.

* These results are aggregate numbers based on self-assessed sourcing and compliance data by SIFAV partners.

SOCIAL PROGRAM PROJECTS

An innovative pilot project financed by IDH and project partners aimed at promoting health and safety in the African banana industry

As one of SIFAV's ambitions is to address salient risks in working conditions and to pilot new ways of addressing those, not-for-profit cooperative Banana Link and SIFAV started a project in October to develop novel risk assessment and control measures in the African banana industry. In this two-year project, Bananalink will utilize IDH co-funding to develop, test and implement on-site risk assessment and controls with the aim to transform occupational health and safety (OHS) risk assessments and implement control mechanisms for a safer banana industry. The activities will be implemented by two plantations and two trade unions in Cameroon and Ivory Coast. Through this project, the project partners seek to:

1. Prevent and reduce risks regarding workplace fatalities, injuries (serious to minor) and occupational diseases
2. Protect members of the public from harm in relation to e.g., drift and contamination from agrochemicals
3. Protect the environment in general, for example by preventing agrochemical runoff into watercourses or groundwater supply sources, by maintaining natural habitats, and preventing/reducing biodiversity loss

The project will take a gender-sensitive approach, focussing on the recruitment of female workers into leadership positions as part of the Core Trainers team and aiming for a representation of 25%. Additionally, the project activities are aimed at gathering accurate information on gender specific OHS risks, compelling employers to act.

Though currently focussed on Cote d'Ivoire and Cameroon, the vision of this project is to be able to roll out its deliverables across other countries as well.

Interested to learn more about the project or how to join?

Please reach out to **Sacnicte Bonilla Hernandez**, Project Officer at Banana Link

sacnicte@bananalink.org.uk

Environmental program

MEASURING THE ENVIRONMENTAL FOOTPRINT

The year 2023 marked the first year SIFAV partners reported on their product environmental footprint, building on environmental indicators such as water, carbon (CO_2e) and food loss and waste. Many SIFAV partners used the Environmental Footprint Toolkit (EFT) to establish baseline measurements. With the support of experts, results were aggregated and analysed, serving as a starting point for discussion on how to address hotspots along the supply chain.

Together, SIFAV partners conducted measurements for seven products: avocados, bananas, blueberries, citrus, legumes, mangoes, and table grapes. Out of all measurements, representative baselines on CO_2* for avocados and blueberries were established, as well as food loss and waste baselines for bananas and grapes. Cultivation and transport are the most relevant life cycle stages in all products analysed. Fertilizer application or use of energy for greenhouses at cultivation stage and transportation are among the strongest contributors to the product carbon footprint.

The reporting exercise provided SIFAV partners with a better understanding of the environmental footprint hotspots in their supply chain but also highlighted the key challenge of ensuring the quality of primary input data to establish a proper baseline. A baseline of aggregated results for all seven priority products was not achieved fully due to the lack of available primary data needed for to aggregation. This highlights the need to collaborate and generate capacity along the value chain to generate quality primary data, with a specific focus on cultivation data since this stage is a big contributor to the product environmental footprint. Engagement with the different value chain stakeholders is critical to improve data quality and availability and build towards a higher share of primary data to identify realistic and supply chain-specific hotspots and reduction plans.

IMPLEMENTING GOOD WATER MANAGEMENT STANDARDS

Partners also reported on their sustainably sourced volumes under the **Basket of Water Standards** for the first time in 2023.

In 2022

35%

of volumes sourced in high water risk regions was covered by certificates from voluntary standards within the Basket of Water Standards.**

*CO_2 emissions are measured in CO_2 equivalent per kg of product.
**These results are aggregate numbers based on self-assessed sourcing and compliance data by SIFAV partners.

While there is still significant progress to be made towards the 2025 target of 70%, SIFAV partners continue to engage with suppliers, producers, and certification bodies to increase the coverage and the implementation of good water management

in these high-risk regions. SIFAV partners learned that tracking volumes on a regional (sub-country) level is often not possible within current company systems and requires a more automated way of keeping track to allow companies to periodically monitor and manage the uptake of good water management standards.

SIFAV has recently published an **article on the results from a benchmark analysis of several standards** often used in the fresh produce sector against key criteria for on-site water management and that form the SIFAV Basket of Water Standards. SIFAV is sharing insights on how the selected standards perform on various water management aspects to further promote and mainstream good water management.

WORKING GROUPS TO IMPROVE PROCESSES

Building on the learnings from the 2023 environmental program reporting exercise that showed that food loss, carbon and water data collection was cumbersome and time consuming for suppliers, the SIFAV Secretariat and several SIFAV partners decided to create two working groups, one on Environmental Footprint and one on the Baskets of Water and Social Standards. These working groups have started their work with the aim for SIFAV partners to review the most common challenges in reporting and work on proposals for potential ways to solve these. This includes some technical improvements for reporting on water at the regional level such as Global G.A.P including geolocation data allowing us to link water risk with regional accuracy, and a pragmatic approach for reporting on CO_2 emissions as well as food loss and waste. Technical improvement for food loss and waste will include collaboration with existing partners who offer a history of technical expertise on supplier and farm level loss and potential adoption of World Wildlife Fund's Global Farm Loss Tool.

