Covenant

Sustainable Spices Initiative

Revision 2026

6th Update

Apr 2026

Original 2017

Preamble

In June 2017 the first SSI Covenant was agreed by SSI members. Since then SSI has grown in membership and in scope. The original product categories of Spices and Herbs was expanded to include Dehydrated Vegetables. Committees and Workgroups have been active in defining new objectives that are better aligned with current dicussion on ESG topics. Whilst still being one of the ancor points, SSI's original focus on only Sustainable Sourcing needed expansion to 'driving impact'. The latter to be achieved by growing membership, building alliances with other sector organisation and connect with governmental authorities in producing countries. Areas of impact are now related to 8 SDG's considered to be most relevant for our sector and new priorities have been set namely child labor, climate action and living income. These impacts are not reached by partners at farm level alone, but also at factory level, reason for SSI to amplify its scope to include processing in the supply chain. Last but not least, the SSI Basket of Standards needed more clarity as to what certifications are applicable for both farm level certification as well as factory-level certification.

A workgroup was established earlier this year to draft a new Covenant to give better direction to members regarding SSI goals and expectation from members to contribute towards those goals. Although still considered to be work in progress the proposed Covenant answers to most of the challenges mentioned above.

Summary of Targets

*SSI goals***	Target	Year
I - Accelerating increase in supply and demand for sustainable spices, herbs and dehydrated vegetables globally		
➢ Minimum sustainable sourcing in at least 3 of the top category spices, herbs and dehydrated vegetables	50%	2030
➢ Members implement robust Due Diligence policies and processes	100%	2030
II – Impacting on SDG's		
➢ # Members to set scope 1, 2 or 3 reduction targets, in alignment with Science-based Target Initiative (SBTi) or equivalent target frameworks^*	100%	Ongoing goal per year
➢ # Members to complete, or at least initiate Life Cycle Assessments (LCAs) in at least 3 of their top category spices, herbs or dehydrated vegetables	100%	Ongoing goal per year
➢ Members to set water targets related to access, quality, or quantity*	Optional	Ongoing goal per year
➢ Members to set targets related to regenerative agriculture (Reg Ag) practices, and/or to participate in at least one Reg Ag project (preferrably with SSI members)*	Optional	Ongoing goal per year
➢ % of Members actively participating in SSI committees and working groups	90%	2030
➢ SDG's targets set by Impact Committee Working Groups, includign Living Income, Child Labour, Environmental Working Groups, Standard Committee	6 SDG's	2030
➢ # farmers reached (by companies' programme/ project)	50,000	2030
III - SSI leadership		
SSI membership[1]	70	2030

[1] Baseline dec 2021 of 45 members

Effective collaboration with sector associations	+3	2030

***New members shall be given a period of two years within which to commit to the objectives of SSI following the date of joining.*

**Total four environmental targets (two mandatory, two optional) were introduced at SSI General Assembly 2024, please see SSI Covenant for details.*

^SSI Environmental Working Group will further define "equivalent target frameworks" to support SSI members to set scope 1,2, or 3 reduction targets

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1. The importance of spices sector and sustainability

Culinary spices, herbs and dehydrated vegetables are ingredients of most food products consumed globally. They represent an important economic value. The global market for seasonings, spices and herbs is estimated to be at US$ 8.2 billion in 2019[2] , equivalent to the value of the global cocoa market. Imports in Europe alone represent a volume of around 415.000 tons[3][4], a market that is growing yearly with 6%[5].

