# Delivering on supply chain commitments:

## Closing the accountability loop in 2020 and beyond

25th July 2019
10.00-11.00 EST / 15.00-16.00 BST

**Moderated by:**
Ian Welsh, publishing director, **Innovation Forum**

**THE SPEAKERS:**

Leah Samberg
*Scientist, Global Programs*
**Accountability Framework Initiative (Rainforest Alliance)**

Philip Rothrock
*Senior Associate*
**Forest Trends Supply Change Initiative**

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# The Accountability Framework initiative

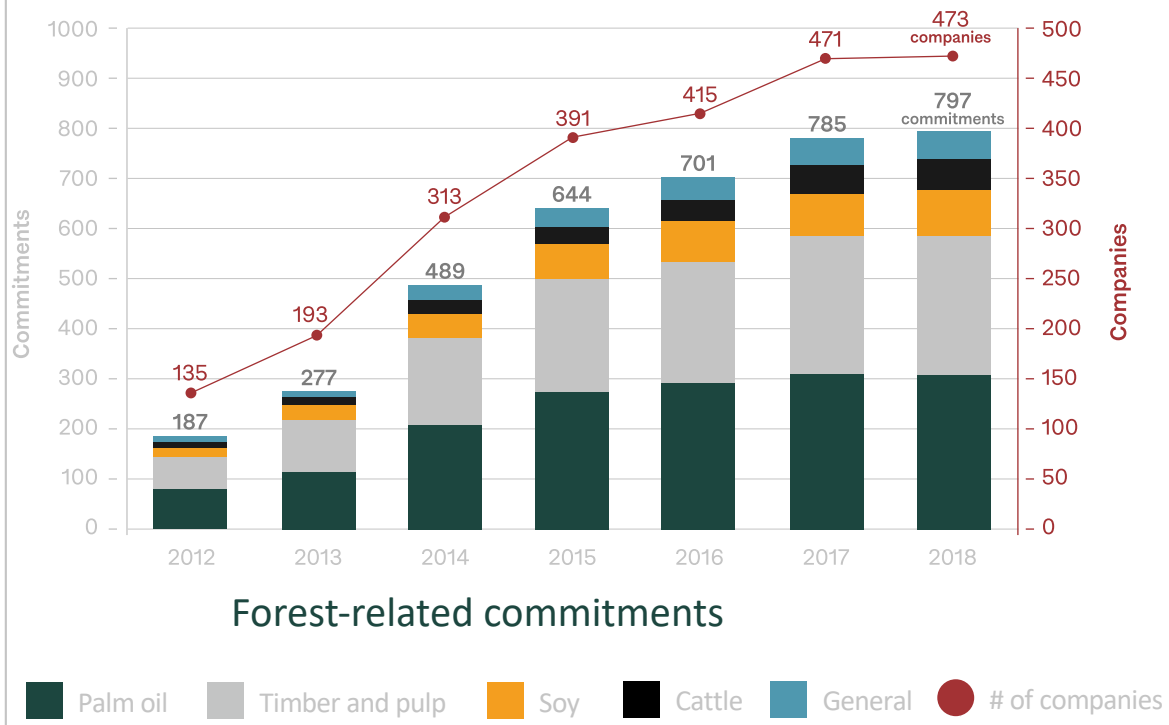
*Delivering on Ethical Supply Chain Commitments*

