



Tracking Corporate Commitments to Deforestation-free Supply Chains

A Summary of the July 12 Report Launch Webinar and
Questions and Answers Addressed by the Panelists

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Remarks by Jillian Gladstone: CDP North America

Main Points of Presentation

Disclosure: CDP provides a global system for companies and cities to measure, disclose, manage and share vital environmental information. CDP collects disclosures from companies on how they are approaching, managing and mitigating deforestation risk in their operations and supply chains.

Tracking progress is vital, no matter where a company is in its journey: Transparency is a critical elements in driving change. Consistent reporting enables companies to get recognition for the work they're doing and allows for comparable data tracking and comparisons.

Support change: CDP works to support companies to implement their deforestation commitments by facilitating information sharing through the supply chain, and by highlighting hallmarks of leadership.

Disclose today! It's not too late to disclose to investors and other stakeholders using CDP's 2016 questionnaire – and in doing so update the information on your Supply Change profile. Reach out to forests@cdp.net to learn how.

Q&A

1. When a company is buying from smallholders, how can the consumer identify a deforestation free-commodity without a label? Is traceability enough to guarantee a deforestation-free supply chain, knowing that in some countries it is nearly impossible to trace a product due to poor land rights governance.

Traceability is but one tool in the toolkit for companies trying to address this issue. Companies should be engaging with their suppliers, including smallholders if they are buying from smallholders to ensure that they have the capacity to meet the demands of the company, be that around adhering to third-party certification standards or specific company commodity standards.

2. With virtually any commitment relating to zero deforestation being accepted as a sign of progress, rather than focusing on the most credible methods, maximum reduction of impacts, highest risk areas and so on, is there a risk that the entire deforestation free approach becomes a "race to the bottom" rather than focusing on how to best tackle the issue?

CDP urges companies to make not just any commitment, but time-bound commitments with full supply chain coverage. We also keep companies accountable to their commitments by tracking their implementation through actions like setting commodity sourcing standards, embedding commitments into the procurement process, and engaging supply chain partners down the supply chain. This detailed look at both the commitments being made and their implementation drives a 'race to the top' rather than the bottom.

3. From government perspective: we need to know where companies are standing with their commitments and how deforestation-free supply chains currently are. Both on landscape level (government) and specific supply chains (companies). How can we get all companies in a supply chain to be more transparent? Who has to take the lead? (e.g., frontrunner companies, government).

We've seen investors take the lead, by demanding greater transparency from companies throughout the supply chain – from brand owners all the way to producers and traders. All actors have a role to play [so probably not one actor taking the lead...]. Frontrunner companies can be encouraged to share best practice in pre-competitive environments e.g. roundtables, forums. Governments have a role to ensure that the playing field is level so that companies working to higher standards are not disadvantaged by doing so. This could be at the national and subnational level where there have been recent developments on landscape level measures e.g. in certain Brazilian states, to address this issue.

4. How can we ensure that the race to meeting a commitment doesn't result in pressure to change the definition of what we commit to (e.g. net deforestation vs deforestation; ability to compensate through replanting...)

Transparency into the details of what commitments companies are making allows stakeholders – investors, consumers, NGOs and supply chain partners – to evaluate how ambitious those commitments are, and to pressure companies to adhere to agreed-upon standards rather than weaker substitutes.

5. Another important player besides the government is the financial institutions. In the vision of the panelists, should the financial institutions push the change so that companies have to move towards zero net deforestation, or the change should start from the companies?

We at CDP have seen investors take the lead in demonstrating interest and oftentimes exerting pressure on companies to manage their supply chains sustainably. CDP's corporate information request is backed by 365 institutional investors that see supply chain transparency as vital to driving more sustainable commodity management. US investors have also been active in filing shareholder resolutions demanding more information. And even where companies have recognized the business case for action on their own, investors play an important role in reinforcing that message.

Remarks by Marco Albani: Tropical Forest Alliance 2020

Main Points of Presentation

Reframing the debate of better growth with forests: The transition to removing deforestation from commodity supply chains does not have to come at the expense of local economic growth. TFA 2020's [Better Growth study](#) suggests that sustainable production processes are strongly associated with positive economic impact, including local employment, incomes, and wider economic growth. Part of the transformation is in fact the creation of deforestation-free supply chains as an alternative and a better rural development pathway to the existing one. The transition is both a development opportunity as well as an investment one.