Producers

Spices and herbs are mainly produced by smallholder farmers in the global south (Asia, Africa Latin America and in Europe around Mediterranean Sea). Estimations indicate that over 4 million smallholders are involved, which are numbers that are also equivalent or higher than in other known sectors as cocoa. Smallholders' income depends importantly on spices and herbs production while assuring the supply to local and global industry. Dehydrated vegetables include larger scale production plantations, but still a large part is produced by smallholders, especially in Asia. While the demand for spices, herbs and dehydrated vegetables is expected to increase to feed the global growing population, supply is not assured. Land availability is reaching its limits, and farmers are increasingly leaving agriculture for jobs in non-agricultural sectors. Secured supply is only feasible if spice and herbs production offers a financially attractive and sustainable livelihood for farmers and workers keeping farmers in (the spices) business, and if farmers produce sustainably, protecting soil, water and biodiversity, protecting the environment and becoming themselves more resilient towards climate change

Smallholders, men and women, often face poverty, seasonal periods of food shortage, health and safety problems and poor working conditions for themselves and their seasonal workers (man and women), including the use of child labour. Low productivity, debts related to crop risks, soil degradation and water depletion, pollution, biodiversity loss, low farmers' organisation, all issues that compromise farmer incomes and sustained production over time.

The industry

The spices, herbs and dehydrated vegetables industry itself is also facing several challenges, varying from high agrochemical residue levels found on the product due to excessive use of pesticides in farming, microbiological, mycotoxin and other contaminations, product adulteration, resulting in

[2] Estimation based on global volumes of spices and herbs, ave. prod/ha and smallholder land size in India, Indonesia and Vietnam)
[3] ESA industry statement, 2015
[4] Figures cited refer to spices and herbs only, excluding dehydrates vegetables
[5] CBI, 2015. The most important suppliers from developing countries are China (12%), India (10%), Vietnam (6.2%), Indonesia (2.8%), Turkey (2%) and Thailand (1.9%). Apart from Thailand, these countries saw their exports to the EU increase by more than 10% per annum between 2010 and 2014. Smaller supplying countries such as Sri Lanka, Nigeria, Egypt and Madagascar are also increasingly finding their way to the EU market.

food safety and supply and economical risks for all actors in the supply chain. These problems are reinforced by lack of traceability and control systems and lack of (local) sector governance.

In the past years the importance of social and environmental issues as human rights and climate change got an even stronger recognition in the main agri-commodities, gaining even more attention of industry, retail, government, civil society and not in the last place, the consumer. Acting on Sustainability is likely to become 'a license to operate' in the eyes of the end consumers. To gain or keep credibility the industry actors and the sector as a whole need to identify and to address the social and environmental risks in their supply chains.

However, patterns are the same for most crops, as the sector challenges often directly relate to sustainability, either at farm or supply chain actor levels. Sustainable farming and farmers' livelihoods, traceability and sustainable processing assure continued supply, food safety, quality, and control. Where a responsible industry meets producers a credible value proposition is created.

Getting there requires both individual company engagement as well as a sound and collective sector strategy. Where companies can work on scalable and cost-effective farmer support and transparent sourcing mechanisms, collaborative pre-competitive action and advocacy is required to address issues that individual companies cannot address alone. This requires leadership and sector and market transformation efforts that will lead to a level playing field based with sound practices and fair prices.

We invite frontrunners and leaders to join in.

2. SSI Ambition, Strategy and Priorities

Ambition

The Sustainable Spices Initiative ("SSI") is a global platform that brings together companies active in the spices, herbs, dehydrated vegetables supply chain that are willing to develop individual and collective strategies, taking a leading role in a sector transformation process towards sustainable production and processing of spices, herbs and dehydrated vegetables. They do so by developing own and joint pre-competitive programs whilst engaging with governmental organizations and non-governmental organisations and other stakeholders in producing as well as consuming countries.

SSI's ultimate ambition is to create sustainable supply chains where farmers and workers, men and women, earn a living income and produce sustainably, and at farm as well as factory level, are protecting soil, water, climate and biodiversity, thereby guaranteeing the sustainable production and trade of spices, herbs and dehydrated vegetables in the long term.

Strategy

SSI is guided by the United Nations Sustainable Development Goals (SDG's). SSI aims to contribute to the following sector relevant Sustainable Development Goals: fighting poverty (SDG 1), supporting equally men and women (SDG 5), conserving water resources (SDG 6), promoting decent work and fight child and forced labor (SDG 8), addressing climate change (SDG 13) protecting soils, water, forests and biodiversity (SDG 15)

To directly contribute to the above SDG's, responsible sourcing (SDG 12) is key. Food industries and retail support farmers to produce sustainably by buying, processing and packing their certified products and by addressing environmental and social risks at factory level.