ENVIRONMENTAL PROGRAM PROJECTS

SIFAV kicks off groundbreaking Water Stewardship project in Peru

In 2021, Ica in Peru was selected by the SIFAV partners as the first catchment for collective action. There are 18 SIFAV partners that source mainly pomegranate, avocado, grapes, blueberries, citrus and asparagus from Ica, making it a highly relevant area to initiate engagement with suppliers.

For more information please visit this press release article.

To drive action on the ground and as a thorough participatory process locally, the Dutch Government, Waste and Resources Action Programme (WRAP) and Good Stuff International and have bundled forces to build a more resilient value chain through responsible water management in Ica.

10	5	3
EU and UK retailers and traders	Peruvian agroexporters	Civil Society Organizations

The project aims at strengthening the catchment's water cycle and biodiversity, reducing soil runoff, and improving the livelihoods of communities. These activities are embedded into an overall water stewardship plan for the area.

Collective Action Project in Southern Spain (Doñana and Murcia)

WRAP supports its members in achieving the goal of 50% of fresh food to be sourced from areas with sustainable water management by 2030 in a similar way to SIFAV. Hence, SIFAV (IDH), WRAP and their members have decided to collaborate as well in the south of Spain, specifically in the regions of Doñana and Murcia, to understand water risks, disseminate good agricultural practices, strengthen certification standards, and advocate for sustainable water management. For Doñana, the main aim is to establish a foundation for water stewardship practice (including the creation of a shared repository of information, capacity building and establishing a common approach to verifying legal water use), while for Murcia the focus is on creating a 2.5-year water stewardship plan for the Mar Menor/Segura basin. 18 businesses have committed to contributing funds for the project for a period of three years. SIFAV (IDH), along with GSI, WRAP, AWS, and WWF Spain form the Steering Group. All partners involved are already working together to understand the main issues and jointly work on improving sustainable water management in this key sourcing area.

Outlook for 2024

During 2024, the SIFAV Secretariat and SIFAV partners will continue working towards the ambitions set for 2025. On one hand, both the Secretariat and SIFAV partners will continue to optimize and work on the annual reporting, and on the other hand, SIFAV partners will continue their efforts in reducing their environmental footprint and address social issues they identified. Driving action on the ground and sharing best practices and experiences in reducing environmental footprints will continue to be central for the SIFAV initiative.

ONGOING ENVIRONMENTAL PROJECTS AND COLLECTIVE ACTIONS

→ Both collective action **projects on water stewardship in Peru and Spain** will be in the implementation phase and more concrete results will be available on the impact on the livelihoods and on the first steps taken to build the water stewardship plan. SIFAV partners that source from South Africa will have the opportunity to join a process of setting up a collective action water project in the same way as which this was started for Ica (Peru) in 2022.

→ Concrete steps will be taken to **identify opportunities for reduction of the environmental footprint and addressing hotspots along the supply chain**. SIFAV partners' collaboration through shared learnings and capacity building throughout the value chain for scope 3 robust data collection will also facilitate reduction actions and measuring their impact. Collective action projects such as the ones in Peru and southern Spain are an example of collaboration to address water related challenges in collaboration with local communities and fresh produce producers. Lastly, improved data quality, specially at cultivation stage, will inform SIFAV partners' decision-making processes and measure progress towards SIFAV 2025 goals.

→ Biodiversity has been also identified as an emerging and relevant topic in the sector, and **The Biodiversity Consultancy** will identify policies, practices and approach to measurement and reporting on biodiversity for the fresh produce and aquaculture sector programs at IDH. Four SIFAV partners are members of The Biodiversity Consultancy Committee and will be actively engaging with this topic by sharing their constructive feedback on the proposed approach and piloting the approach during 2024. The final proposal will be shared with the wider partnership.

Due Diligence and Social

For the foundational pillar of Due Diligence, SIFAV partners will be able to join ESG training and guidance sessions aimed at better understanding the upcoming EU ESG legislations. In relation to the CSRD, SIFAV is also exploring the possibility for SIFAV partners to take collective steps to facilitate compliance with the CSRD. Under the social program, SIFAV partners will strive to increase the volumes sourced sustainabily under the Basket of Social Standards and driving the agenda on living wages in the fresh produce sector.

Next year, SIFAV partners, the Steering Committee and the SIFAV Secretariat will start to think about the new strategy for SIFAV 2030, identifying the most relevant topics, opportunities for improvement and growth of the SIFAV membership, measuring progress towards the ambitions and driving action on the ground, all while complying and being prepared for the upcoming EU Due Diligence regulation.

We look forward to continuing the collaboration with all SIFAV partners in not only achieving our joint ambitions but also to continue improving business practices and driving sustainability in the fresh produce supply chain by involving all actors.

Please feel free to **CONTACT US**

Discover more about the benefits of joining SIFAV on **OUR WEBSITE**

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