Strengthening partnerships: Moving from commitments to action on the ground can only be done jointly in partnership with civil society, national and sub-national forest country governments, donor countries, as well as global and local companies. Collaborative partnerships can use platforms such as Tropical Forest Alliance 2020 that provide the convening and networking, and knowledge and tools exchange needed for collective action. Our role is also to showcase success stories of how commitments

can be realistically implemented and therefore encourage additional ambitious commitments. Simultaneously, we must mobilize better conversations to develop climate-positive land use approaches that include commercial banks, domestic companies and Ministries of Finance and Agriculture.

Jurisdictional Action: Jurisdictional leadership is a potential solution at scale as it addresses many of the barriers of deforestation-free commodities at the level where many key decisions on land use are made. This approach balances strategies to reduce deforestation along with improving the sustainability of rural and frontier economies as well as livelihoods. An increasing number of national and sub-national governments in tropical forest countries are developing coalitions to implement ambitious growth and development plans based on achieving sustainability at the jurisdictional-level. Multi-stakeholder partnerships foster shared understanding on effective approaches to realizing and scaling up jurisdictional sustainability and can accelerate this process.

Remarks by Ignacio Gavilan: Consumer Goods Forum

Main Points of Presentation

The need for a reporting standard: There is no agreed upon assessment standard for zero net deforestation. This makes reporting on deforestation commitments problematic.

CGF is being recognized: Three third-party organizations have published reports on CGF's zero net deforestation commitments: (1) Supply Change/Forest Trends, (2) Global Canopy Programme/CDP, (3) WWF.

Change is happening: Change is taking place slowly, but much more needs to be done. It's going to be challenging to meet the 2020 targets.

Transparency: The foundation to any good commitment.

Showcase successes: Other companies can learn from successful models.

Q&A

1. Can each speaker name one to two, under documented experience that is particularly notable (either because successful or not)? World Bank will be looking to document new case studies on how agriculture can be part of the solution.

Nestlé - Nestlé has provided cooling facilities to farmers in developing countries to cut milk losses. The company is also working on reducing mycotoxin contamination levels in the cereal grains sourced from Central and West Africa. Finally, the company has also trained 30,000 farmers on proper harvesting methods.

General Mills - The company founded the Partners in Food Solutions programme which helps improve the expertise of local food processors through the sharing of scientific, technological and food-innovation knowledge.

2. What are the reasons corporations give for not meeting their commitments? Is it lack of supply? Lack of demand? Cost? Are any corporations sharing this information?

There are a number of reasons why companies don't implement: lack of resources (staff, financial, knowledge, etc.), lack of awareness, lack of top down support/lack of incentive (e.g. reputational risk, supply chain risk, regulatory pressure, etc.). Both a lack of supply/bottlenecks and demand (i.e. lack of critical mass). Sometimes it's a question of prioritization. Retailers for example, may be dealing with thousands of products, each with their own environmental impact. Companies cannot be expected to deal with all of those at the same time, they need to prioritize and begin with issues that are most material to them.

We are talking with members one-on-one to better understand barriers and encourage implementation, and we've published an array of sourcing guidelines, toolkits, reports and case study booklets to try and inspire and support progress based on the feedback we've received.

We also host a number of events - from webinars to regional workshops (like those on soy in Brazil) to larger, international events like the upcoming Sustainable Retail Summit in Paris this October. This is our first global event to be dedicated to implementation and providing tangible, operational solutions.

We also remain focused to working on a multi-sectoral approach. We co-founded the Tropical Forest Alliance 2020 with the US Government and we have worked with the banking sector to help develop the Banking Environment Initiative. These are just two examples of how we are working with governments, civil society and other industries to remove deforestation from our global supply chains.

3. Question for Ignacio: Is CGF going to implement a reporting requirement for their members on these commitments?

We support and encourage public reporting but leave the decision (as to how) up to our members.

The CGF is committed to supporting members with their implementation of our voluntary commitments. While we do not currently publicly report on progress, we very much support 3rd-party reports like those from WWF, the Global Canopy Programme/Carbon Disclosure Project and Supply Change- Forest 500 who do monitor and report on the progress of our members. It's important to have such independent reports as they show us that progress is being made and where we need to step up and move faster. They are also encouraging members, who are not yet publicly reporting, to do so.

4. A question for Ignacio: What are the obstacles for those companies in the Consumer Goods Forum that 'lag behind'? Is it awareness or internal resources or something else?