SSI members commit to source at least 25% of their 3 top products sustainably by 2025, and to implement solid human rights and environmental due diligence policies and process at farm and factory levels. Members contribute to building a strong SSI organisation and pre-competitive partnership that promotes sustainability and transformational change to the whole spices sector (SDG 17).

New Environmental Targets as of September 2024

Two new mandatory and two optional environmental targets were also proposed at SSI General Assembly 2024 in Hungary in May 2024, to expedite environmental footprint reduction actions among SSI members and to refine and strengthen our 2030 vision. Reporting by SSI members on new environmental targets will be done at the same time as the annual sustainable sourcing reporting, which is in Q1 each year. SSI Secretariat will facilitate the monitoring and evaluation process accordingly.

First, SSI members commit to set scope 1, 2 and 3 reduction targets by the end of 2025, in alignment with Science-based Target Initiative (SBTi), or equivalent target frameworks^. SSI members are also advised to:

- Follow science from the Intergovernmental Panel on Climate Change (IPCC)
- Follow 1.5°C as the north star for reductions
- Measure and report GHG emissions regularly
- Drive multiple diverss climate actions
- Foster collaboration and intersectionality with supply chain actors

**Total four environmental targets (two mandatory, two optional) were introduced at SSI General Assembly 2024, please see SSI Covenant for details.*

^SSI Environmental Working Group will further define "equivalent target frameworks" to support SSI members to set scope 1,2, or 3 reduction targets

Second, SSI members should also complete, or at least initiate Life Cycle Assessments (LCAs) in at least 3 of their top category spices, herbs or dehydrated vegetables by the end of 2025. The Environmental Footprint Tool (EFT) developed for SSI members specifically is a preferred tool to

perform LCAs, and can be used as a benchmark for other LCA tools potentially used by SSI members. SSI members are encouraged to share LCA results with SSI Secretariat, as an insight to identify emission hotspots and identify mitigating opportunities and actions, for the wider SSI community.

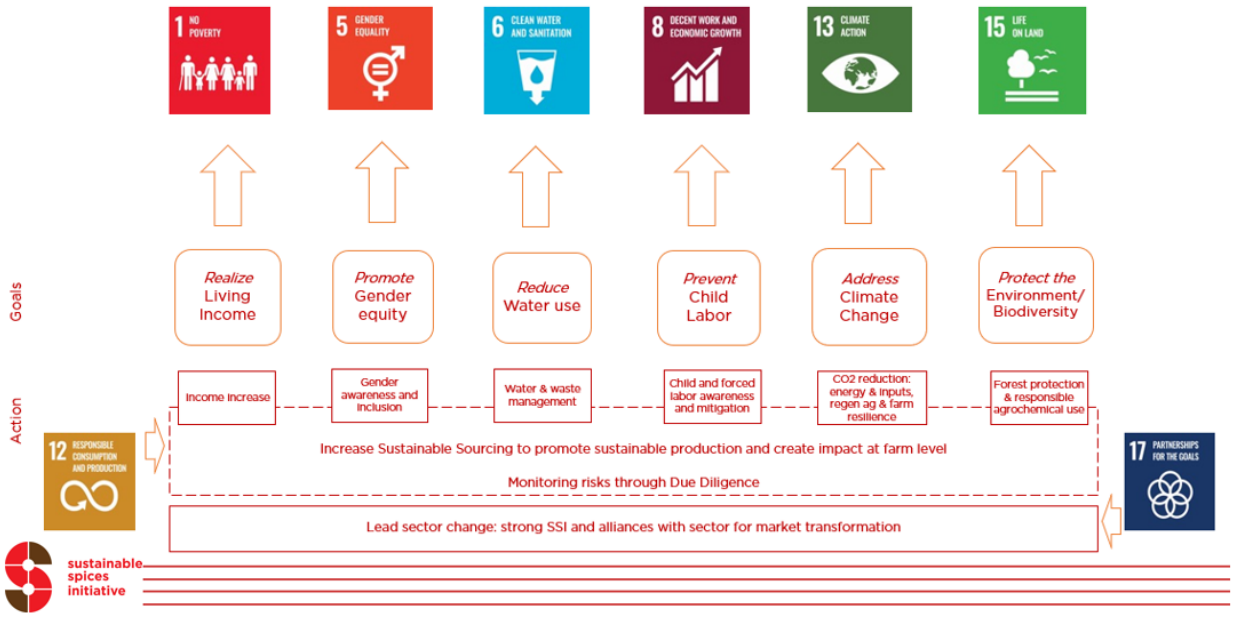
Two optional targets were also introduced to encourage SSI members taking initial steps in addressing water management issues and participating in regenerative agriculture projects, to increase biodiversity, enrich soils, restore watersheds, and enhance ecosystem services.

