



**ZERO-
DEFORESTATION
SUPPLY CHAINS**

INVEST WITH US

Catalyzing Corporate Action on Zero-Deforestation Supply Chains



**F O R E S T
T R E N D S**

WITH YOUR SUPPORT, WE CAN CATALYZE CORPORATE ACTION ON ZERO-DEFORESTATION SUPPLY CHAINS.

What are the greatest drivers of deforestation? The answer may be surprising. Forest Trends was the first organization to show that commercial agriculture is responsible for over 70 percent of illegal forest loss in tropical and sub-tropical countries. The commodities most strongly linked to deforestation are palm oil, soy, timber & pulp, and cattle. These “big four” commodities pervade vast global supply chains and end up in virtually all consumer goods, from hamburgers and clothing to furniture and paper products, as well as in less obvious places like animal feed and packaging materials.

Supply chains that include these products don’t just fuel forest loss. They also trigger an array of legal, environmental, and social impacts — including greenhouse gas emissions, water pollution, species loss, food insecurity, health risks, and armed conflict over resource use.

Recognizing the growing urgency of commodity-driven forest loss, hundreds of major companies have stepped forward in recent years to publicly commit to reducing or eliminating commodity-related deforestation throughout their supply chains. Often, they’re motivated by demands from stakeholders: consumers, investors, and governments who are no longer willing to tolerate business as usual.

The deadline for many of these commitments is 2020. As that date approaches, delivering on these promises to keep forests intact requires a profound transformation of commodity supply chains and markets. That’s why Forest Trends introduced the Supply Change Initiative to increase transparency around company commitments to reducing commodity-related deforestation. Supply Change enables stakeholders — investors, businesses, governments, non-profits, and consumers — to make more informed decisions that support companies and hold them accountable.



Key Regions

Global



Our Impact

Our Consumer Goods and Deforestation report was the first publication to quantify the relationship between commodities and deforestation, showing that over half of illegal forest destruction is driven by overseas demand for agricultural commodities (including palm oil, beef, soy, and wood products) with devastating impacts for climate, forest-dependent people, and biodiversity.

Our Supply Change platform has profiled 471 companies representing \$96.8 billion in “big four” commodity export values. CEOs and senior management around the world depend on our data as a key input for risk management and tracking sustainability progress relative to their peers. Supply Change has provided guidance and data to major companies, lenders, and industry associations including the Consumer

Goods Forum, the New York Declaration on Forests Global Platform, the International Finance Corporation, and TFA2020.

We provided critical bridge capital for the survival of the Forest Stewardship Council (FSC) in its infancy with a \$500,000 loan. Later, we advised FSC on expanding its certification offerings to respond to companies’ growing interest in sourcing products that sustain ecosystem services such as carbon storage, biodiversity conservation, clean water, and local livelihoods. Today, more than 195 million hectares of forests in 84 countries are FSC-certified. More than 36,000 FSC Chain of Custody certificates have been issued to companies ensuring responsible sourcing practices throughout their complex supply chains. In early 2019, forestry projects in Italy and Brazil became the first in the world to use the new ecosystem services procedure.

FOREST TRENDS' VISION

The vast majority of corporate commitments to reduce deforestation have centered on a few commodities in a handful of countries, Indonesia and Brazil chief among them. Targeting these countries is critical, but we must not overlook other regions and less-traded commodities that can still have big deforestation impacts.

We want to expand our tracking to cover critical new countries and commodities. By shining a light on commodities such as cocoa from Ghana, rubber from Vietnam, and avocados from Mexico, we can illuminate their connection to forest loss and expand our reach into international markets. We can also create transparency on other key sustainability indicators, such as supply chains' impacts on water supplies, biodiversity, and local communities. Transparency is just the first step: we are already working to support companies with new tools and data that moves from supply chain *transparency* to full *traceability* of commodities — from raw materials to the final consumer product.

Ultimately, our vision is to build a pipeline helping corporations take their supply chains from transparency to traceability to full sustainability, ensuring that the agricultural commodities we consume every day are produced with respect for human rights, the environment, fair labor, and good governance.



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