*Overview of the Framework*

Accountability Framework

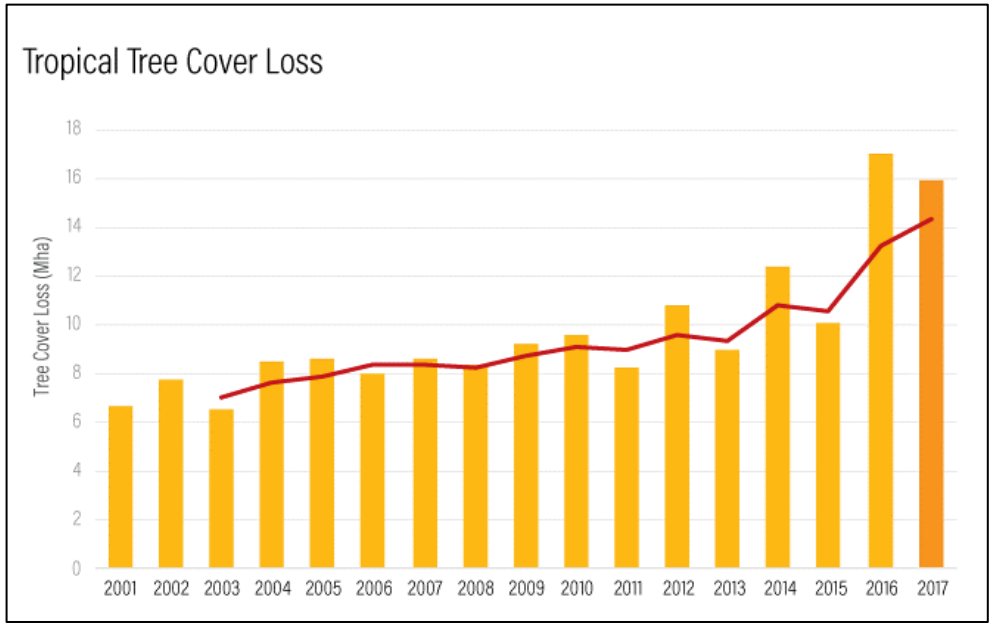
# The implementation gap

## Companies have committed to eliminating deforestation and human exploitation from commodity supply chains…




Source: Tracking Corporate Commitments to Deforestation-Free Supply Chains, Supply Change

## …but challenges remain unresolved…




Source: Global Forest Watch. World Resources Institute. 2018.

# The implementation gap

….and lack of consensus on how to measure progress limits accountability.

Large international company sourcing palm oil

Two very different takes from different scorecards on whether this company is ‘ethical’:

**Palm oil scorecard rating A**

Example: Has substantial traceability of palm oil to the plantation level. Participates in initiatives to reform the palm oil industry. Publicly discloses suppliers.

**Palm oil scorecard rating C**

Example: Only 20% of their supply chain volume is RSPO certified. They fell at least 50% short of their CSPO targets.

# The Accountability Framework initiative

The **Accountability Framework initiative** (AFi) is a collaborative effort to accelerate progress and improve accountability for supply chain commitments in agriculture & forestry.

The **Accountability Framework** provides common definitions, norms, & guidance that bring greater clarity, consistency, effectiveness, & accountability to the implementation of these commitments.

| IS | IS NOT |
|---|---|
| A global 'public good' intended to be used as a resource by companies and others | A commercial product or service |
| A set of norms and best practices for setting, implementing, monitoring, & reporting on company commitments | A certification program or standard |
| Working to align monitoring, reporting, and assessment initiatives and tools | Conducting its own assessment, rating, or benchmarking of company performance |

# What is the scope of the AFi?

## Topical scope

Halt deforestation

Protect other natural ecosystems

Respect human rights

Support producer and community livelihoods

## Supply Chains

- Palm Oil
- Soy
- Cattle
- Pulp/paper/timber
- Cocoa
- Other commodities (rubber, coffee, etc.)

## Geographies

- South America
- Southeast Asia
- West/Central Africa
- Other producing regions

# Who is behind the Accountability Framework?

## Led by a coalition of civil society partners

**Plus independent experts:**
Gita Syahrani (Indonesia) and Silas Siakor (Liberia)

**And 30+ organizations in topical working groups**

- Natural ecosystems
- Human rights
- Monitoring and Verification
- And other topics

## Aligning and collaborating with other key initiatives

**Other implementation protocols**

- High Carbon Stock Approach & HCV
- Collaboration for Forests and Agriculture

**National, regional & jurisdictional approaches**

- Africa Palm Oil Initiative
- Cocoa & Forests Initiative
- Colombia deforestation-free palm oil pledge
- Governors' Climate & Forest Task Force

**Reporting and assessment initiatives**

- CDP Forests
- Forest 500 / Global Canopy
- Global Forest Watch / WRI
- SPOTT / ZSL
- Supply Change / Forest Trends