SSI members are advised to set water targets, with reference to United Nation **Sustainable Development Goal 6: Ensure access to water and sanitation for all-**

- Achieve universal and equitable access to safe and affordable drinking water for all
- Achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations
- Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
- Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
- Implement integrated water resources management at all levels, including through transboundary cooperation as appropriate
- Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes
- Expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies

SSI's Ambition

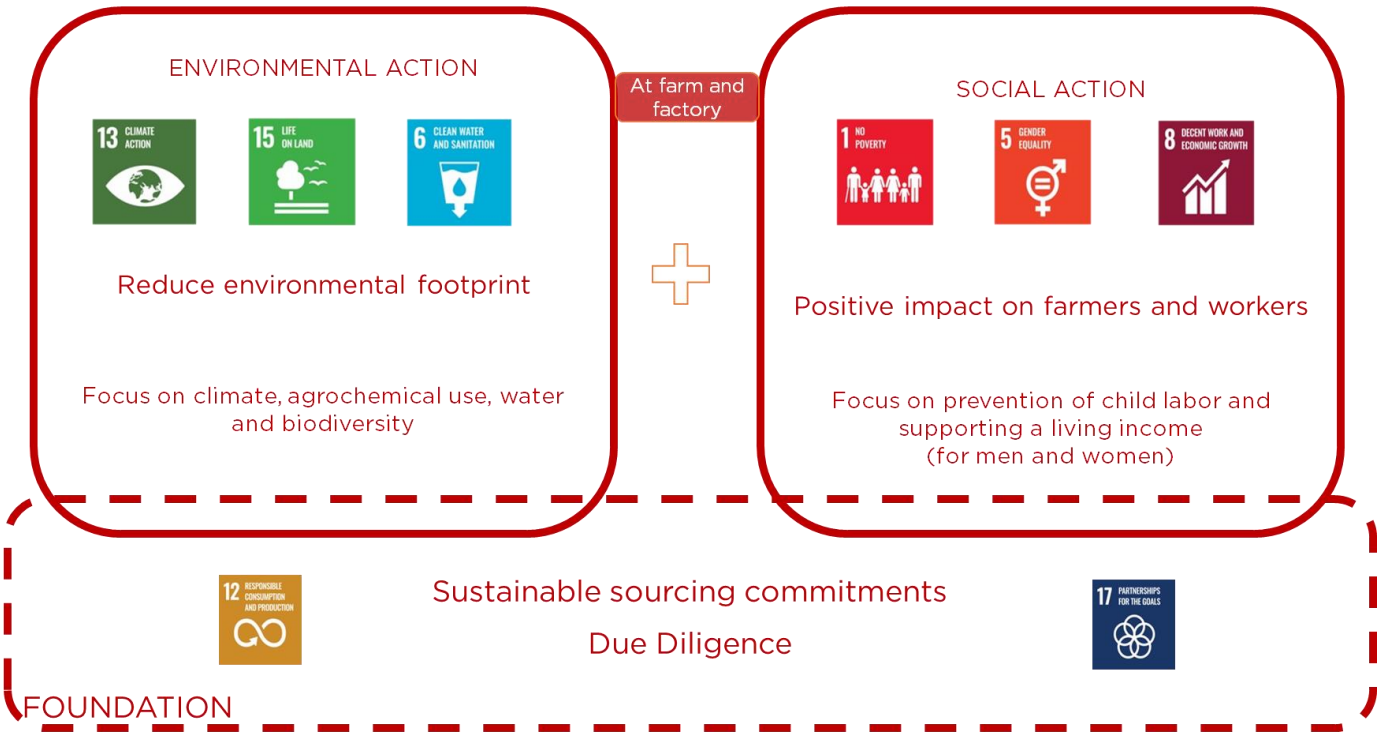
SSI's ambition is the take a leadership role in this process of transformation by piloting and sharing ways to implement sustainability in practice supporting individual members with tools, and building collective program to address issues in key producing areas