As the only organization bringing together consumer goods retailers and manufacturers together globally, the challenges facing our members can vary depending on size and location. I would agree, however, that a lack of internal resources and awareness are two common causes for why some companies are lagging behind.

This is one reason why the CGF remains dedicated to sharing knowledge and best practices, as well as developing implementation tools like our sourcing guidelines series, to help support and inspire

positive change. We also have a new event in Paris this October, the Sustainable Retail Summit, which is focused solely on helping companies meet our sustainability-related resolutions.

5. Q for Ignacio - you say no assessment standard on zero deforestation - do you think there should be one? Would this even be possible for multiple commodities?

It would be great if there was one but indeed it's very difficult to develop an assessment method that addresses zero-net deforestation. Some organizations are starting to look into specific geographies where they operate and analyzing the full range of activities, production systems, ecosystems and actors. This jurisdictional approach might allow for a better tracking methodology.

6. Which companies have you identified as leaders in zero deforestation commitments and what kind of commitments have they made?

Not wanting to single out a specific member, it's clear from the Supply Change report which companies are publicly reporting on their commitments and what they are, and it's good to see that our Sustainability Committee members are well represented.

My focus now is more on identifying which companies haven't made commitments, learning why not, and how we can get them to do so.

7. A large question mark that our farmers are asking is what price premium companies are willing to pay for deforestation-free (market price +X%)...it would be interesting to get companies to state what they would be willing to pay to provide farmers with a price signal. This is important because if they don't understand the opportunity cost of keeping forests standing, they will continue to deforest to make ends meet.

Public research has shown variations by country and type of consumer as it relates to premiums on commodities. However the mandate of our work at the CGF is to work on pre-competitive areas. We take our anti-trust guidelines seriously and any discussions around pricing are off limits. This is something that would need to be asked to companies individually.

Remarks by Tobias Webb: Innovation Forum

Main Points of Presentation

Innovation: Whilst the incentives for change are improving, more creative thinking is needed. This is perhaps because one could argue that NGO brand campaigns are becoming less effective. Sometimes campaigns can even backfire and their limitations become even clearer ([Resolute vs. Greenpeace](#)).

Learning lessons: Recent events in SE Asia show there are serious lessons to be learned even amongst leading companies and organizations.

We should document and disseminate the engagement lessons from IPOPOP's demise but also from IOI's situation. We need generally to raise awareness in boardrooms about what actions on the ground can and do mean for markets, reputation and trading ability.

Transparency vs. certification: Certification clearly has its limits. Pushing costs and a broken system of expensive audits into the supply chain and hoping for the best is no longer an option.

Yet I am concerned that the beyond certification debate has turned back into certification and beyond.

We need to much better understand the mechanisms, data and technologies that lead to transparency that enables better business AND improved sustainability outcomes, not just ticks boxes.

Taking and adapting working multi-stakeholder models to scale. Can it be done? Beyond Brazil, we need more resources to work out how to scale work globally.

There is a need to work much harder on transferable lessons and techniques and thinking that can deliver changes that work for governments who must manage multiple stakeholders on a fairly short term basis.

CIFOR and Forest Trends, like many others do some great work on research and promoting what we know, but brands will need to get behind these efforts much more, with time and financial support.

We also need to think about where multi-stakeholder efforts work, and where a few focused and significant actors can deliver needed change, faster.

See this full [blog post](#) on the subject.

Q&A

1. Excellent series of presentations BUT ... how can the power of the end consumer be brought into play? I don't want to buy food products contain palm oil, but what are the alternatives and what products are from companies that have a best practice supply chain? How can this information be brought into play? Peter Burgess truevaluemetrics.org

This is a nice idea but alas it is far too complex for that. No company can or wants to claim their supply chain is good enough. Even small suppliers of palm oil that claim to be ethical, like Daabon in Colombia, have their challenges. New Britain Palm Oil is another good example, but given they are now part of Sime Darby, a much bigger company, ethical claims without problems are not easy to make. The basic rule in sustainable business, in my 15 year experience of research in the area is that consumers want to trust brands, as trusting products is too complicated. So companies need to build brand trust via transparency and relationships, not label individual products.