**Responsible investment initiatives**

- Ceres
- UNPRI

**Certification systems**

- Ex. RSPO, FSC; RA
- ISEAL Alliance

## Built in consultation with

**Input from and co-creation with stakeholders in the region**

- West and Central Africa
- South America
- Southeast Asia

**Input from and co-creation with the private sector**

- Engagement of industry associations
- Companies at all value chain stages

# Contents of the Accountability Framework

## 01 Set Commitments

*Develop new commitments or refresh current commitments*

## 02 Take Action

*Implement policies and practices to fulfill commitments*

## 03 Demonstrate Progress

*Monitor, document, and report on progress in a credible way*

**Core Principles**

- 1- Protect forests & ecosystems
- 2 - Respect human rights
- 3 - Specification of commitments
- 4 - Company systems
- 5 – Traceability
- 6 - Supply chain management
- 7 - Land use planning
- 8 - Land management
- 9 - Remedy & remediation
- 10 – Collaboration for broader sustainability
- 11 - Monitoring & verification
- 12 - Reporting & disclosure

**Operational Guidance**
**(selected examples)**

- Cutoff dates
- Free, prior, & informed consent
- Rights of indigenous peoples & local communities
- Smallholders
- Supply Chain Management
- Monitoring & Verification
- Reporting & Disclosure

Terms and Definitions

# Online platform

## Core Principles

### 1. Protection of forests and other natural ecosystems

To compare your company's commitments with the Accountability Framework, see the Commitment Assessment Tool here.

Related stage of the ethical supply chain journey:

Set Commitments

1.1 No-deforestation supply chains and protection of forests

1.2 No-conversion supply chains and protection of other natural ecosystems

## Operational Guidance

## Definitions

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# Introduction to *Supply Change*

## Corporate Supply Chains & Commodity-Driven Deforestation

**Commercial agriculture drives at least two-thirds of tropical deforestation.**

**As companies commit to reduce the ecological impacts of their commodity supply chains, Supply Change provides transparency to their progress – and tracks commitments that count.**

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# Accessing *Supply Change's* Insights on Tracked Companies

## Free-to-Access Web Platform for Company Data

### Change is good. So is information.

Businesses, investors, and governments are committing to reverse their role in degrading the world's critical ecosystems. But until recently, market information that best supports these efforts has been scarce. Supply-Change.org exists to fill this data gap by providing a platform for news, data, and analysis that catalogs and contextualizes global progress toward environmental targets.

LEARN MORE AT SUPPLY-CHANGE.ORG

### Profiles *

Which entities are stepping up - and how do they measure up?

Filter By | Sort By | SEARCH HERE...

2 sisters Food Group | 3M | A.S. Watson Group (A member of CK Hutchison Holdings)

