

INC SUSTAINABILITY CERTIFICATION

STANDARD FOR GLOBAL TRADE SPECIALISTS



ABOUT THIS STANDARD

The **INC Sustainability Certification** promotes a standardized, streamlined, sector-specific framework for assessing sustainable practices within the nut and dried fruit industry.

This Standard evaluates the trading of nuts and dried fruits through the lens of **Environmental, Social, and Governance (ESG)** considerations. The Standard focuses on governance and responsible sourcing, using weighted criteria that combine binary (yes/no) responses with quantitative indicators.

Companies holding certain industry certifications may be exempt from auditing some performance measures. Accepted certifications include:

- GHG Protocol Corporate Standard
- ISO 14064-1
- SMETA 4 Pillar (SEDEX)

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CERTIFICATION REQUIREMENTS

This Standard consists of two parts. Part I, **Governance & Operational Responsibility**, addresses the company’s internal practices, Part II, **Responsible Sourcing**, refers to the practices of the company’s suppliers.

To qualify for certification, a company must achieve a minimum score of **50 points**. Following the audit, the company will be awarded 1-3 stars based on its total score:

- **1 star:** 50-59 points
- **2 stars:** 60-69 points
- **3 stars:** 70+ points

Mandatory Criteria: Certain criteria are classified as mandatory. These must be met in order to be eligible for certification, regardless of total points.

Minimum Scoring: A minimum score is required for each category. Failure to achieve the minimum score will result in disqualification, regardless of total points.

Recognized Certifications: Companies holding certain third-party certifications may be exempt from auditing some performance measures. If the company holds a recognized third-party certification (highlighted in green), it is considered to fulfill all criteria in the corresponding category.

Categories	Criteria	Max. Points
PART I. Governance & Operational Responsibility		
1. Governance & Strategy	7	20
2. Business Integrity	5	10
3. Carbon Footprint	4	10
4. Procurement	5	10
PART II. Responsible Sourcing		
5. Compliance & Ethics	5	10
6. Human & Labor Rights	13	20
7. Environmental Impact	12	20
TOTAL	51	100

PART I.

GOVERNANCE & OPERATIONAL RESPONSIBILITY

This part of the Standard addresses the company's internal practices across the following categories:

Category 1. Governance & Strategy

Category 2. Business Integrity

Category 3. Carbon Footprint

Category 4. Procurement

Category 1. Governance & Strategy

Min. Score: 10 Max. Points: 20

Subcategory		Criterion
1.1	Integration of Sustainability in Management Strategy	Sustainability is embedded in overall business strategy, with targets and actions reviewed at the management level. Sustainability KPIs are reviewed by leadership at least once every three years.
1.2	Defined Accountability	Roles and responsibilities for implementing the company's procurement and/or sustainability policy are clearly defined.
1.3	Leadership Commitment	Senior leadership actively oversees the company's sustainable procurement.
1.4	Stakeholder Engagement	The company incorporates stakeholder perspectives (e.g. workers, communities, investors) into governance processes through advisory panels, surveys, or board-level discussions.
1.5	Grievance Mechanisms and Remediation	Senior management is responsible for overseeing grievance mechanisms and ensuring that legitimate complaints are addressed and remedied.
1.6	Gender Equality – Inclusive Leadership	The company takes active measures to ensure women's full participation and equal opportunities in leadership roles, including senior management, boards, and committees, with at least 30% of leadership positions held by women.
1.7	Staff Capacity Building	The procurement team receives training on Environmental, Social, and Governance (ESG) risks and regulations at least once every three years.

Category 2. Business Integrity

Min. Score: 4 Max. Points: 10

Subcategory		Criterion
2.1	Certification	Companies holding a SMETA 4 Pillar certification are considered to fulfill all criteria in this category.
2.2	Anti-Corruption and Bribery	The company has measures in place to prevent, detect, and respond to corruption and bribery in its trading operations, including a clear anti-corruption policy, employee awareness, and procedures for reporting and investigating suspected violations.
2.3	Contract Transparency	The company ensures full disclosure of all relevant terms and conditions in its trading contracts and agreements. All parties are clearly informed of product specifications, pricing, delivery terms, payment conditions, quality standards, and applicable regulations, and arbitration before the transaction is concluded.
2.4	Human and Labor Rights	The company has a process in place to identify, prevent, and mitigate adverse human and labor rights impacts, and this process is reviewed by senior leadership.
2.5	Local Community Rights	The company must consider its impact on communities in its sourcing areas, and respect the rights of local communities and Indigenous Peoples regarding land tenure and natural resources.

Category 3. Carbon Footprint

Min. Score: 4 Max. Points: 10

Subcategory		Criterion
3.1	Certification	Companies holding a certification of their carbon footprint according to ISO 14064-1 or the GHG Protocol Corporate Standard, covering Scope 1, 2, and 3 emissions, are considered to fulfill all criteria in this category.
3.2	Energy Consumption	The company records energy consumption for its offices, warehouses (if applicable), and related machinery or vehicles.
3.3	Carbon Emissions from Business Travel	The company quantifies carbon emissions from business-travel related transport.
3.4	Carbon Offsetting	The company annually offsets its organizational carbon emissions through contributions to certified carbon sequestration projects.