2. When will we move from tracking commitment and promises to tracking actual impact i.e. actual reductions in deforestation instead of compliance with certification and other rules?
 1. *That seems to be happening slowly. But don't forget that five years ago most companies didn't even have policies! As Mike Barry at M&S once put it so well: ten years of incrementalism leads to transformation. It takes time and technology is really starting to help. NGOs do also but one must be careful with some of their assessments of progress which often have conflicts of interest with their other objectives. Tools like the WRI Forest Watch and others post the 2015 Haze in SE Asia are also helping. This desire to track progress openly is exemplified by the Wilmar and APP dashboards, and more and more companies will have these soon. So tracking impact will come from a number sources*

in the future: NGO claims, company transparency, community communications, independent technology platforms and government claims or reporting.

3. I would like to know more about the key lessons from Brazil that Tobias mentioned which should be transferred and adapted to South East Asia.

See:

<https://www.theguardian.com/sustainable-business/2015/may/14/brazil-beef-industry-pledges-cut-amazon-deforestation-rate-in-half>

<http://www.nature.com/news/stopping-deforestation-battle-for-the-amazon-1.17223>

<https://www.theguardian.com/sustainable-business/2015/may/06/soy-zero-deforestation-palm-oil-archer-daniels-midland-adm>

<http://www.zerodeforestationcattle.org/>

<http://www.stapgef.org/stap/wp-content/uploads/2013/09/Strategies-to-Reduce-Deforestation-in-Brazil-Outline.pdf>

4. Many companies adopt zero deforestation policies after massive deforestation. In some cases we even have an intensification of deforestation in order to finish the job before the policy announcement. This looks like a serious gap.

Yes, one can argue that this has happened in SE Asia particularly. Until governments enforce their laws better this kind of thing might continue but consider that 90%+ of palm oil trading is covered now by zero deforestation gives me hope this is more the past than the future.

5. A question for Tobias: you talked about the focus on the communication angle. In your vision, what are the best inductive arguments of good practice? I see that some important ones are scarce resources, trade barriers and reputational risk

Yes these are all classic elements of the business case. If one looks at APP, Wilmar, GAR, and others the values statements coming from the top (particularly in the Wilmar case) are powerful places to begin. The resource scarcity angle is becoming particularly relevant, and here's an example of how they may become 'even more' true: <http://innovation-forum.co.uk/analysis.php?s=rainforest-action-networks-lafcadio-cortesi-discusses-deforestation-commitments-and-corresponding-outcomes>

So as a brief list: Values, transparency, legal compliance, resource and market access, license to operate, investor confidence and brand trust are all key elements.

Remarks by Ben McCarthy: Supply Change (Forest Trends)

Main Points of Presentation

There is a gap in the likelihood to make a commitment between the commodities: The good news is that the majority of companies active in palm, and timber & pulp have made their own commitments. However, significantly fewer companies that are active in soy or cattle have made a similar commitment. This is cause for concern because the numbers are exactly opposite of the deforestation impacts by commodity.

Current disclosure of progress information is insufficient: Only one in three commitments have information on progress available.

Companies that do have publicly available information on progress report a high level of achievement toward overall targets: The average achievement toward the overall goal across all commitments with progress information available is 74%.

Q&A

1. Can each speaker name one to two, under documented experience that is particularly notable (either because successful or not). World Bank will be looking to document new case studies on how agriculture can be part of the solution.

One action deserving of recognition is when a company assesses their indirect soy footprint (in addition to their direct footprint). New tools have been emerging to assist companies with this process; most notably Consumer Goods Forum's [soy measurement ladder](#). An example of a company which has undertaken this process is the Danish company [Arla](#). Their commitment reads "all soy fed to cows producing milk for Arla Foods is grown according to RTRS principles and criteria or equivalent no later than 2015."

2. We are a medium sized sustainable forestry company who grows trees in Africa and sells value added products in Africa. We are very committed to shared value and our environmental, social and economic impacts and how important those are to our long-term commercial viability. However, our markets/customers do not pay extra for sustainability/certification, so we do not have many additional resources to commit to this; are there organizations or entities that can help us to access these resources (money, knowledge, etc.)? We cannot afford membership fees or expensive conferences, but would like to be part of the conversations to offer our perspective as a committed implementer on the ground. Do you have any advice on how to break into this community?

We are aware that companies pursuing sustainable forestry have relied on innovations from multi stakeholder initiatives like the [Forest Stewardship Council's](#) streamlined certification procedures for small or low-intensity managed forests and for funding in Africa have looked to organizations like the European Investment Bank's for their [Africa Sustainable Forestry Fund II](#).

