



# Fresh & Ingredients

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Common Issues, Targeted Investments &  
Shared Solutions



The **Fresh & Ingredients** program combines a number of agro-commodities, and provides cross-sector solutions on critical issues. The program builds on existing platforms that have been built by IDH and partners over the last five years; i.e. Fruit & Vegetables (fresh and processed), Flowers & Plants, Nuts, Spices, and Vanilla.

By combining these sectors with overarching issues and sharing solutions, sustainable sourcing can be accelerated. This, for example, supports companies in the increasing need to deliver on their social and sustainable promises.

**The Fresh & Ingredients program will focus on the following issues:**



**Agrochemical use**



**Working conditions**



**Smallholder farmers**



**Climate change**

Publicity surrounding environmental impact, deplorable working conditions, food safety, health and safety issues, low wages in many producer countries have increased consumers' interest in knowing where their products originate from and under what conditions they are produced.

By participating in the program, partners boost their sustainability efforts and strengthen their company's sustainable position. The program brings together more than 100 suppliers - securing future supply - and will mobilize demand from retailers, manufacturers and traders to increase responsible sourcing and stimulate practices in their supply chains. Partner companies benefit from synergies in sustainability strategies, investments, and learning from the different categories. The Fresh & Ingredients program drives sustainability through pre-competitive collaborations.

### Participating

Over the last 5 years, IDH developed sector covenants and platforms with defined sustainable sourcing targets by 2020/2025. The covenants are based on individual company commitment.

Interested partners can join the Fresh & Ingredient program by signing one of the global covenants. Each covenant includes a stepwise approach to source and import sustainable products over the coming years.

### Measuring

The percentage of sustainable produced and traded products will be measured based on the quantity of kg/tonnage that complies with the defined sustainability criteria as agreed by the participating parties of the covenant. The participating private sector parties will annually report about their uptake of sustainable products to IDH.

### Monitoring

An independent third-party company will be selected to monitor annual progress towards the defined targets. Sustainability criteria include both certification as well as verification through audits. In order to achieve certification or verification or to further improve sustainability performance, covenant parties should invest in their supply chain. A supply risk analysis will be provided to determine specific sustainability issues, so called hotspots per crop/country combination.

### Co-funding

IDH co-funds private investments into sustainable improvement programs implying that a private sector investment is required. Blended finance is a key strategy to enhance leverage and business drive. At least once a year participating partners have the opportunity to submit proposals for co-funding projects.



## Approach

# Fresh & Ingredients

## Why participate?

### 1 — Global Covenants & Coalitions



### 2 — Benchmarking standards

By benchmarking relevant standards and formulating a common understanding of sustainability we use a selection (basket) of responsible sourcing standards to 'safely' choose from. This transparent benchmarking encourages standards to improve so they will reach a higher level. The transparency also offers efficiencies in auditing and trainings.

### 3 — Collective monitoring

In order to be successful and effective we carefully monitor and evaluate our instruments and mechanisms. We monitor and measure volume of responsible products (against covenant commitments), and will create one method of monitoring leading to economies of scale for the industry.



Together we will develop a common approach on existing but also new issues such as living wages. By sharing our learnings and creating shared solutions we can for instance improve impact on farmers livelihood.



- CONTINUOUS GROWTH OF SUPPLY AND AVAILABILITY OF SUSTAINABLE PRODUCTS
- MITIGATE REPUTATIONAL RISK ISSUES
- BE A FRONT-RUNNER IN THE SUSTAINABLE MARKET
- ASSURE PRODUCT QUALITY AND FOOD SAFETY
- SYNERGIES IN BEST PRACTICES AND LEARNING ACROSS SUPPLY CHAINS
- PROVEN CONCEPT OF PLATFORMS, PROJECTS AND SECTOR INVESTMENTS



## How?

The Fresh & Ingredients program brings together six sectors:  
Fruit & Vegetables (fresh and processed), Flowers & Plants, Nuts, Spices, and Vanilla.

- €10M PUBLIC INVEST.
- +100 PARTNERS
- +100 PROJECTS

## What will we achieve?

- +25%** SUSTAINABLE SOURCED PRODUCTS BY PARTNERS BY 2020
- SUSTAINABILITY TARGETS SET BY SUPPLY CHAIN PARTNERS
- CROSS-CATEGORY SOLUTIONS THROUGH SUSTAINABLE BUSINESS CASES

## Where?

## For 2016-2020, the Fresh & Ingredients program will focus on four sustainability issues:



### Smallholder farmers

Most of the Fresh and Ingredients products are grown by smallholder farmers. They face issues around low productivity, sustainability (such as the use of pesticides, health and safety, working conditions, soil and water management), poverty and lack of access to service providers. To overcome these problems, the Fresh and Ingredients program will develop cost-efficient approaches, create cross-category learning and will undertake service delivery model analyses with the aim to contribute to better farmer livelihoods and to bring smallholder approaches closer to the core business of companies.



### Agrochemical use

Food safety is a key issue for retailers and manufacturers. Although there are numerous checks and balances in the supply chain, the potential reputational risk of non-safe food and supply shortage (due to non-compliance through e.g. residue) is enormous. This reduces the appetite of retailers to source products from these destinations (small and large farms). Moreover misuse of agrochemicals causes severe health and safety issues for farm workers and farmers, and can lead to environmental damage and long-term impact on soil health and productivity.



### Climate change

Reducing CO2 emissions within the supply chain, for example by adapting to more efficient transport modalities or through more efficient production and chain management. Through reduction of (post-harvest) waste for example enormous savings on water and CO2 can be achieved.



### Working conditions

Improving working conditions at large farms and processing units is a key aspect to enhance the sustainability of food supply chains. This may include issues such as decent wages, nutrition, gender equality, housing, health & safety (farm & factory), building & fire safety, and sanitation.