SSI's members are expected to commit to the sustainable sourcing goals, agree to participate in the due diligence efforts and voluntarily adhere to one or more other programs, set own objectives for those goals, contribute to the development of strategies and share progress and lessons learned in the SSI community. SSI will provide support for the members in each of the goals.

Priorities

SSI's strategic priorities focus on Sustainable Sourcing, Environmental Action and Social Action. Sustainable Sourcing and Due Diligence is the foundation on which environmental and social action can be built.



A. <u>Sustainable Sourcing and Building Partnerships for Sustainability goals</u>

(1) Sustainable Production, Sourcing and Consumption (SDG 12):

Sustainable sourcing commitment by SSI members and engagement of end-markets: Assuring demand for sustainably produced products and value recognition by all actors in supply chain, including retail and consumers, is a commitment of the members and a strategic challenge for SSI. Environmental and social responsibility is a shared responsibility for all stakeholders in the supply chain.

Promoting Due Diligence on ESG[6]: support companies with due diligence tools and training, development of collective risk mapping tools. Risk mapping on ESG issues helps companies to foresee and address sustainability issues upfront at farm and factory levels. Aggregation of risk data at SSI level can help the sector identify main risks, prioritize and define collective mitigation measures. Due Diligence will soon become a legal norm. Building collective experience and tools for Due Diligence will help SSI members to be prepared and keep advantage.

(2) Partnerships for the Goals (SDG 17):

[6] ESG = Environmental, Social and Governance

SSI leadership: SSI brings together actors active in the spices supply chain. In doing so it provides a platform for members to share know-how and work together on capacity development in producing as well as consuming countries

Collaboration with sector organisations. SSI aims to influence the spices sector by building alliances and partnerships at regional and country levels

Cross sectoral learning: SSI will communicate and work together with other sectors to assure sharing of knowledge on service delivery models and proof of concept for cost-effective and scalable interventions

B. Environmental action

(3) **Climate action (SDG 13): GHG/CO2 reduction and building farmer resilience** are key contribution of the sector to the climate change mitigation and to secure future of spices farmers and spices supply. Mitigating action can be taken by all actors at all levels of the supply chain. GHG/CO2 emissions can be reduced, among others, through use of green energy or saving energy along the supply chain, reduced usage of synthetic fertilizers and pesticides, avoiding forest land use, etc. This can be embedded in alternative production systems such as regenerative agriculture that increase soil health, organic matter content and agricultural biodiversity, which will also build farmer resilience against climate change. Tools developed by SSI, like environmental footprint analysis (LCA's), can be helpful in focussing on most relevant emission areas.

(4) **Life on Land (SDG 15): forest protection and responsible agrochemical use:** reduce application of agrochemical to protect environment and health and assure safety of farmers and workers. Integrated pest management methods can directly contribute to decreasing pesticide residue levels. Diversification, agroforestry and forest conservation will contribute to carbon sequestration and to biodiversity conservation.

(5) **Water use efficiency and water resources management** (**SDG 6.4 and 6.5);** efficient water use through sustainable water management in irrigated and other areas, conserve water for agriculture, etc. will help creating climate resilience at the farm level, while factories can reduce water usage and avoid water pollution.