While we can't speak to your specific situation or buyers, we do know that buyers in general are willing to pay a price premium for certified commodities. We mentioned in the report that certified commodities have been found to demand a price premium of \$3.33 per tonne for RSPO-certified palm, \$1.80 per cubic meter for FSC-certified roundwood, and between \$3 and \$4 per tonne for

certified soy. Ultimately, jurisdictional approaches to sustainable commodities may be best at addressing the hurdles that smallholders face toward gaining certification and selling to buyers that require commodities with sustainability attributes. Leadership from the private sector will be required to advance this on government's agendas and that is certainly one place where your company's input would be valuable.

3. Your survey is weighted towards the downstream end of the supply chain, particularly in countries which account for a small percentage of the production that is associated with deforestation. Would it have been much more useful to have first carried out assessments of producers in localities associated with deforestation, and subsequently to focus particularly on the much smaller number of enterprises who account for most production and their export markets?

*While you're correct that downstream companies (manufacturers & retailers) have many more commitments than upstream companies (producers, processors, traders), this is not a result of Supply Change's methodology. The imbalance reflects the pyramid shaped market for these commodities, with very few upstream companies producing enormous tonnages and then selling them to a myriad of manufacturers and retailers. Palm oil and soy in particular make their way into a diverse array of products handled by all kinds of different companies. For example, an upstream palm company like Wilmar International handles over 16 million tonnes of palm per year, dwarfing Walmart, one of the largest retailers in the world, which sources about 96 thousand tonnes of palm per year. Because Supply Change collects commitments from the **entire** supply chain, it will inherently collect many more commitments from downstream companies who handle a smaller volume than their upstream suppliers. Rest assured that the massive producers are not being overlooked, despite their being outnumbered in terms of a gross count of commitments made.*

4. What percentage of global trade is covered by these commitments?

There is currently insufficient publicly available information on the percentage of global trade that is covered by all of these commitments. However, we do know the percentage of global trade which is certified. We note this on page 8 of our [report](#). "Around 21% of global palm production is certified under the Roundtable on Sustainable Palm Oil (RSPO), and 10-15% of managed forest area – mostly non-tropical – is certified under the Forest Stewardship Council (FSC) and/or the Programme for the Endorsement of Forest Certifications (PEFC). By contrast, the Round Table for Responsible Soy (RTRS) covers less than 1% of global soy production despite having a globally recognized certification scheme. Cattle product supply chains lack an industry-supported, comprehensive global standard. The Leather Working Group (LWG) audits a little over 10% of global leather production." Please note that the RSPO revised the percent of global certified palm oil production downward to 17% in 2016.

5. Hi, interesting findings. Is the relatively low certification % for cattle due to the fact that for other sectors (e.g. palm and soy) certification systems is more advanced?

The absence of an industry supported global certification for cattle products (leather and beef) seems to play a large role in the low percentage of certification among cattle commitments as compared with palm, and timber & pulp. The cattle commitments with certification included as a procurement policy typically rely on the Leather Working Group (LWG) certification for leather or on individually developed corporate standards for beef. On a global level, the LWG audited a little over 10% of global leather production and the Global Roundtable on Sustainable Beef (GRSB) does not

intend to set standards or to create a certification program – though it is working toward regional roundtables which may better be able to address geographic variations in cattle ranching.

6. Good Afternoon, Do you also monitor the coverage of the commitments of a company? For instance, does a retailer's commitment cover food products, non-food products and animal feed that is in their supply chain?

The scope of each commitment can be different. For some food retailers the commitment covers only its own branded products while others may extend the commitment to cover all the products they sell. When the coverage is a key aspect of the commitment Supply Change will include this in the commitment summary on the company's profile. A number of commitments do address the non-food products that utilize palm and soy derivatives, one example is [Clorox](#). Very few companies address the indirect commodity usage such as soy in animal feed. New tools have been emerging to assist companies with this process; most notably Consumer Goods Forum's [soy measurement ladder](#).

7. Deforestation appears less for pulp and perhaps palm oil companies than cattle and soy because they replace natural forest ecosystems with tree farms. How have you endeavored to reflect this?

In our latest report, we rely on data on global deforestation associated with each of these commodities from recent external research, which is eloquently summarized in the Union of Concerned Science's recent web series titled "What's Driving Deforestation." As you can see from these resources, forest clearance for timber or palm oil plantations is counted the same as for planting soy or raising cattle.

