



STANDARD FOR PROCESSORS & MANUFACTURERS

SD-PM_v1.2_July 2026

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 processing and manufacturing 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 that can demonstrate compliance through recognized certifications or third-party audits may be eligible for exemption from auditing in certain categories. Supporting evidence must be valid and current; where no formal expiry applies, it should have been issued within the past three years. Recognized certifications and assessment schemes include:

- ISO 16064-1
- ISO 14067
- GHG Protocol Corporate Standard
- GB/T 32150
- SA8000 (SAI)
- SMETA 4Pillar (SEDEX)
- INC Sustainability Certification

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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 establishment of a robust system that ensures responsible practices of the company’s suppliers.

To qualify for certification, a company must achieve a minimum score of **66 points, from maximum score of 120 points**. Following the audit, the company will be awarded 1-3 stars based on its total score:

- **1 star:** 66-80 points
- **2 stars:** 81-100 points
- **3 stars:** 101+ 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 in any category 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. Water Management	5	10
2. Carbon Footprint	6	15
3. Waste Management	6	15
4. Human & Labor Rights	13	15
5. Safety at Work	7	15
6. Governance & Strategy	8	10
7. Local Communities	7	15
PART II. Responsible Sourcing		25
TOTAL	52	120

TRAINING DOCUMENTS

To facilitate the understanding and implementation of this Standard, several supporting documents have been developed:

- **Regulations and Requirements:** Defines the general functioning of the certification ([RR_v1.0_January 2026](#)).
- **Interpretation Guide:** Clarifies the intent of each criterion and provides guidance on acceptable evidence, as well as any exceptions for compliance ([IG-PM_v1.2_July 2026](#)).
- **History Log:** Tracks all changes from previous versions ([Log_SD-PM_v1.2_July 2026](#)).

As scientific knowledge and technological developments evolve, these documents may be updated periodically to reflect changes in definitions, interpretations, and best practices. Users are therefore advised to refer to the latest version, as indicated by the version number and publication date.

All supporting documents take effect on their date of publication and supersede any previous versions. Updates apply prospectively and do not affect audits conducted before to their release.

PART I.

GOVERNANCE & OPERATIONAL RESPONSIBILITY

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

- Category 1.** Water Management
- Category 2.** Carbon Footprint
- Category 3.** Waste Management
- Category 4.** Human & Labor Rights
- Category 5.** Safety at Work
- Category 6.** Governance & Strategy
- Category 7.** Local Communities

Category 1. Water Management

Min. Score: 5 Max. Points: 10

Subcategory		Criterion
1.1	Water Permits Mandatory	The company complies with all mandatory national and regional water-use certifications.
1.2	Water Consumption Records	The company maintains records of water consumption for at least the past three years.
1.3	Water Management Plan	The company has a water management plan that details usage, monitoring, and reduction measures.
1.4	Alternative Water Sources	The company collects and reuses rainwater from at least 25% of roof surfaces.
1.5	Fossil Water Prohibition Mandatory	The company does not use fossil water sources.

Category 2. Carbon Footprint

Min. Score: 5 Max. Points: 15

Subcategory		Criterion
2.1	Certification	The company has measured and certified its organizational carbon footprint in line with recognized standards (ISO 14067, GHG Protocol Corporate Standard, or GB/T 32150, covering Scope 1, 2, and 3. Certifications should have been issued within the last three years.
2.2	Use of Green Fuels	The company uses green fuels (e.g., bioethanol, biodiesel, hydrogen, renewable electricity) for machinery, warehouses, and offices as alternatives to petroleum-based fuels.
2.3	Energy Monitoring & Reporting	The company measures and records monthly energy consumption at each facility, including electricity and other fuels.
2.4	Renewable Electricity Sourcing	The company sources at least 60%* of its energy from renewable sources, either directly produced or procured through third parties. <i>*In countries with legal limitations, this percentage is adjusted proportionally.</i>
2.5	Energy Reduction Plan	The company has an energy reduction plan in place, or can demonstrate a reduction of at least 5% over the past three years for equivalent volume of handled product.
2.6	Carbon Offsetting	The company offsets at least 40% of its carbon footprint through certified third-party projects targeting carbon sequestration.

Category 3. Waste Management

Min. Score: 5 Max. Points: 15

Subcategory	Criterion
3.1 Waste Measurement & Sorting	The company monitors all waste streams and sorts at least 75% of waste for recycling.
3.2 By-Product Utilization & Upcycling	The company derives by-products for value-added applications (e.g., animal feed, composting, green fuel production), being at least 5% of by-products upcycled.
3.3 Safe Chemical Storage & Disposal	The company stores chemicals and their residues safely to maintain effectiveness, prevent environmental contamination, and avoid degradation. All chemicals and residues are properly labeled and stored above ground in covered areas protected from rain and sunlight.
3.4 Food Loss Measurement	The company measures food loss of safe-to-eat but imperfect nuts and dried fruits and has identified its main causes.
3.5 Sustainable Packaging Solutions	The company offers a portfolio of sustainable packaging alternatives, including recycled plastics.
3.6 Bulk Handling Practices	The company practices bulk handling (e.g., crates, bins, boxes) to reduce single-use packaging whenever possible.

