Supply Change Webinar, co-hosted by Innovation Forum
Tracking Corporate Commitments to Deforestation-free Supply Chains, 2016
With special guest speakers from CDP, Consumer Goods Forum, Innovation Forum & TFA 2020
July 12, 2016
Stephen Donofrio, Advisor at Supply Change (a Forest Trends Ecosystem Marketplace project), leads project innovation and strategy, partnerships and stakeholder relationships. Supply Change (www.supply-change.org) enables users to track the actions that companies are reporting against the commitments they’ve made to reduce their role in degrading the world’s critical ecosystems through sustainable value chain management of deforestation linked commodities. Stephen is also Principal & Founder of Greenpoint Innovations, formerly VP of CDP North America and previously Economist at the Chicago Climate Exchange (CCX).

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### Administrative Notes and Agenda

**Duration:** 1.5 hours  
**Format:** Presentations with Q&A (insert questions into chat box)  
**Audio:** Computer's microphone and speakers (VoIP) or telephone.  
**Recording:** Webinar will be recorded and available for viewing  
**Note:** All attendees are muted upon entry

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<th>Introduction</th>
<th>Speaker</th>
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<tr>
<td><strong>Report Deep-Dive</strong></td>
<td>Ben McCarthy, Senior Associate, <em>Supply Change</em></td>
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<td><strong>Disclosure &amp; Transparency</strong></td>
<td>Jillian Gladstone, Manager, Forests, CDP North America</td>
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| **Multi-Stakeholder Initiatives & Trade Associations** | Marco Albani, Director, Tropical Forest Alliance 2020 (TFA 2020)  
Ignacio Gavilan, Director of Sustainability, The Consumer Goods Forum |
| **Perspectives Round-Up**     | Tobias Webb, Founder, Innovation Forum     |
| **Q&A**                       | All                                        |
Ben McCarthy is a Senior Associate with the Supply Change project which tracks commitments from corporations, investors and governments to reduce deforestation from supply chains. In this role, Ben leads the research to incorporate hundreds of commitments into the project, contributes to reports, and maintains Supply-Change.Org. Prior to joining Forest Trends' Ecosystem Marketplace, he was a Program Manager at the International Emissions Trading Association. Ben graduated from The Ohio State University with a degree in environmental policy.

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Supply Change: Tracking Corporate Commitments to Deforestation-free Supply Chains, 2016
The “big four” deforestation commodities: Cattle, soy, timber & pulp, and palm.
Corporate action is critical.

Supply Change Company Research and Profile Status as of March 31, 2016

566 Tracked Companies → 366 Profiled Companies → 579 Commitments
Companies are more likely to make commitments toward palm and timber & pulp than to soy and cattle.
More than 80% of palm, and timber & pulp commitments include certification.
Most time-bound commitments target 2020, but the number without a target date is increasing.
Information on progress is available for only one in three commitments.

### Disclosure Rates by Commitment Category

<table>
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<tr>
<th>Category</th>
<th>54%</th>
<th>47%</th>
<th>41%</th>
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<tbody>
<tr>
<td>Certificates</td>
<td>7/13</td>
<td>54/115</td>
<td>80/195</td>
</tr>
<tr>
<td>Certified Commodities</td>
<td>22/96</td>
<td>8/32</td>
<td>34/128</td>
</tr>
<tr>
<td>Mix of Certified Commodities and Certificates</td>
<td>23%</td>
<td>25%</td>
<td>27%</td>
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Companies with commitments that do have information on progress, report a high level of progress.

Most Recently Reported Progress toward Overall Commitment to Date by Commitment Category

- **Certificates**: 75%
- **Certified Commodities**: 71%
- **Mix of Certified Commodities and Certificates**: 72%
- **Zero/Zero Net Deforestation**: 82%
- **Traceability**: 73%
- **Other**: 77%

*Avg. % progress toward commitment*
Key takeaways:
Tracking Corporate Commitments to Deforestation-free Supply Chains, 2016

is happening.

is incremental.

is worth communicating.

needs to be measurable.
Change is good.
So is information.