Category 4. Procurement

Min. Score: 4 Max. Points: 10

Subcategory		Criterion
4.1	Supplier Code of Conduct	A Supplier Code of Conduct is in place, covering Environmental, Social, and Governance (ESG) criteria.
4.2	Supplier Risk Assessment	Suppliers are assessed using a documented, risk-based approach that considers country risk and sector-specific ESG risks.
4.3	Supplier Monitoring Mandatory	The company conducts annual supplier audits, either remotely or on-site, and conducts on-site visits for suppliers in high-risk countries* to verify compliance with the Responsible Sourcing** practices detailed in this Standard.
4.4	Continuous Improvement	The company documents and tracks corrective action plans when ESG issues are identified.
4.5	Supply Chain Traceability	A system is in place to ensure product traceability to the farm or grower group level.

*See annex. **See Part II, Responsible Sourcing, categories 5, 6, and 7.

PART II.

RESPONSIBLE SOURCING

This part of the Standard refers to the practices of the company's suppliers. To qualify for certification, the company must have audited its suppliers, either remotely or on-site, across the following categories:

Category 5. Compliance & Ethics

Category 6. Human & Labor Rights

Category 7. Environmental Impact

Mandatory criteria must be audited in all suppliers. For all other criteria, a sufficient number of the company's suppliers must be audited to ensure that 80% of the total goods value of traded nuts and dried fruits comes from audited suppliers.

Category 5. Compliance & Ethics

Min. Score: 4 Max. Points: 10

Subcategory		Criterion
5.1	Certification	Suppliers holding a SMETA 4 Pillar or INC Sustainability Certification are considered to fulfill all criteria in this category.
5.2	Legal Compliance Mandatory	Suppliers hold trade registrations, licenses, or permits required under national or international laws.
5.3	Ethical Business Practices Mandatory	Suppliers do not perform or are not involved in non-ethical business practices, including corruption (public or private), fraud, tax evasion, or bribery.
5.4	Grievance Mechanisms and Remediation	Suppliers* provide an accessible, culturally appropriate grievance mechanism for employees, farmers, and communities that allows anonymous submissions, ensures timely review and investigation, and implements corrective actions when needed.
5.5	Awareness and Non-Retaliation	Suppliers* inform employees, farmer group members, and affected community members about the grievance process and assure them that they can raise concerns or complaints without fear of retaliation, intimidation, or reprisal.

* Suppliers that together represent at least 80% of the total goods value of the company’s traded nuts and dried fruits.

Category 6. Human & Labor Rights (1/3)

Min. Score: 20 Max. Points: 20

Subcategory		Criterion
6.1	Certification	Suppliers holding a SMETA 4 Pillar or INC Sustainability Certification are considered to fulfill all criteria in this category.
6.2	Child Labor Mandatory	Suppliers do not employ workers below minimum working ages (per ILO C138 & C182), and have conducted appropriate due diligence in high-risk countries* , including signed declarations, risk assessments, supporting documentation, and controls.
6.3	Forced Labor Mandatory	Suppliers do not employ or benefit from any form of forced, bonded, or coerced labor (per ILO C29 & C105), and have conducted appropriate due diligence in high-risk countries* , including signed declarations, risk assessments, supporting documentation, and controls.
6.4	Non-Discrimination Mandatory	Suppliers have a formal, implemented non-discrimination policy that prohibits discrimination in hiring, wages, promotions, and termination, and this policy is effectively communicated to employees.
6.5	Respect and Fair Treatment of Workers Mandatory	Suppliers have a formal, implemented policy that explicitly prohibits violence, as well as sexual, verbal, and psychological harassment.

* See annex.

Category 6. Human & Labor Rights (2/3)

This section is a continuation of the preceding table.

Subcategory		Criterion
6.6	Disciplinary Practices Mandatory	Suppliers ensure that disciplinary measures are fair, transparent, and never involve violence, humiliation, or wage deductions as punishment.
6.7	Adaptive Working Conditions Mandatory	Suppliers make reasonable adjustments to working conditions, hours, or facilities to respect the diverse needs of workers.
6.8	Legal Employment Terms Mandatory	Suppliers ensure that employment terms (1) comply with all applicable laws, (2) respect workers' rights, (3) are clearly communicated in a language understood by the worker and freely agreed to by the worker, and (4) are consistently honored by the employer. Under no circumstances are workers required to pay for their employment.
6.9	Working Hours Mandatory	Suppliers respect the maximum working hours prescribed by applicable local laws (or ILO standards if they are stricter), ensure that a regular workweek does not exceed 48 hours, provide at least one full day of rest in every seven-day period, and guarantee that overtime is voluntary, limited in duration, and compensated at a premium rate.

