Supply Change: Commitments that Count

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www.Supply-Change.org (a Forest Trends Ecosystem Marketplace project)

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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.

SOURCE: Supply Change, a project of Forest Trends. 2016. www.supply-change.org
In Jakarta, Tropical Forest Alliance To Seek Common Ground For Throttling Deforestation

Author: Kelli Barrett

Hundreds of companies have pledged to purge deforestation from their supply chains, but most are struggling to deliver in a world where millions of tiny suppliers provide their raw...
Commitments feature common elements, defining targets and the procurement policies necessary to achieve them; and parameters such as timing & scope.

### Elements of a Typical Commitment

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>SCOPE</th>
<th>TARGETS</th>
<th>TIMELINE</th>
<th>PROCUREMENT POLICY</th>
</tr>
</thead>
<tbody>
<tr>
<td>General commitments (spans entire operations)</td>
<td>Own brand products</td>
<td>Zero deforestation</td>
<td>Start date</td>
<td>Certification</td>
</tr>
<tr>
<td>Multiple commodities</td>
<td>Own operations</td>
<td>Zero net deforestation</td>
<td>Milestones</td>
<td>Transparency</td>
</tr>
<tr>
<td>Specific commodities</td>
<td>Expand to suppliers</td>
<td>Zero gross deforestation</td>
<td>Target date</td>
<td>Traceability</td>
</tr>
<tr>
<td>Sub-products of each commodity</td>
<td>HCV area protection</td>
<td>Peatland protection</td>
<td>Reporting on progress</td>
<td>Legality</td>
</tr>
<tr>
<td></td>
<td>HCS management/protection</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sustainable/Responsible</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Human rights protection</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Additional Metrics Coming Soon:**
- Protect biodiversity/wildlife,
- Support smallholders,
- Reduce GHG emissions from operations,
- Improve water management,
- Improve waste management,
- Improve soil management,
- Improve fertilizer management,
- Reduce pesticides or toxins,
- Respect animal welfare,
- Improve yields

SOURCE: Supply Change, a project of Forest Trends. 2016. www.supply-change.org
Palm, an estimated 60% of palm oil exports (approximately 16 million tons) have displaced forests in Indonesia and Malaysia since 2000. Palm oil is used in a variety of products, from snack foods to personal care products to biofuels and chemicals. While oil palm is the highest-yielding vegetable oil crop, plantation expansion has been linked to deforestation. The key products include palm fruit, crude palm oil, palm kernel oil, and palm oil derivatives.

**Table: Export Value of Commodities from Deforestation (USD)**

<table>
<thead>
<tr>
<th>Certified Area (Hectares)</th>
<th>Export Value of Commodities from Deforestation (USD)*</th>
<th>Entities Profiled</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,160,000</td>
<td>$24.83 billion</td>
<td>204</td>
</tr>
</tbody>
</table>

**Figure 2: Elements of a Typical Commitment**

- Palm Kernal Oil Derivatives 07 Palm
  - 196 Palm Oil
- Palm Kernal Meal 02 Crude Palm Kernal Oil
  - 02 Palm Derivatives
- Palm Kernel Oil Derivatives 01 Palm Oil Products
  - 01 Crude Palm Oil And Derivatives

**Source:** Supply Change, a project of Forest Trends, 2016. [www.supply-change.org](http://www.supply-change.org)

**Note:** above is based upon 204 entities profiled for palm
Commitments feature common elements, defining targets and the procurement policies necessary to achieve them.

Figure 2: Elements of a Typical Commitment

- Zero deforestation: 63
- Zero net deforestation: 10
- Zero gross deforestation: 2
- Sustainable/Responsible: 148
- Certification: 178
- Peatland protection: 67
- Traceability: 90
- HCS management/protection: 61
- HCV area protection: 64
- FPIC: 55
- Transparency: 71
- Human rights protection: 104
- Reduce use: 30
- No burning: 36
- Legality: 97
- Other: 26

SOURCE: Supply Change, a project of Forest Trends. 2016. www.supply-change.org

NOTE: above is based upon 204 entities profiled for palm
Geographic Representation, by HQ, of Companies with Palm Commitments, European and North American companies compose majority of commitments.

SOURCE: Supply Change, a project of Forest Trends. 2016. www.supply-change.org
Supply Chain Level, Manufacturers and Retailers lead.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer</td>
<td>9%</td>
</tr>
<tr>
<td>Processor</td>
<td>14%</td>
</tr>
<tr>
<td>Trader</td>
<td>10%</td>
</tr>
<tr>
<td>Manufacturer</td>
<td>61%</td>
</tr>
<tr>
<td>Retailer</td>
<td>30%</td>
</tr>
</tbody>
</table>

SOURCE: Supply Change, a project of Forest Trends. 2016. www.supply-change.org
Palm Supply Chain Representation by Sector, Consumer Goods and Business & Consumer Services lead significantly.

- **Consumer Goods, 130, 64%**
- **Business/Consumer Services, 46, 23%**
- **Retail/Wholesale, 11, 5%**
- **Basic Materials/Resources, 9, 4%**
- **Other, 8, 4%**
Viewing Individual Company Profiles, Free to access and easy to access.

Profiles *

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

Filter By  
Sort By  

Showing 6 of 204

SOURCE: Supply Change, a project of Forest Trends. 2016. www.supply-change.org
Sifting and Benchmarking, navigate with specificity and purpose.

### Profiles *

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

<table>
<thead>
<tr>
<th>Filter By</th>
<th>Sort By</th>
</tr>
</thead>
<tbody>
<tr>
<td>SECTOR</td>
<td>COMMITMENT TYPE</td>
</tr>
<tr>
<td>○ Alcoholic Beverages/Drinks</td>
<td>○ General</td>
</tr>
<tr>
<td>○ Apparel Retailers</td>
<td>○ Soy</td>
</tr>
<tr>
<td>○ Broadcasting</td>
<td>○ Cattle</td>
</tr>
<tr>
<td>○ Broadcasting &amp; Entertainment</td>
<td>○ Timber &amp; Pulp</td>
</tr>
<tr>
<td>○ Broadline Retailers</td>
<td>○ Palm</td>
</tr>
<tr>
<td>○ Clothing</td>
<td></td>
</tr>
<tr>
<td>○ Commodity Chemicals</td>
<td></td>
</tr>
<tr>
<td>○ Communications</td>
<td></td>
</tr>
</tbody>
</table>
Sifting and Benchmarking, sort for specific commitment or policy criteria.

SOURCE: Supply Change, a project of Forest Trends. 2016. www.supply-change.org