Category 4. Human & Labor Rights (1/3)

Min. Score: 11 Max. Points: 15

Subcategory		Criterion
4.1	Certification	Companies holding a SMETA 4 Pillar or SA8000 certification are considered to fulfill all criteria in this category. Certifications should have been issued within the last three years. Since SMETA is not a formal certification, it is considered accepted as far as there are no critical issues reported.
4.2	Forced Labor Mandatory	The company does not employ or benefit from any form of forced, bonded, or coerced labor (per ILO C29 & C105). If the company operates in high-risk countries , it should conduct due diligence that includes a signed declaration, risk assessment, supporting documentation, and inspection reports. Companies operating in other countries provide a signed policy statement prohibiting forced labor.
4.3	Child Labor Mandatory	The company does not employ workers below minimum working ages (per ILO C138 & C182). If the company operates in high-risk countries , it should conduct due diligence that includes a signed declaration, risk assessment, supporting documentation, and inspection reports. Companies operating in other countries provide a signed policy statement prohibiting child labor.
4.4	Non-Discrimination Mandatory	The company enforces policies and protocols to protect workers from discrimination based on race, color, sex, religion, political opinion, national origin, or social origin, as defined by ILO Convention 111.
4.5	Respect and Fair Treatment of Workers Mandatory	The company has a formal, implemented policy that explicitly prohibits violence, as well as sexual, verbal, and psychological harassment.

Category 4. Human & Labor Rights (2/3)

This section is a continuation of the preceding table.

Subcategory		Criterion
4.6	Legal Employment Terms Mandatory	The company ensures employment terms comply with all applicable laws, respect workers' rights, are clearly communicated in a language workers understand, and are freely agreed to by the worker. Under no circumstances are workers required to pay for their employment.
4.7	Working Hours Mandatory	The company respects 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 optional full day of rest in every seven-day period, and guarantee that overtime is voluntary, limited in duration, and compensated at a premium rate. <i>*Calculated per year, employees may work longer during peak seasons.</i>
4.8	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 wages and overtime compensation are paid regularly (at least monthly), in full, and documented. Verification must not infringe data protection.
4.9	Social Security Protection Mandatory	The company provides workers with social security protection in accordance with the laws and regulations of the country where the work is performed.

Category 4. Human & Labor Rights (3/3)

This section is a continuation of the preceding table.

Subcategory		Criterion
4.10	Freedom of Association and Collective Bargaining Mandatory	The company recognizes and respects 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.
4.11	Handling of Chemicals	The company ensures workers handling chemicals receive specific training, particularly when hazardous substances are used.
4.12	Child Care Benefits	In high-risk countries , the company provides free on-site or third-party day-care to minimize the risk of child labor.
4.13	Sanitary Facilities	The company provides workers with free access to adequate sanitary facilities (WC, showers, changing rooms, personal storage), segregated by gender.

Category 5. Safety at Work

Min. Score: 5 Max. Points: 15

Subcategory		Criterion
5.1	Certification	Companies holding a SMETA 4 Pillar or SA8000 certification are considered to fulfill all criteria in this category. Certifications should have been issued within the last three years. Since SMETA is not a formal certification, it is considered accepted as far as there are no critical issues reported.
5.2	Workplace Safety	The company has policies in place to ensure safety at work (first aid protocols, emergency plans, etc.).
5.3	Environmental Conditions at Work	The company annually measures environmental conditions (e.g., air quality, noise, lighting) that may impact worker health and identifies mitigation measures.
5.4	Health & Safety Management	The company promotes a proactive health and safety culture, and provides free personal protective equipment (PPE).
5.5	Access to Safe Drinking Water	The company provides free access to safe, potable drinking water at all work sites.
5.6	Medical Care & Sickness Benefits	The company covers all costs derived from medical care and maintains workers' remuneration during recovery, in the event of workplace accidents or work-related diseases.
5.7	Health & Safety Training	The company provides free health and safety training during working hours.

Category 6. Governance & Strategy (1/2)

Min. Score: 5 Max. Points: 15

Subcategory		Criterion
6.1	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.
6.2	Defined Accountability	Roles and responsibilities for implementing the company's procurement and/or sustainability policy are clearly defined.
6.3	Leadership Commitment	Senior leadership actively oversees the company's sustainability policy.
6.4	Stakeholder Engagement	The company incorporates stakeholder perspectives (e.g. workers, communities, investors) into governance processes through advisory panels, surveys, or board-level discussions.
6.5	Grievance Mechanisms and Remediation	Senior management is responsible for overseeing grievance mechanisms and ensuring that legitimate complaints are addressed and remedied.
6.6	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.