AAK | ab agri | ABENGOA

Showing 6 of 471

Show More

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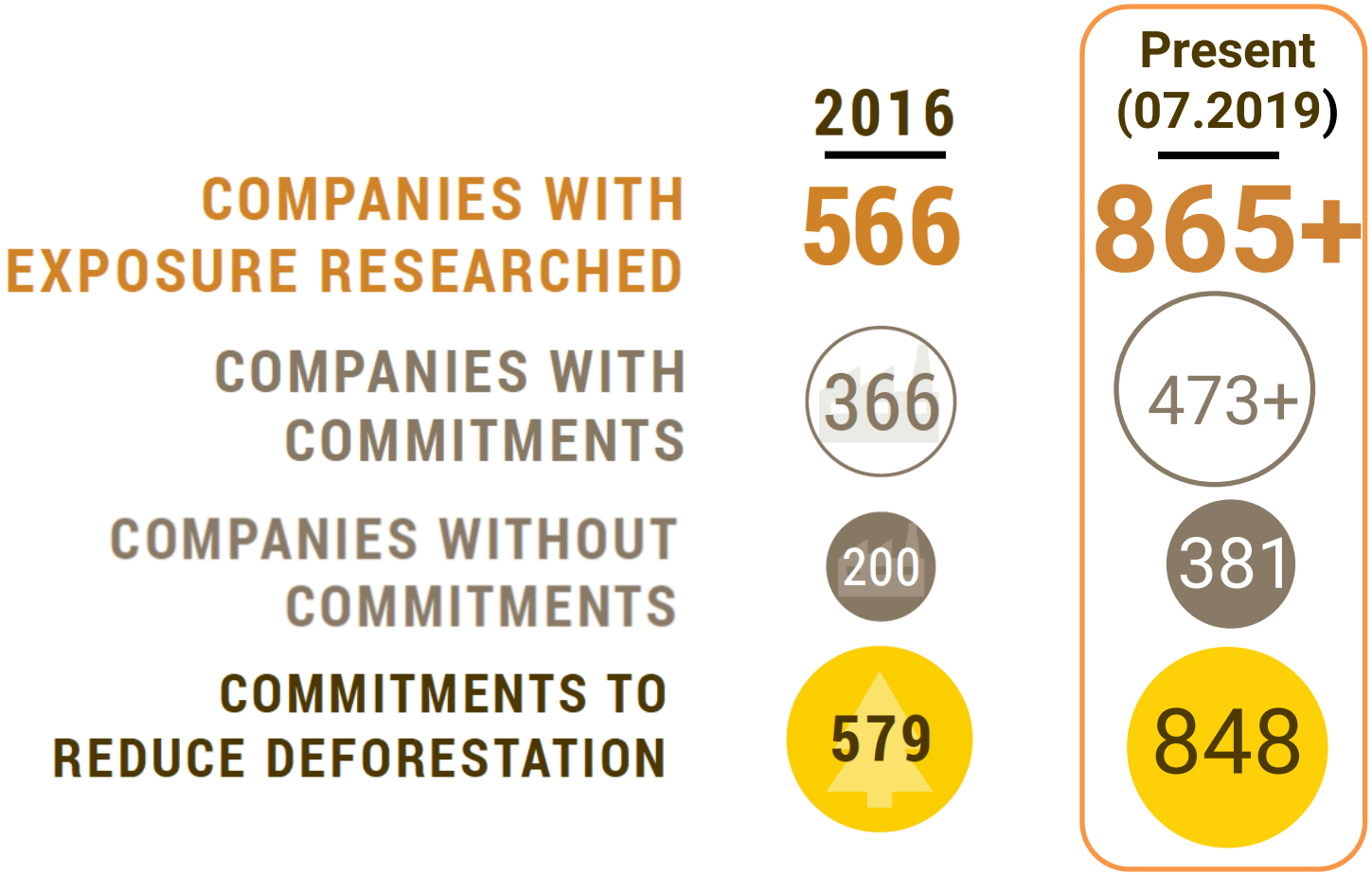
# *Supply Change* Research Stats

## Monitoring a growing number of companies committed to ending deforestation




*Supply Change* draws from already available but disaggregated data to track companies, their commitments to address commodity-driven deforestation, and progress towards commitments, over time.

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# Wide Range of Company Guidance and Increasing Stakeholder Data Requests

## *Supply Change* Draws on Outside Expertise

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# Closing the Accountability Loop