C. Social action

(6) Supporting a Living Income (SDG 1): with living income as a long-term target, we need to build capacity of smallholders on good agricultural practices and farm management, with a focus on income drivers such as diversification and value addition, increased productivity, reduced costs, etc. Fair pricing, access to finance and linkage to market help to increase income. Together with

improved working conditions of farmers and workers, with special attention to women, those objectives, when achieved, will keep farmers in business, assuring supply and quality to the sector for the long run.

(7) Preventing child labor (SDG 8). SSI and SSI members will identify risk areas on child labour and conduct pilot projects and initiatives at individual and collective levels that help remediate and prevent child labour in the value chains.

(8) **Gender equality (SDG 5):** SSI members will become more gender aware and promote gender equality among farmer and workers along the supply chain.

3. Definition of Sustainability, standards for sustainable sourcing and processing

Under responsibility of the SSI Standards Committee SSI builds a '**SSI Basket of Standards'** applicable to farm-level certification and factory-level certification.

Farm-level certification

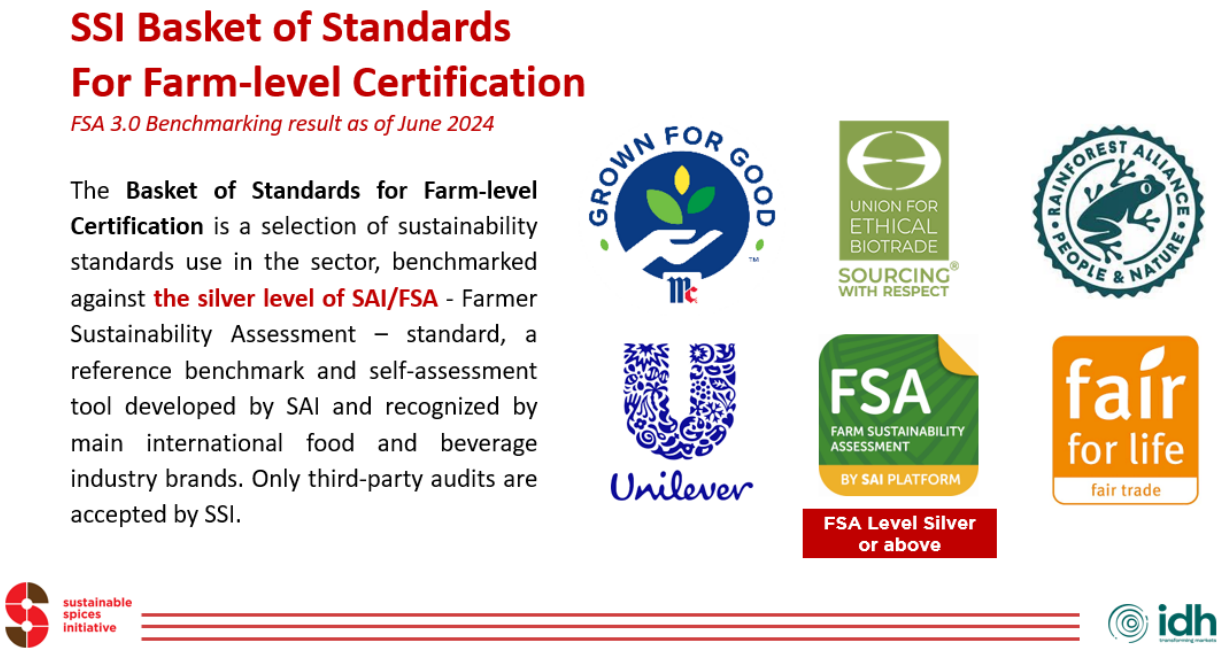
SSI endorses the Sustainable Agriculture Initiative (SAI) definition on sustainable production "*Sustainable agriculture is the efficient production of safe, high quality agricultural products, in a way that protects and improves the natural environment, the social and economic conditions of farmers, their employees and local communities, and safeguards the health and welfare of all farmed species.*"

SSI choses to use recognized international sustainability standards and auditing systems that are commonly applied in agriculture and are recognized by food manufactures and retail. These may be independent voluntary standard systems, or company standards. Key is whether these sustainability standards cover the critical sustainability issues in the spices, herbs and dehydrated vegetables sector and whether they are third party audited/verified.

