



## More Companies Reporting Progress toward Deforestation-free Supply Chains

*Third annual Supply Change report finds growing transparency in corporate deforestation commitments*

**15 March 2017 | Washington, DC** | Recent years have witnessed a groundswell of private sector commitments to reducing deforestation linked to the agricultural commodities that underpin vast corporate supply chains. A growing number of companies have been sharing their progress toward those pledges, according to the [latest annual report](#) from Forest Trends' *Supply Change* initiative.

The report, *Supply Change: Tracking Corporate Commitments to Deforestation-free Supply Chains, 2017*, looks at **447 companies that have made 760 commitments to curb forest destruction in supply chains linked to the “big four” agricultural commodities: palm, soy, timber & pulp, and cattle.** These commodities end up in products found in virtually all consumer goods – from hamburgers to t-shirts – and together are responsible for over a third of tropical deforestation.

“Corporate commitments to deforestation-free supply chains continue to gain momentum as stakeholders demand more sustainable businesses and products. As companies move to address these demands – and the ever-growing threats to their supply chains, including climate change – we're learning that meeting these goals is easier said than done,” said **Stephen Donofrio, Senior Advisor for Supply Change**. “It requires a reformulation of an entire complex system – from suppliers to retailers, among many other non-corporate actors.”

“There is a pressing need for transparent information about these commitments, and for companies to publicly disclose progress toward meeting them. Doing so ensures that these goals don't fall into neglect, especially as many deforestation commitments approach their target deadlines,” Donofrio added.

Fortunately, the report indicates that transparency around these commitments is beginning to pick up steam. **Progress information is publicly available for over half of commitments (51%)** tracked by *Supply Change* over a two-year time frame – a dramatic increase from *Supply Change's* 2016 report, which found only one in three (36%) commitments were backed by transparent progress.

Other findings of the report, which examines 718 companies that *Supply Change* has identified as “exposed” to the big four commodities, include:

- **Commitments on palm and timber & pulp continue to lead the way**, thanks in large part to more well-established certification programs and scrutiny around palm oil-driven deforestation. Commitment rates remain considerably lower for soy and cattle, which is troubling given their outsized contribution to tropical forest loss.
- **Progress reporting on commitments is on the rise:** among a “control group” of 347 companies whose commitments *Supply Change* has tracked for over a year, 57% more of their pledges are accompanied by transparent reporting in 2017 than in 2016.
- **Business structure and size plays a role:** in terms of making commitments, smaller, private companies continue to lag behind their larger, publicly traded peers.

- **Commitment rates vary across the length of a supply chain:** retailers had the lowest rate of deforestation commitments – 54% – compared to their peers that operate “upstream” within supply chains (producers, 71%; processors, 72%; traders, 70%; and manufacturers, 66%)
- **Commitments that aren’t accompanied by progress reporting run the risk of becoming “dormant”:** *Supply Change* found that one in five commitments has a target date that is past due – or never had a target date at all – and has never had progress information available. A third of the 447 companies with commitments have at least one commitment that is dormant.
- **Collective action spurs individual action:** in its first-ever analysis of commitments made by members of coalitions and group initiatives that collectively act on deforestation, *Supply Change* found that at least 95% of participants in groups such as the High Carbon Stock Steering Group, Tropical Forest Alliance 2020, and Tropical Forest Trust have adopted pledges – as have 98% of signatories to the New York Declaration on Forests.
- **Companies are increasingly incorporating policies that address on-the-ground impacts into their deforestation commitments:** *Supply Change*, for the first time, analyzed commitments for 10 such policies and found 37% of tracked commitments now explicitly prioritize biodiversity and wildlife protection. Other popular additions include reducing greenhouse gas emissions (35%) and improving water management (29%).

"With the possibility looming that certain governments will step back, private sector leadership on ending deforestation and fighting climate change becomes even more important," said **Forest Trends Founding President and CEO Michael Jenkins**. "This third *Supply Change* report signals that we are committed to partnering to help build the tools and experience necessary to ensure these businesses can reach their goals, and to ensure that society makes critical progress on combating climate change."

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To learn more, download the [full report](#). Also visit [Supply-Change.org](http://Supply-Change.org) and [subscribe](#) to our newsletter for updates on the project’s ongoing work to track supply chain commitments, including nearly 450 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 an initiative of Forest Trends. CDP and WWF are collaborating partners 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* Initiative itself.



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