Supply Change aims to track publicly reported commitments to reduce commodity related deforestation, but does not have the resources to verify each corporate claim. We do provide third-party verified information on corporate progress where possible. Please see our [methodology](#) section for more information. In the future, Supply Change will strive to partner with other organizations to provide greater ease and access to land use change information for profiled companies.

Remarks by Stephen Donofrio and the Supply Change research team

Q&A

1. Question for Stephen: You say many companies going further in commitments than certification - does this mean that certification not delivering deforestation-free, or e.g. FPIC? What are areas where going further?

Supply Change tracks explicit mention of more than a dozen variables within commitment documents. These variables include goals and policies, such as the use of certification or the need to pay special attention to High Carbon Stock areas. They add specificity to a company's overall commitment and help move a company toward commitment implementation. Civil society is responsible for promoting many of these goals and policies.

Supply Change continually refines the set of commitment criteria that we track based on the most cutting edge strategies and those that are increasingly popular. Human rights protection, High

Conservation Value (HCV) area protection, and legality are among the most cited. Within our dataset, sourcing and producing commodities with certification is the most often-cited policy approach across all commodities except for cattle and, to a lesser extent, soy.

That said, while certification serves as a clear baseline for commitments, many companies go further than the requirements set by standard bodies to establish additional policies. Traceability is an important contributor to full implementation of deforestation-free commitments, and this policy approach is among the most frequently cited. Each commitment target and procurement policy is represented in at least some portion of all the commodity commitments, even “peatland protection” or “no burning”. Other elements of a commitment policy that Supply Change tracks are “legality”, “transparency”, “reduced use” and “free, prior and informed consent”. One of the latest criteria that Supply Change has begun tracking is the presence of third-party verification of performance against corporate commitments. This is very new given that there is no industry-wide standard for zero deforestation commitments.

Please find more information on this on page 14 of the 2016 Supply Change report, and, definitions for these, and all other commitment policy elements, are available here: <http://supply-change.org/pages/methodology>.

2. It seems to me that a series of graphs based upon the occurrence of words in commitments and backed up by self-reporting is a pretty meaningless basis for a report.

The tracking of themes across commitments and commodities is how Supply Change delivers a panoramic snapshot of the commodity based deforestation landscape. It’s a complex ecosystem of actors and themes, so a macro level analysis is helpful for building consensus on terms, metrics, and information disclosure.

Although not ideal, self-reporting is usually the only publicly available information on commitment progress. A few industry leaders have begun to verify their progress using auditing firms; we hope this becomes common practice. The Supply Change platform is currently working to integrate verification as a buttress for the integrity of reported progress; the uptake of this trend will likely be presented as another graph in the next report.

3. Could you mention some specific success examples? Companies that can prove already that they have reduced deforestation?

Without an industry-wide standard for zero deforestation commodity commitments, companies have struggled to prove their policies have resulted in reductions in deforestation. One of the key challenges is determining what forms of proof are needed. As a start, many companies are turning to third-party verification. This is already mandated for palm oil producers against the RSPO standards and is increasingly required among other standards. For example, as part of its membership in a leading palm oil sustainability group—the [POIG](#) (Palm Oil Innovation Group) Charter, the Brazilian palm oil producer, [Agropalma](#), secured an independent [audit](#) against the charter, which also served as a validation of its individual zero deforestation commitment.

In another example from the Supply Change [report](#), the world’s largest cattle producer, [JBS](#), also pursued third-party [auditing](#) of compliance with its commitment not to purchase from cattle slaughterhouses associated with deforestation or exploitation. The monitoring and corresponding

audit relied on satellite monitoring and cross checks with government lists by third-party auditors to ensure compliance.

Environmental non-profits have expressed concern over the veracity of the evidence and the independence of the auditors, whom are often paid by the companies themselves. Yet some progress has been made, in the case of JBS, a leading independent land use change researcher, Dr. Holly Gibbs [found](#) that its commitment had led to some reductions in deforestation.

4. What is the definition most companies are using for deforestation? I am working with farmers who are supplying Deforestation-Free cocoa and we want to align with what industry is defining as DFree - for example, is it just no deforestation of primary forest. What about secondary forest? Or is it zero net-deforestation?

Unfortunately, the jury is still out regarding what “deforestation” is, or how to measure it in a consistent and communicable way. Most of the value derived from deforestation-free commitments currently come from the supporting criteria. Examples we’ve found to be strong supporting criteria include commitments not to develop land with a [High Conservation Value](#) or a [High Carbon Stock](#), as these concepts are fairly well developed and tracts of land can be categorized and bounded by their tenets.