Category 6. Governance & Strategy (2/2)

This section is a continuation of the preceding table.

Subcategory		Criterion
6.7	Staff Capacity Building	The procurement team receives training on Environmental, Social, and Governance (ESG) risks and regulations at least once every three years.
6.8	Supply Chain Traceability	A system is in place to ensure product traceability to the farm or grower group level.

Category 7. Local Communities

Min. Score: 5 Max. Points: 15

Subcategory		Criterion
7.1	Impact Assessment	The company conducts local impact assessments covering at least human rights, health, safety, and security.
7.2	Land Title and Legal Use Rights Mandatory	The company holds valid legal rights (title, license, or lease) to operate at all facilities.
7.3	Regional Procurement	The company sources more than 50% of its products from production areas located within 500 km of its facilities.
7.4	Hiring Policy	The company hires at least 65% of its workforce from nearby communities, providing stable employment opportunities.
7.5	Community Engagement	The company engages with communities by providing resources, supporting cultural activities, or recognizing traditional festivities.
7.6	Climate Change Adaptation	The company has conducted a comprehensive risk assessment for all its facilities regarding potential climate-related disruptions and has implemented a corresponding mitigation plan.
7.7	Smallholder Capacity Building	The company supports small suppliers (e.g., smallholders or family farms under 4 hectares) with capacity-building on sustainability. Companies not sourcing from smallholders fulfill this criterion by default.

PART II.

RESPONSIBLE SOURCING (1/4)

Signature of Code of Conduct

To qualify for certification, the company must demonstrate the implementation of a robust Responsible Sourcing policy, with both **direct** and **tier 2 suppliers**. The scope is limited in both cases only to **providers of nuts and dried fruits**. The following criteria shall be met:

Direct Suppliers:

At least 80% of the total raw material volume must be sourced from suppliers that have formally signed a Code of Conduct by the end of year 3. The requirements to be covered in the Code of Conduct are detailed in the following section.

This percentage can be achieved progressively:

- 1st Audit: at least 25% of the volume.
- 2nd Audit: at least 60% of the volume.
- 3rd Audit: at least 80% of the volume.

This Section is of Mandatory Compliance.

PART II.

RESPONSIBLE SOURCING (2/4)

Signature of Code of Conduct

To qualify for certification, the company must demonstrate the implementation of a robust Responsible Sourcing policy, with both **direct** and **tier 2 suppliers**. The scope is limited in both cases only to **providers of nuts and dried fruits**. The following criteria shall be met:

Tier 2 Suppliers:

The company shall ensure that Tier 2 suppliers sign a Code of Conduct. Coverage shall include at least 80% of Tier 2 suppliers by volume. In addition, at least 40% of Tier 2 suppliers by number shall sign the Code of Conduct. The requirements to be covered in the Code of Conduct are detailed in the following section.

This percentage can be achieved progressively:

- 1st Audit: at least 25% of the volume and 10% of Tier 2 suppliers.
- 2nd Audit: at least 60% of the volume and 25% of Tier 2 suppliers.
- 3rd Audit: at least 80% of the volume and 40% of Tier 2 suppliers.

This Section is of Mandatory Compliance.

PART II.

RESPONSIBLE SOURCING (3/4)

Verification

The company shall verify the compliance with the code with online surveys, to at least **30% of suppliers located in High-Risk Countries and 15% in Other Countries by the end of year 3** (See Annex 1 for the list of High-Risk Countries). The same percentages apply to Tier-2 Suppliers.

Verification can be conducted through Online Surveys and on a rotating basis, ensuring that different suppliers are assessed each year. This percentage shall be calculated excluding certified suppliers (companies holding a valid SMETA 4-Pillar or INC Sustainability Certification).

This percentage can be achieved progressively:

- 1st Audit: at least 10% in High-Risk Countries and 5% in Other Countries.
- 2nd Audit: at least 20% in High-Risk Countries and 10% in Other Countries.
- 3rd Audit: at least 30% in High-Risk Countries and 15% in Other Countries.

This Section is of Mandatory Compliance.

PART II.

RESPONSIBLE SOURCING (4/4)



* Verification: Online Surveys shall be conducted yearly on a rotating basis, ensuring that different suppliers are assessed each year. Verification of Suppliers shall be carried out by the Company, and to Tier-2 Suppliers, by the Supplier.

Code of Conduct

The Code of Conduct shall address all criteria listed below.
Definitions from the ILO or applicable local legislation—whichever is more stringent—shall serve as the reference framework.

Compliance, Human & Labor Rights	• Prohibition of child labor and forced labor • Non-discrimination, respect and fair treatment of workers • Legal employment terms • Payment of legal wages • Social security, health and safety • Freedom of association • Ethical business practices
Environmental Impact	• Forest & ecosystem conservation • Prohibition of the use of fire for land clearance • Efficient use of resources, including water, agrochemicals, and waste management

ANNEX 1. 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:
sustainability@nutfruit.org