

AFi case study

Book Chain Project

Developing a methodology to assess paper mills' forest-sourcing practices

8-minute read



Accountability
Framework

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commitments

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Front cover

Agents loading timber for delivery to paper mill (October 2018 - Yamunanagar, Haryana, India)

Image credit: Book Chain Project

Back cover

Pulp-making machine (October 2018 - Yamunanagar, Haryana, India)

Image credit: Book Chain Project

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This case study was produced by the Accountability Framework initiative (AFi) and Sofia Perez (www.sofia-perez.com).

ABOUT THE AFI: The Accountability Framework initiative (AFi) is a collaborative effort to build and scale up ethical supply chains for agricultural and forestry products. Led by a diverse global coalition of environmental and human rights organizations, the AFi works to create a “new normal” where commodity production and trade are fully protective of forests, other natural ecosystems, and human rights. To pursue this goal, the coalition supports companies and other stakeholders in setting strong supply chain goals, taking effective action, and tracking progress to create clear accountability and incentivize rapid improvement.

ABOUT THE AFI CASE STUDIES: The AFi case study series features examples of companies and industry groups that have adopted policies and practices for ethical supply chains in alignment with the Accountability Framework. The cases illustrate some of the ways that organizations can apply the Framework to achieve or support ethical supply chains. While the case studies highlight specific policies and practices of interest, **they do not imply an endorsement of the organizations featured in the case studies, nor their products or services, by the AFi or its coalition members.**

The case studies make reference to norms and guidelines for ethical supply chains contained in the Accountability Framework, which was created through a consultative process following applicable good practices for multi-stakeholder initiatives and which represents the consensus of the AFi Steering Group members that participated in its development.

DISCLAIMER: This work product is intended to be informational only and is not intended to serve as a legal opinion or legal advice on the matters treated. The reader is encouraged to engage counsel to the extent required.

SEE WHO'S INVOLVED:

For more information on the AFi's governance and a full list of partners, please visit www.accountability-framework.org/who-is-involved.

The AFi is funded by:







Summary

The Book Chain Project (BCP) convenes 28 publishing companies to collaborate on sustainable sourcing of wood fibre for books and periodicals. The BCP used the Accountability Framework to develop a standardized method for assessing the sourcing policies and practices of paper mills. This has resulted in an effective approach to addressing sourcing issues that helps participating publishers manage traceability, social and environmental risk, and supplier engagement.

Initiative:	Book Chain Project, run by Carnstone
Commodity:	Pulp/paper/timber
Geography:	Global
Scope:	BCP publishers source from 290 paper mills in 38 countries. As of 2021, the BCP has conducted on-site assessment of 10 mills across Asia and Europe using the methodology in this case study.
Challenge:	Enable publishing companies to engage more effectively with hundreds of mills and suppliers to improve their performance on responsible sourcing.
Solution:	Used the Accountability Framework to help develop a Mill Assessment Framework to assess supplier performance, guide improvement, and monitor progress over time.

Accountability Framework sections applied:

- Core Principles     
- Operational Guidance on Supply Chain Management, FPIC, and Monitoring and Verification

Challenge

Every book tells more than one tale. There's the story on the page — be it a mystery or a memoir — but there are also others embedded in the journey of the object you hold in your hands. Where did the paper fibre originate? How were the trees harvested, and were any of the tree species threatened with extinction? What conditions did workers experience when printing the book? The answers to these questions and others tell the story of the world's publishing supply chains.

It is a complex narrative. Printing and writing paper is the second-largest source of demand for paper products (after packaging material), and the pulp and paper industry uses more than [40 percent of all globally traded industrial wood](#). Irresponsible paper production has resulted in the illegal trafficking of endangered tropical hardwoods, violations of worker and community rights, and the conversion of forests and other natural ecosystems to establish pulpwood plantations. In Southeast Asia, for example, biodiversity-rich peatlands have been drained and cleared of native vegetation to plant acacia, a fast-growing wood that is commonly used by the industry.

Paper mills and other suppliers play a key role in this story. The difference between ethical and irresponsible forest product sourcing and production is often determined by a mill operator's business practices. However, given the sheer number of fibre sources and mills around the world, evaluating forest origins and supplier performance can be a challenge for mill operators and publishers alike. Forest certification has become a vital tool for sustainable sourcing, and can provide downstream buyers with assurance of sustainable production. However, where certification is unavailable, especially in high-risk locations where conditions are in flux, buyers may need to engage more directly with their suppliers to determine the origins of their fibre and affirmatively promote responsible business practices.

