



Delinking Deforestation from Corporate Supply Chains Proves a Tall Task

New report tracks growing number of commitments, but familiar challenges remain

06 June 2016 | London, England | A new report from Forest Trends' *Supply Change* project tracks progress on 579 public commitments from companies around the world who have pledged to remove forest destruction from their supply chains. These businesses depend on the "big four" agricultural commodities – palm oil, wood products, soy, and cattle – that are found in nearly every aisle of the grocery store but are also responsible for more than a third of tropical deforestation each year.

[*Supply Change: Tracking Corporate Commitments to Deforestation-free Supply Chains, 2016*](#) looks at 566 companies representing at least US\$7.3 trillion in market capitalization who were identified as having deforestation risk tied to these four commodities within their supply chains. Of these companies, 366 have made coinciding commitments to shift to sustainable sources.

Launching at the Global Landscapes Forum in London, the report is the latest response to growing demand for accessible, high-quality information on private-sector commitments to delink businesses from commodity-driven deforestation. High-profile actions involving Nestlé and [Kellogg's](#) to reduce forest destruction linked to palm oil, in particular, have helped raise awareness and urge more businesses to take action. Meanwhile, historic private-sector pledges announced during the Paris climate talks were a timely reminder that leadership from businesses is no less important than government action – particularly when it comes to preventing the loss of carbon-rich tropical forests.

"Negotiators from nearly 200 governments adopted the Paris Climate Agreement in December, and they did so with massive support from the private sector backed by hundreds of pledges to end practices that destroy forests for the sake of palm, soy, cattle, and timber & pulp," said **Forest Trends' Founding President and CEO Michael Jenkins**. "Now comes the hard part: keeping those pledges. But resources like *Supply Change* are empowering consumers and investors to monitor progress – and to hold businesses accountable for making good on their sustainability promises."

"Ambitious corporate action is a critical prerequisite to achieving deforestation-free commodity agriculture," added Jenkins. "But ambition alone is no substitute for accuracy and transparency, and commitments count the most when companies publicly disclose progress toward achieving them."

Despite notable progress on cutting deforestation out of commodity supply chains, there's much more work to be done. The report highlights a number of concerning global trends as well as the current limitations of voluntary commodity commitments.

Key findings include:

- **Companies are most likely to make commitments toward palm, and timber & pulp.** Of companies active in palm, 61% have adopted pledges, compared with only 15% and 19% of those companies active in cattle and soy, respectively. The disparity is alarming because it is estimated that cattle production causes *10 times* more deforestation than palm.
- **Large public companies are more likely to make commitments than small private ones, possibly as a result of pressure and higher standards for disclosure from financial institutions.** Many of these large companies are consumer-facing entities headquartered in North America and Europe, far away from the environmental damage caused by commodity agriculture.

- **Companies that operate “upstream” (producers, processors, and traders) are more likely to make commitments than their “downstream” counterparts (manufacturers and retailers) – and their pledges are potentially more impactful.** Upstream actors represent just 26% of tracked companies, but 80% have made a commitment, compared with 62% of downstream companies.
- **Current disclosure is insufficient as companies have only reported quantifiable progress toward one in three commitments.** Even among pledges whose target dates have already passed, companies have disclosed progress on fewer than half.

To learn more, download the [full report](#) and register for *Supply Change*'s July 12 [webinar](#) with the Innovation Forum, where the new findings will inform a panel discussion. Also visit Supply-Change.Org and [subscribe](#) to our newsletter for updates on the project's ongoing work to track supply chain commitments, including more than 360 company profiles to date. Be sure to follow [@Supply_Change](#) on Twitter and “like” [the project](#) on Facebook in order to keep track of the latest developments from Supply Change and its collaborators CDP and WWF.

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About Supply Change

Supply Change is a project of Forest Trends and is managed by Forest Trends' Ecosystem Marketplace Initiative. Ecosystem Marketplace collaborates with CDP and WWF, who provide invaluable time, insights, networks, and data to the development of this freely available report and our Supply-Change.org online resource. In all cases, collaboration does not constitute endorsement of collaborators or their respective projects, including the *Supply Change* project itself.



CDP, formerly Carbon Disclosure Project, is an international, not-for-profit organization providing the global system for companies, cities, states and regions to measure, disclose, manage and share vital information on their environmental performance. CDP, voted number one climate [research](#) provider by investors, works with 827 institutional investors with assets of US\$100 trillion, to motivate companies to disclose their impacts on the environment and natural resources and take action to reduce them. More than 5,600 companies, representing close to 60% global market capitalization, disclosed environmental information through CDP in 2015. CDP now holds the most comprehensive collection globally of primary corporate environmental data and puts these insights at the heart of strategic business, investment and policy decisions. Please visit www.cdp.net/ or follow us [@CDP](#) to find out more.



WWF is one of the world's leading conservation organizations, working in 100 countries for over half a century. With the support of almost 5 million members worldwide, WWF is dedicated to delivering science-based solutions to preserve the diversity and abundance of life on Earth, halt the degradation of the environment and combat climate change.