*Aligning the reporting & assessment space*

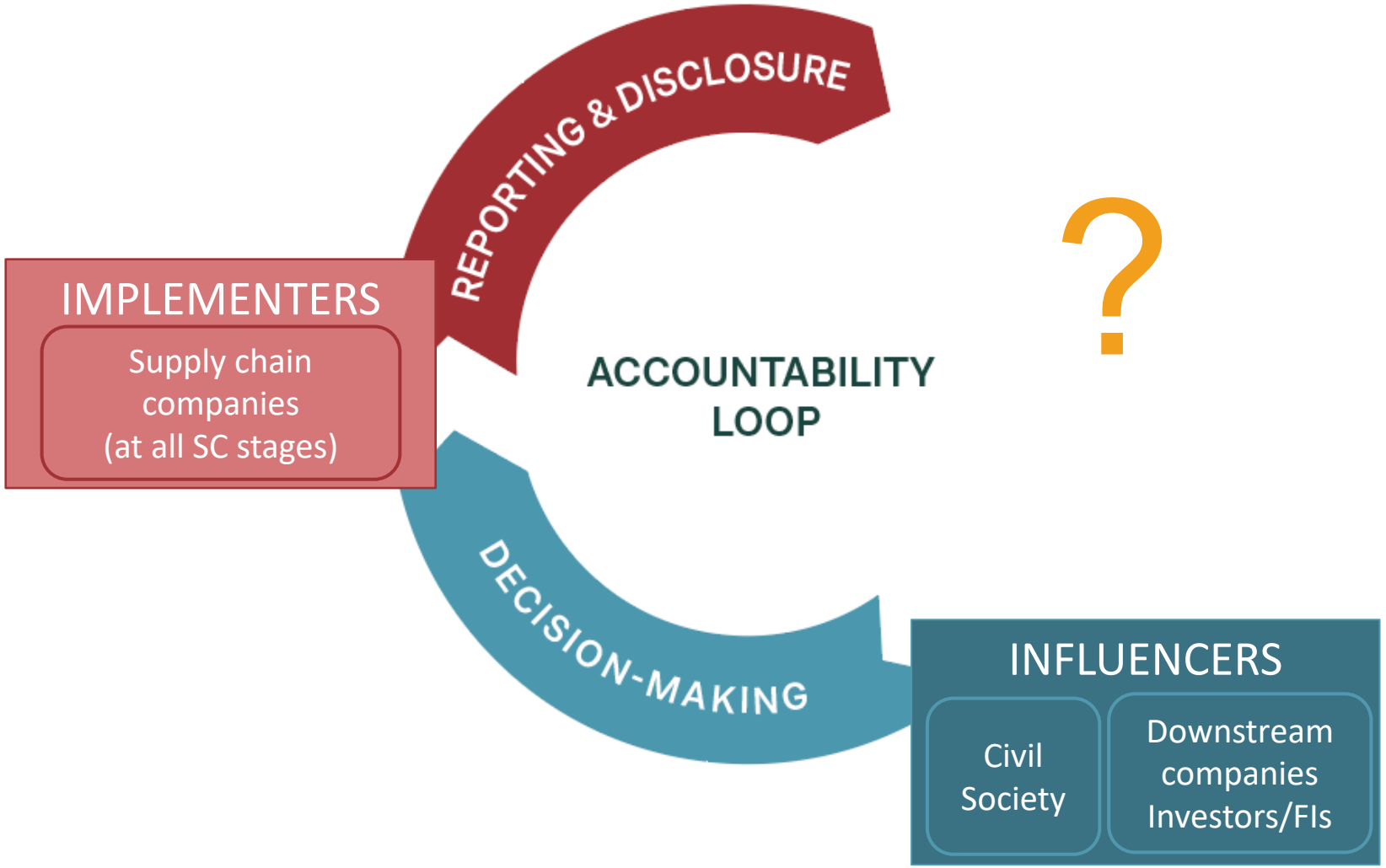
# Accountability Framework Guidance on Reporting

**Core Principle 12:** Progress and outcomes related to the implementation of commitments are reported publicly on a regular basis. These reports reference and adhere to common definitions and good practices for conveying precise and verifiable information.