The **Basket of Standards for Farm-level Certification** is a selection of sustainability standards use in the sector, benchmarked against the **silver level** of SAI/FSA - Farmer Sustainability Assessment – standard, a reference benchmark and self-assessment tool developed by SAI and recognized by main international food and beverage industry brands[7]. Only third-party audits are accepted by SSI.

SAI/FSA regularly publishes updates of the list[8] of sustainability standards benchmarked[9]. Based on this list, Figure 1 below provides the latest overview of sustainability standards of the SSI Basket of Standards (June 2024). The SSI Standards Committee will monitor the list and can propose future changes in the SSI Basket of Standards.

[7] Decision taken in SSI General Assembly on May 23rd, 2018, in Florence.
[8] The list can be found on the linked website, under *FSA for Companies, point 2.4 "overview of completed, 'in progress' or planned benchmarks",* which is updated regularly.
[9] SAI/FSA benchmark methodology is described in
http://www.fsatool.com/fileadmin/user_upload/Implementation_FSA/FSA_Benchmark_Methodology.pdf



Factory-level certification

For processing, the benchmark used is the Sustainable Supply Chain Initiative (SSCI), the social benchmark standard developed by the Consumers Goods Forum. The benchmark is new; hence several standards are on the way to get benchmarked at the moment of writing (mid 2022). SSI members are encouraged to apply the standards on a voluntary basis at processing level while SSI encourages relevant factory-level standards to get benchmarked under SSCI.

For validation, only third party auditing will be accepted by SSI.

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4. Monitoring, Evaluation and Learning

To achieve certification or verification parties need to take into consideration that investments in farm level socio-economic and environmental improvements are often necessary. A farm gap analysis can determine specific sustainability issues.

a. All covenant members agree to annually monitor and report their progress on sustainable sourcing, and environmental targets, following a commonly agreed SSI monitoring protocol. Only third-party auditing will be accepted by SSI. For confidentiality reasons SSI members will report individually to SSI Secretariat as neutral partner.
b. Members will annually also report to SSI Secretariat on the existence and application on due diligence systems, to monitor progress on the implementation of due diligence policies and processes.
c. The progress will be reported by SSI Secretariat to the SC and to the General Assembly at aggregated level. In 2022 a new baseline measurement will be undertaken, based on performance in 2021.

[10] RFA, FT, BSCI Amfori, Smeta/Sedex, Fair for Life, Sustainably Grown and SIZA passed the GSCP benchmark. BRCGS (BRC's Ethical Sourcing standard) already passed SSCI, others are expected (situation June 2022).

5. The Covenant Commitments

Whereas

1) The covenant defines the individual engagement and commitment of the SSI members towards improving sustainability throughout the entire supply chain for spices, herbs and dehydrated vegetables and describes the SSI priorities and governance towards 2025

2) SSI members commit to engage and contribute to sustainable production, processing and trade of spices, herbs and dehydrated vegetables globally, scaling up investments in sustainability in their own supply chains, and contributing to collective solutions for sector sustainability challenges at global and local level.

3) SSI members commit to develop markets for sustainable products and contributes to achieving the Sustainable Development Goals (SDGs)[11] 1 (No Poverty), 5 (Gender Equality), 6 (Access to water) 8 (Decent Work and Economic Growth), 12 (Responsible Consumption and Production), 15 (Life on Land) and 17 (Sustainable Partnerships).

4) SSI members work together on a pre-competitive basis and shall not engage, neither individually nor collectively, in any behaviour that restricts competition. Additionally, the parties have declared to take note of antitrust laws and regulations and no actions that may conflict these will be taken.

5) Members are expected to participate and contribute to SSI committees and thematic workgroups

6) Members will use as reference for definition of Sustainability the SSI Basket of Standards

7) Members agree to annually monitor and report their progress following a commonly agreed SSI monitoring protocol.

8) Members will confirm the above and what is to follow by signing a non-legally binding Letter of Intent.