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Jillian leads CDP’s work on deforestation in North America, supporting companies across various industries to disclose to investors and other stakeholders on the risks they face related to the use of forests-risk commodities in their operations and supply chains. Jillian has ten years of experience working at the intersection of the food industry and the environment, previously as a Sector Manager for The Sustainability Consortium, and running environmental campaigns at Waterkeeper Alliance. Jillian holds a MALD and MS from The Fletcher School and The Friedman Schools at Tufts University, and a B.A. from New York University.

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Investor request

“Investors cannot hide from negative economic consequences of climate change – the negative externalities and costs caused by deforestation are going to come to rest somewhere in the portfolio.”

Jonas D. Kron
Director of Shareholder Advocacy, Trillium Asset Management

365 investors representing US$22 trillion in assets are signatories to CDP’s forests program to understand corporate management of the risks associated with deforestation.
Commit to remove commodity-driven deforestation from all supply chains by 2020

Addressing deforestation, which accounts for approximately 15% of the world's GHG emissions, is a critical component of climate change mitigation.

Businesses' production and procurement decisions have the power to alter global demand for the agricultural commodities that are primary drivers of deforestation and forest degradation: soy, palm oil, leather, beef, timber, and pulp. These commodities are also wealth generators that feature in the supply chains of companies across economic sectors. The business community can lead a global agenda on how these commodities can be sustainably produced in a low-carbon economy.

What are the benefits?

Companies will be taking the first step toward managing deforestation risk within their supply chains, a key part of creating sustainable, resilient supply chains. This commitment will also lead to opportunities to source "deforestation-free" commodities.

Addressing deforestation is a crucial and cost-effective means of managing supply chains and abating climate change, protecting watersheds and conserving biodiversity.

Companies will reinforce the commitment made by the Consumer Goods Forum members, the 400 companies representing over $3 trillion in revenue that have pledged to eliminate deforestation from their business operations, as well as the work of the Tropical Forest Alliance 2020, a public-private coalition aiming to reduce commodity-driven deforestation by 2020.

What is expected of companies that make this commitment?

By endorsing this initiative, companies commit to removing commodity-driven deforestation from their supply chains, combating a significant source of emissions and making their supply chains more sustainable and competitive.
The 2016 questionnaire aims to:

- Guide companies through the journey of removing commodity-driven deforestation from their value chain;
- Improve understanding of deforestation-related risks;
- Encourage effective engagement between external stakeholders and companies; and
- Allow companies to demonstrate progress and good practice.
Value of Disclosure

- Communication
- Recognition
- Implementation
CDP’s Supply Chain Performance Plan

1. Enhance the procurement process
2. Communicate expectations
3. Track progress transparently
4. Collaborate to drive progress
5. Review, revisit, reward

www.cdp.net | @CDP
Marco is Director of the Tropical Forest Alliance 2020. Previously, Marco was a senior expert in the Sustainability and Resource Productivity Practice of McKinsey & Company, where he served public, private, and social sector clients on strategic topics in the natural resources and sustainability arena, helping them to address the energy-food-water nexus and the challenges and opportunities created by climate change.

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Ignacio, Director of Sustainability, is responsible for ensuring high quality, efficient strategic leadership and support to the Climate Change and Waste agenda. He provides leadership to the various Sustainability Working Groups (currently Deforestation: Palm Oil, Soy, Paper/Pulp and Packaging; Refrigeration, Solid Waste and Food Waste) to ensure that their work delivers on the agreed overall Sustainability objectives.

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Tobias is founder of Innovation Forum, a sustainability focused research, publishing and events business. He has also been a lecturer on Corporate Responsibility at Kings College London and at Birkbeck, University of London for eight years. He works with large companies all over the world and sit on the sustainability advisory board for Walgreens Boots Alliance. From 2006-9, he led the development of UK CSR policy, resulting in the Responsibility Deals framework.

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**Q&A**

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Collaborators
Supporters