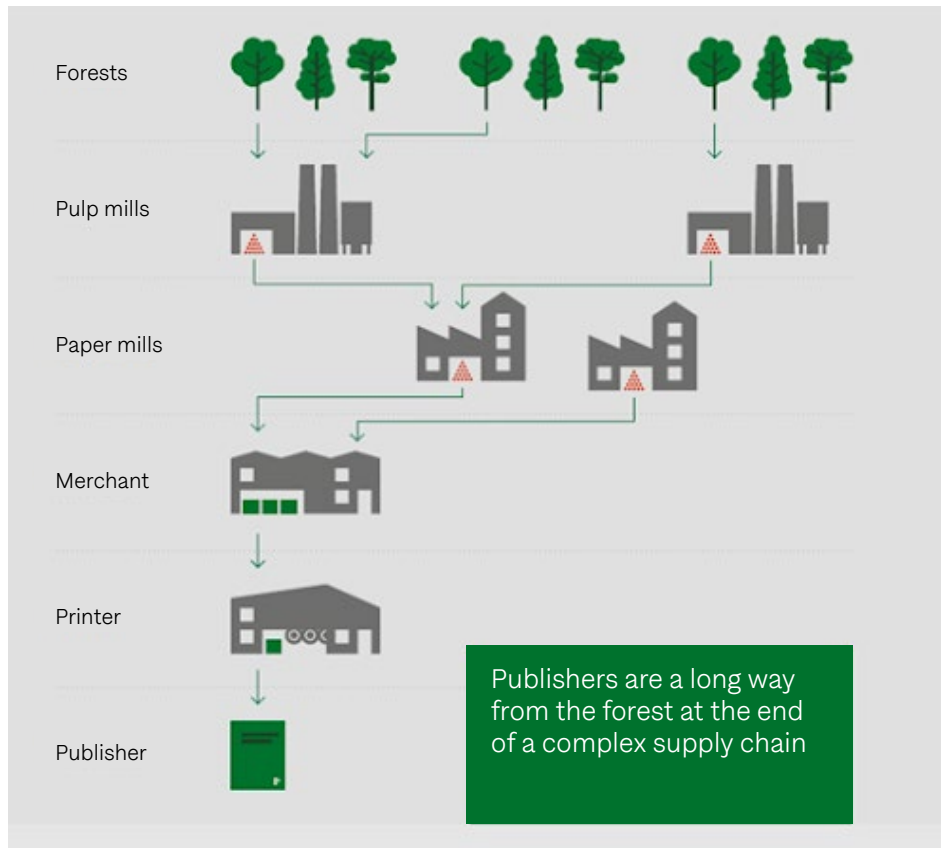


Image credit: Book Chain Project

Figure 1: From forest to printed book, the publishing industry’s supply chains involve many different actors and inputs (including some not shown here, such as recycled fibre). With the Accountability Framework as a guide, the Book Chain Project developed its Mill Assessment Framework to facilitate direct engagement with pulp and paper mills on forest sourcing issues.

About the Book Chain Project

The Book Chain Project (BCP), established in 2006 and taking on its current form in 2016, is designed to help publishers make informed buying decisions and promote ethical supply chains in the publishing industry.

Guided by Carnstone, a management consultancy specialising in corporate responsibility and sustainability, the BCP is a collaborative project that today involves 28 leading book and journal publishers, more than 400 print suppliers, and more than 400 paper manufacturers. What began as three separate projects became a single online platform in 2016 under the BCP name. Today, the BCP offers guidance on forest sourcing, chemicals and materials used in book components (including ink, varnish, and adhesives), and labour standards and environmental impacts associated with printing and other aspects of production.

To help publishers navigate fibre sourcing, the BCP gathers and analyses data — including a full list of forest sources and tree species — on 2,500 paper and board brands from approximately 300 mills. Thanks to the combined commercial influence of the publishing companies that participate, the BCP is able to obtain these data directly from mills that are located on every continent except Antarctica.