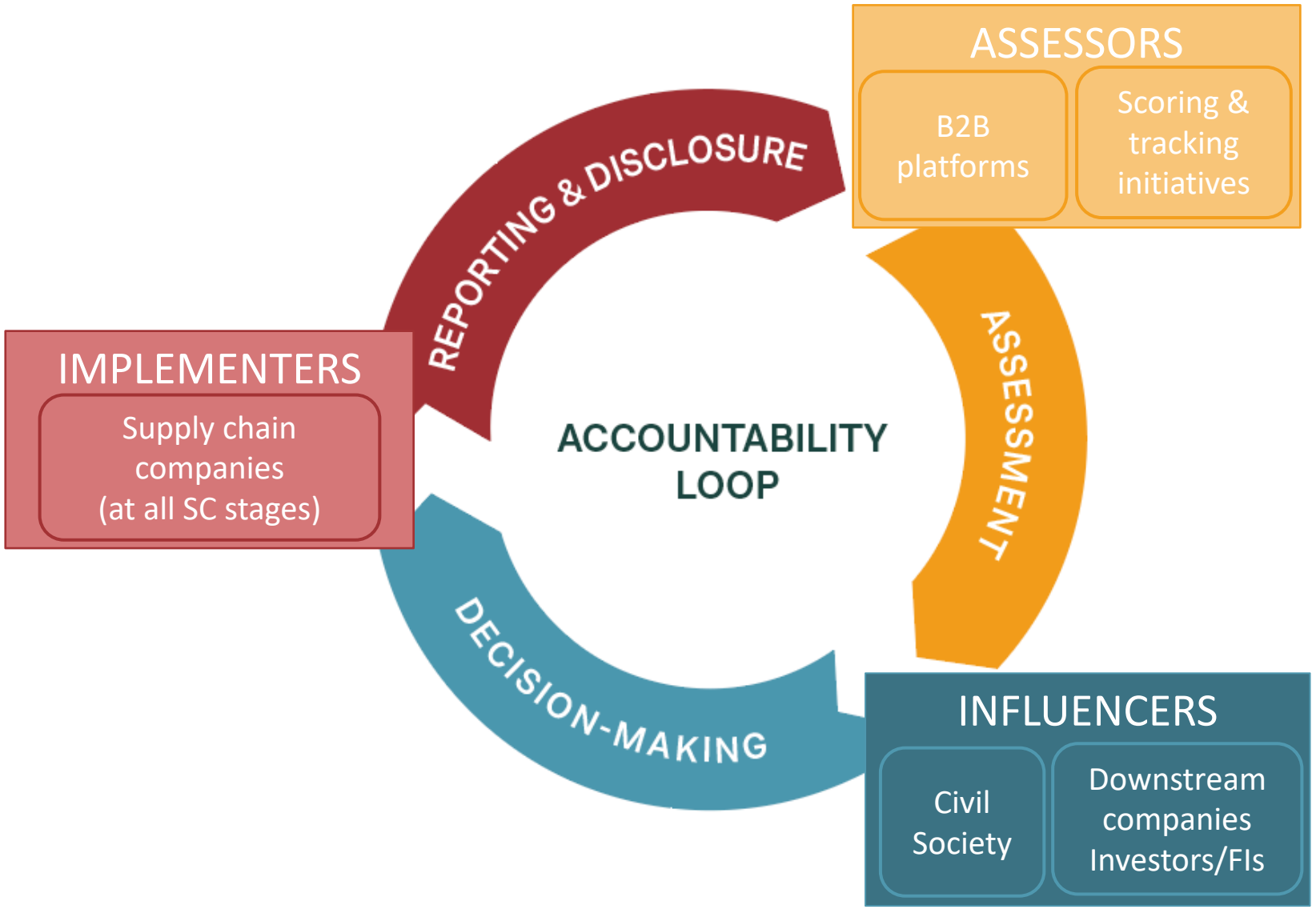
- ✓ At least once a year, companies report on the status of progress toward meeting their commitments.
- ✓ Companies disclose information on their suppliers, supply origins, and the nature and status of non-compliances and grievances

| COMPONENTS | ELEMENTS OF EFFECTIVE REPORTING |
|---|---|
| Company exposure to environmental and social risk | • Should be comprehensive; any exclusions clearly identified |
| Management systems & activities related to implementation of commitments | • Report on relevant implementation activities in the context of full scope of company operations |
| Degree of traceability and control in the company's supply chain | • Proportion of supply chain volume traceable to each supply stage<br>• Proportion of volume for which the level of compliance is known |
| Outcomes of commitments related to both compliance and outcomes on the ground | • Degree of compliance with commitments across commitment scope.<br>• Comprehensive measures of outcomes related to implementation of commitments. |

# Closing the accountability loop



# Closing the accountability loop



# Closing the accountability loop

AFi is collaborating with leading evaluation, assessment, & tracking initiatives

| | |
|---|---|
| Supply Change | Ceres |
| Forest 500 | CDP Forests |
| Trase | SCRIPT |
| SPOTT | Proforest |
| Global Forest Watch Pro | |

to develop

Common approaches for assessment of company performance on topics within the Accountability Framework's scope

In order to:

- Improve alignment
  - Between initiatives
  - With the Accountability Framework
- Help companies:
  - Report using the same metrics by which they will be evaluated
  - Use existing platforms to report on adherence to the Framework

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# *Supply Change* and Accountability Framework Initiative Team up