Category 6. Human & Labor Rights (3/3)

This section is a continuation of the preceding table.

Subcategory		Criterion
6.10	Legal Wage Payment Mandatory	All workers are paid wages that meet or exceed the applicable legal minimum wage (or any higher minimum set by a competent authority), and that wages and overtime compensation are paid regularly (at least monthly), in full, and documented. Verification must not infringe data protection.
6.11	Social Security Protection Mandatory	Suppliers provide workers with social security protection in accordance with the laws and regulations of the country where the work is performed.
6.12	Health and Safety Mandatory	Suppliers ensure and promote a proactive health and safety culture that prioritizes the prevention of workplace hazards and risks. Health and safety measures comply with local regulations and are regularly reviewed and updated. Workers receive adequate safety training and personal protective equipment (PPE) free of charge.
6.13	Freedom of Association and Collective Bargaining Mandatory	Suppliers recognize and respect the rights of employees and farmer group members to freely form, join, or refrain from joining representative associations of their choice. Suppliers and farmer group leaders shall facilitate and respect the right to engage in collective bargaining in line with ILO C87 & C98, ensuring that any agreements reached are documented, upheld, and enforced.

Category 7. Environmental Impact (1/2)

Min. Score: 10 Max. Points: 20

Subcategory		Criterion
7.1	Certification	Suppliers holding an INC Sustainability Certification are considered to fulfill all criteria in this category.
7.2	Environmental Impact Mitigation	Suppliers* take actions to minimize their environmental impact, including efforts to reduce carbon footprint and waste, and support sustainable production practices (e.g., GHG reduction, renewable energy use, regenerative agriculture).
7.3	Forest & Ecosystem Conservation Mandatory	Suppliers do not source, deliver, or cultivate products on any new land** originating from legally protected areas, high-conservation-value areas, or important natural ecosystems (including forests and peatlands).
7.4	Protection of Species & Habitats Mandatory	Suppliers do not perform any practices that threaten protected, rare, or threatened species (as defined by the IUCN Red List) and their habitats.
7.5	Invasive Species Management Mandatory	Suppliers do not introduce invasive or alien species into the environment and implement appropriate prevention and control measures to manage any such species that may already be present.
7.6	Fire Management Mandatory	Fire is not used in any case for land preparation or disposal of pruning residues, and is only used under exceptional circumstances (e.g., pest, disease, or phytosanitary risks) with appropriate management measures.

* Suppliers that together represent at least 80% of the total goods value of the company’s traded nuts and dried fruits.

** “New land” refers to any area converted for agricultural use after its designation as a protected or high-conservation-value area.

Category 7. Environmental Impact (2/2)

This section is a continuation of the preceding table.

Subcategory		Criterion
7.7	Soil Management	Suppliers* adopt suitable practices to avoid and combat soil degradation and erosion.
7.8	Integrated Pest Management (IPM)	Suppliers* implement pest and disease control practices aligned with IPM principles.
7.9	Water Use Efficiency	If farming under irrigated conditions, suppliers* implement efficient water use practices (e.g., drip lines or microaspersion). <i>Growers in rainfed areas fulfill this criterion by default.</i>
7.10	Waste Management	Suppliers* ensure that waste collection, storage, and disposal procedures comply with applicable laws, and that hazardous waste is clearly identified, stored securely, and treated and disposed of through authorized facilities.
7.11	Waste Reduction	Suppliers* have procedures in place to reduce and recycle waste.
7.12	Energy Efficiency	Suppliers* monitor their energy consumption and demonstrate efforts to improve energy efficiency in production and processing, including the use of renewable energy where feasible.

* Suppliers that together represent at least 80% of the total goods value of the company’s traded nuts and dried fruits.

ANNEX. HIGH-RISK COUNTRIES

Afghanistan	Egypt	Malawi	Senegal
Argentina	El Salvador	Mali	Serbia
Bangladesh	Ethiopia	Mauritania	South Sudan
Benin	Gabon	Mexico	Sudan
Bhutan	Gambia	Micronesia	Tanzania
Bolivia	Ghana	Mongolia	Timor-Leste
Brazil	Guatemala	Myanmar	Togo
Burkina Faso	Guinea	Nauru	Türkiye
Burundi	Guinea-Bissau	Niger	Tuvalu
Cambodia	Haiti	Nigeria	Uganda
Chad	Honduras	North Korea	Ukraine
Colombia	India	Pakistan	Venezuela
Comoros	Iran	Palau	Viet Nam
Congo, DRC	Jamaica	Panama	Zambia
Costa Rica	Kenya	Paraguay	
Côte d'Ivoire	Laos	Peru	
Dominican Rep.	Lebanon	Philippines	
Ecuador	Madagascar	Samoa	

This list has been compiled based on classifications from the International Labour Organization (ILO), the U.S. Department of Labor – Bureau of International Labor Affairs, and The Rainforest Alliance.

CONTACT US

If you have any feedback or questions regarding this Standard or the auditing process, please don't hesitate to contact the INC at:
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