Using a forest risk assessment tool, the BCP identifies “deforestation-risk countries” (those that pose a high risk of illegal or destructive forest clearance) and “transshipment-risk countries” (those that may act as conduits for fibre from high-risk countries). Paper manufactured in deforestation-risk or transshipment-risk countries is checked further using microscopic fibre analysis to determine pulp types and tree species. Tree species are checked against the IUCN Red List and CITES Annexes for their conservation status, and each forest source is awarded a grade, which is shared with participating publishers via the online platform.

The BCP recognizes the important role of forest certification in responsible fibre sourcing and therefore screens the status of fibre suppliers against publicly available information from the certification programs FSC and PEFC. However, the BCP also expects mills to have their own due diligence systems in place, particularly when sourcing from high-risk areas. This expectation motivated the development of the Mill Assessment Framework that is profiled in this case study.

Solution

“The AFi set the bar for the level of accountability that environmental NGOs expect from forest product companies.”

Neil Everett,
Director, Carnstone

In 2018, the BCP developed the [Mill Assessment Framework](#) (MAF), a methodology for consistent and rigorous assessment of pulp and paper mills’ forest sourcing. Design of the MAF drew heavily on drafts of the Accountability Framework, which had been shared with private sector stakeholders for consultation in advance of its 2019 launch. “The AFi set the bar for the level of accountability that environmental NGOs expect from forest product companies,” says Carnstone Director Neil Everett. “This has helped make the case for a more detailed assessment of paper mills, through direct visits, in potentially high-risk areas.”

The methodology consists of a six-step Mill Assessment Framework (see box below), which helps the BCP determine mills’ current understanding and implementation of responsible practices and provides them with a roadmap for improvement. The assessment happens during an on-site visit, which is conducted by members of the core BCP team.

BCP Mill Assessment Framework: Six steps to guide mill visits

The Mill Assessment Framework includes six steps (topic areas) against which mills are assessed:

1. **Right people, right conversation:** Is the BCP team able to speak directly with those who manage responsible sourcing for the mill, and are the latter willing to share examples of resources, systems, and databases?
2. **Capability and resourcing:** To what extent does the mill know the country origin and associated risks of its sources, choose suppliers based on sustainability considerations, and engage in long-term supplier relationships? How well are the relevant staff members trained and equipped?
3. **Supply chain assessment and management:** How does the mill manage for responsible fibre sourcing, including through information collection, risk assessment, certification, and other control mechanisms?
4. **Supplier engagement:** How are sourcing requirements communicated to suppliers and how are suppliers supported to meet those criteria?

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5. **Ambition and commitment:** How well-defined and rigorous are the mill's responsible sourcing objectives, targets, and tracking and reporting processes?
6. **Mill wastewater treatment:** Is the mill conserving water and protecting sensitive water supply areas? Is it adequately managing wastewater and sludge to minimise pollution?

Each step includes one or more indicators against which mills are given one of the following grades based on a clear set of criteria: Beginning (20%), Learning (40%), Consolidating (60%), Developing (80%), and Leading (100%).

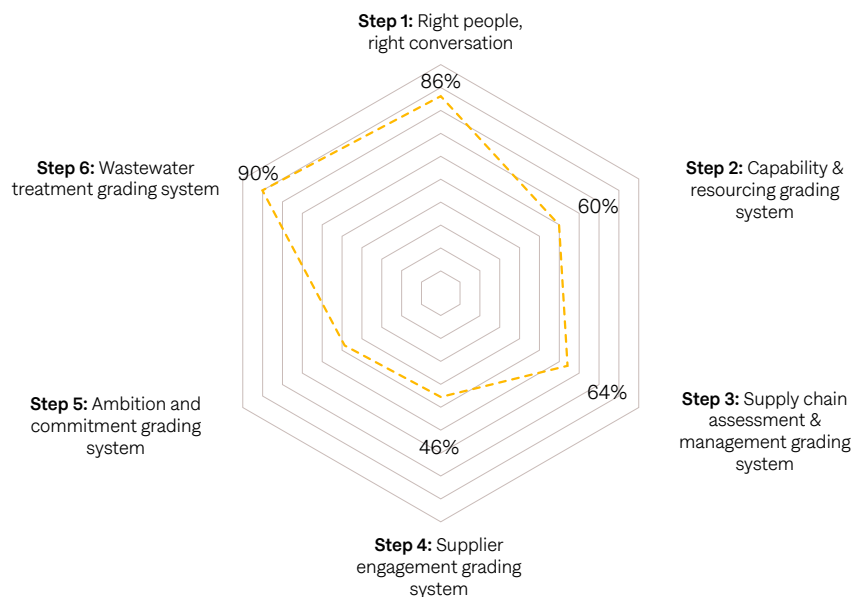
Before a BCP visit, the mill receives a guidance document that summarises the steps and types of questions that will be asked so that the operator understands the scope of the discussion. Once on site, BCP team members interview employees who are responsible for procurement, certification management, supplier engagement, and other pertinent areas, as well as reviewing key documents, systems, and tools (e.g., training materials, supplier code of conduct, sourcing policy, etc.). The mill is then graded on each of the Mill Assessment Framework's six steps, using standardized criteria.