11 https://sustainabledevelopment.un.org/topics

Members agree on the following plan of action and objectives:

I. Accelerating sustainable production through sustainable sourcing and due diligence

Sustainable Sourcing

SSI members commit to increasing the share of sustainable sourcing significantly. The level depends on their current percentage and volume of sustainable sourcing and on the opportunities in their activities and position in the supply chain.

The following growth targets are agreed upon:

- Members commit to reach at least 25% **sustainable sourcing** volume in at least 3 of their top category products by end 2025, compared to the total sourcing volume

In case members have already reached this target they commit to keep and where possible to grow the current percentage and or add other top products to their sourcing commitment

Definition of 'sustainable sourcing' is defined under 'sustainability criteria', chapter 4.

Members will annually report to SSI Secretariat to monitor progress towards the defined targets.

Due Diligence

- SSI members commit to implement robust **due diligence policies and processes** in their supply chains before 2025, identifying ESG risks, building ESG policies and remediate/mitigate/address key issues encountered individually and/or collectively.

Members will annually report to SSI Secretariat on the existence and application on due diligence systems to monitor progress.

II. Impacting in Key Sustainability Areas

SSI members commit to intervene locally and globally, either individually or collectively, on key sustainability issues for the spices, herbs and dehydrated vegetables sector through active **engagement in one or more** of the following aspirational goals and concerted SSI interventions at farm and factory level:

Environmental action

- Actively contribute to **climate change** mitigation by carbon reduction and sequestration and support to farmers to build climate resilience

- Support to **water** conservation by improved water management practices
- Support **forest and biodiversity** conservation and responsible agrochemical use

The following mandatory environmental targets are agreed upon in May 2024:

- Set scope 1, 2 or 3 reduction targets by the end of 2025, in alignment with Science-based Target Initiative (SBTi) or equivalent target frameworks^*
- Complete, or at least initiate Life Cycle Assessments (LCAs) in at least 3 of their top category spices, herbs or dehydrated vegetables by the end of 2025*

Optional targets are agreed upon:

- Set water targets related to access, quality, or quantity by the end of 2025
- Set targets related to regenerative agriculture (Reg Ag) practices, and/or to participate in at least one Reg Ag project (preferrably with SSI members) by the end of 2025*

**Total four environmental targets (two mandatory, two optional) were introduced at SSI General Assembly 2024, please see SSI Covenant for details.*

^SSI Environmental Working Group will further define "equivalent target frameworks" to support SSI members to set scope 1,2, or 3 reduction targets

Social action

- Work towards a **living income and better livelihoods** for smallholder farmers, man and women,
- Promote and support **gender** equality in farm and factory
- Prevent and remediate engagement of **children** in work in production and processing

These action fields and targets will be developed, guided and monitored by the Impact Committee Working Groups, where members commit to participate in.

III. SSI Leadership

Members individually as well as collectively, will **promote sustainability in spices, herbs and dehydrated vegetables supply chains**, by creating visibility towards sector, manufacturers, retail and consumers:

i. **Promote SSI as the overarching platform for sustainability in the spices, herbs and dehydrated vegetables sector.** Facilitate the sector to adopt commitments and approaches by actively sharing ideas and progress at the relevant international platforms (IOSTA, ESA, ASTA, etc.),

ii. **Increase market uptake of sustainably sourced spices, herbs and dehydrated vegetables.** Develop membership and commitment by retailers, facilitated by communication and scenarios for business cases

iii. **Support local agendas in key origins**, such as:

a) VIETNAM: Scaling sustainable production and trade of Vietnamese pepper and cassia through partnership with the PPP Pepper Task Force, Min. of Agriculture and Vietnamese Pepper Association and members, and the Vietnam Cassia Association.

b) INDONESIA: Increase sustainable production and access to international markets for the spices sector in Indonesia through cooperation agreement with the SSI Indonesia platform that aims to promote Good Agriculture Practices and increased farmer income

c) INDIA: Promote Good Agriculture Practices, reduce the use of agrochemicals and residues and improve farmer livelihoods in India through a cooperation agreement with the National Sustainable Spices Program (NSSP)