5. Can the panel share their thoughts on how important they see jurisdictional / landscape approaches as a solution to meeting commitments?

Jurisdictional and landscape level approaches for commodity sourcing pose an exciting new frontier for meeting corporate zero deforestation commitments. Back at the United Nations climate conference in Paris last December, the co-chairs of the Consumer Goods Forum, Unilever and Marks and Spencer [pledged](#) to establish preferential sourcing of commodities from jurisdictions that have high level support for ambitious deforestation prevention plans. These requirements include jurisdictional plans to reduce emissions from forests, monitor and control greenhouse gases and uphold environmental and social safeguards.

By design these agreements will, through collective purchasing power, increase the leverage of corporate buyers to ensure access to commodity supplies that meet their sustainability procurement commitments. Jurisdiction or landscape level approaches in theory should reward sustainably producing jurisdictions with business and make land use planning more efficient as production is diverted to previously degraded lands. In 2016, Unilever and Marks and Spencer plan to convince more companies to sign on to this agreement. More corporate support will be vital for this demand side pledge to gain momentum. On the supply side, more public sector coordination and leadership is needed. Several different municipalities have [stepped up to the plate](#)-- committing to only produce certified commodities within their territories including [Sabah](#) (Malaysia), [Central Kalimantan](#) (Indonesia) and [Mato Grosso](#) (Brazil).

Ignacio Gavilan, Director, Sustainability, The Consumer Goods Forum emphasized the importance of the abovementioned pledge in preparing for jurisdictional sourcing in a previous TFA2020 [article](#), “We view this intention from companies as a significant step in our work to eliminate deforestation from commodity supply chains. This builds on our Board agreed resolution, with the aim of achieving zero net deforestation by 2020. Over the course of 2016 we will be looking into expanding our implementation efforts through the uptake of this initiative by other members in different geographies.”

6. To what extent and how have tropical country governments and international companies collaborated on zero deforestation?

Calls for zero deforestation commitments have received mixed reception among national and regional governments and among companies. For example, in 2009 nonprofits and the Federal Public Prosecutor's office in Para state pressured meatpackers and their buyers to reduce illegal deforestation associated with their cattle use. As a result, [JBS](#) and three of the other largest meatpackers in Brazil committed only to source from cattle suppliers who are not associated with illegal deforestation or exploitation and who have registered their property under national government's Rural Environmental Registry (CAR).

The companies relied on different government agencies for meeting their commitments. The government's National Institute for Space Research provided deforestation maps vital for the companies to monitor their suppliers. Similarly, the companies relied on lists of suppliers associated with exploitation provided by the Ministry of Labor and Employment for further screening potential cattle sellers. At the same time, the requirement that all suppliers for these companies register their land in the CAR has in turn helped the regional and national Brazilian government expand this program, which is vital for implementing the National Forest Law. Ultimately, the establishment and implementation of the zero deforestation cattle agreements and implementation of the National Forest Law in Brazil provides an example of mixed confrontation and collaboration ultimately resulting in reductions in deforestation.

7. Companies which have commitments and appear to be implementing them may have certified only a small part of their production or sales (for example APP and APRIL). Their tactics might reasonably be deemed "Green Wash". How have you endeavored to reflect this?

Let's first begin by saying that no two commitments are created equal. They're often widely disparate, even across the same industry. Even if commitments are worded identically they have different implications based on the size of the company and the areas in which it operates.

As you suggest, some commitments can be relatively weak. And, although the Supply Change platform doesn't assess commitments, it does collect and present information which a user can use to decide whether a commitment is legitimate or a "green wash". One endeavor we have undertaken is to integrate the results of 12 assessments from a variety of organizations such as WWF, Global Canopy Programme, CDP, the Union of Concerned Scientists, and more. To our knowledge, this is the only database where a user can see a cross-listed set of scores for a given company; [Unilever](#), for example, has 7 different assessment scores posted to its profile.

To address your specific example above, we've sought to address such volume disparities by including data for both total volume and compliant volume. Unfortunately we have limited sources from which to collect this data, and have primarily been sourcing it through public disclosures to CDP Forests and the RSPO's Annual Communication Of Progress (ACOP). An example of a company with healthy volume data on its profile is [Brambles](#).

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.