## Linking Tracking and Guidance for Accountability

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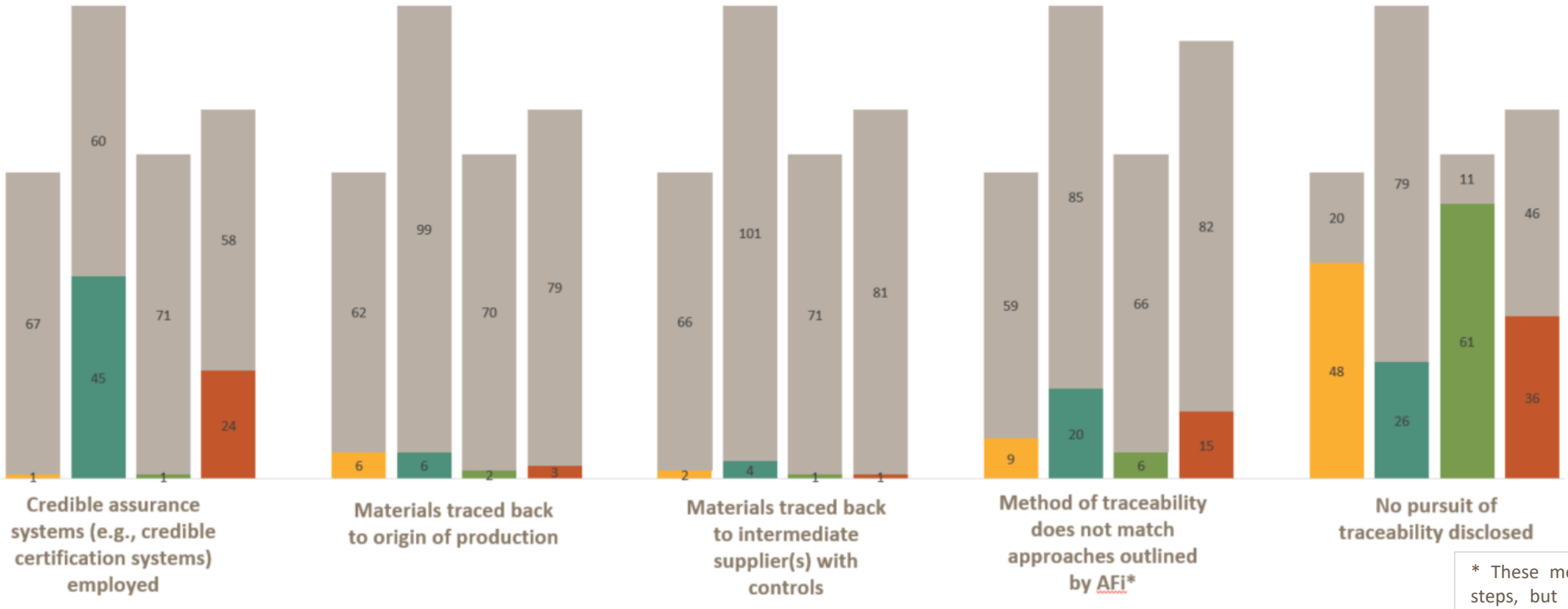
# Example of *Supply Change* Tracking of AFi Metrics for Sample of 125 Companies

## Supply Chain Traceability

### Comparison of Company Uptake of AFi Methods to Ensure Supplies are Known or Controlled to Assure Commitment Compliance




Note: This information was collected for a subset of 125 companies.

* These methods may be important steps, but are insufficient to assure sources are known or controlled according to standards set in AFi Operational Guidance on: Supply Chain Management, Section (2) Supply Chain Mapping and Traceability Guidance.

# Learn More and Collaborate with us!

***Supply Change*** **has the largest regularly updated database tracking company performance on deforestation with:**

- **850+ companies**
- **850+ commitments**
- **200+ metrics**

**High-level company data is available at *www.supply-change.org* - contact us to learn more about how we can partner to generate insights from the full dataset.**

**<u>Get in touch</u>:**

**: @supply_change**

**: *info@supply-change.org***

**COLLABORATORS**

CDP DRIVING SUSTAINABLE ECONOMIES

WWF

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**SUPPORTERS**

gef

UN environment

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