Mill Performance

— All Mills

Mill performance is rated from 1-5 on every indicator. Average performance against each step is then expressed as a percentage. This figure shows the average performance for each step across all 10 mills visited so far.

Image credit: Book Chain Project



Grading is done on a five-point scale that ranges from “Beginning,” for mills that have not yet started to consider responsible forest sourcing issues, to “Leading,” for those that are at the forefront of responsible sourcing practices. The score is determined by indicators and criteria included in the MAF, resulting in an objective assessment across the six steps.

“The Framework’s Core Principle 6.4 helped us to determine the way we shape questions to mills based on the complexity of their supply chains and level of control over forest management.”

Neil Everett,
Director, Carnstone

After a visit, the BCP draws up a draft report and shares it with the mill operator, who is allowed to provide comments and additional information before it is finalized. The BCP also sends the mill a variety of tools and documents to help it move up the five-point scale on each MAF topic by identifying gaps and making improvements. These resources include key elements of the AFI’s Operational Guidance—particularly on supply chain management; Free, Prior, and Informed Consent (FPIC) to ensure respect for the rights of Indigenous Peoples and local communities; and monitoring and verification. Mills are encouraged to use the report and supporting materials to identify strengths and weaknesses in their current approach, and improve their policies and processes. Each mill’s score is then shared with publishers, who can use it to make purchasing decisions.

The MAF examines a range of issues, including supply chain mapping and traceability, staff capabilities and training, awareness and management of risk for each sourcing origin, and supplier engagement. For example, in the area of supplier engagement — step 4 — the BCP team reviews how well a mill is communicating its responsible sourcing requirements to its fibre suppliers. This includes questions such as: Are there strong policies and standards in place? Do these cover all key social and environmental issues relating to responsible fibre? Do mechanisms exist to ensure that suppliers understand what compliance entails? The answers to these and other questions determine the mill’s scores for that step.

Carnstone’s Neil Everett gives a specific example of how the BCP applied the Accountability Framework when creating the MAF: “The Framework’s Core Principle 6.4 helped us to determine the way we shape questions to mills based on the complexity of their supply chains and level of control over forest management.” This Core Principle describes good practice for managing indirect suppliers, which the MAF reflects by defining different criteria for integrated mills (where raw timber is processed into paper) than for non-integrated mills (where market pulp is purchased from other suppliers). Because integrated mills source timber directly from a forest owner, the assessment focuses on forest management and on-the-ground mechanisms. Since non-integrated mills source fibre through an intermediary (a pulp mill), they must ascertain the forest sources of indirect suppliers as a way of mitigating their own risk, as well as communicating and enforcing their requirements with the pulp mill from which they are buying.

For the BCP, each mill visit is the first stage of a relationship that is expected to deepen over time. Toward this goal, the BCP has also started running workshops in key sourcing countries, bringing forestry experts and others together with its mill groups to help build awareness of sourcing issues and the capacity to address them.

Related Core Principle



6

Managing for supply chain compliance

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Outcomes

“The Accountability Framework is a clear call for businesses to act, whilst at the same time providing them with practical tools to help them do so.”

Neil Everett,
Director, Carnstone

As of 2021, the BCP has used the Mill Assessment Framework to guide on-site assessments of 10 mills across Asia and Europe, and preliminary feedback has been positive. In 2019, Arctic Paper S.A., a leading European paper producer, used the MAF to assess the sourcing practices of its operations in Kostrzyn, Poland. “The outcome of the evaluation helps us to improve our shared best practices and processes at the mill, and see the new opportunities and challenges we face when managing responsible sourcing,” says Jacek I. Los, Arctic Paper’s executive vice president of procurement. “We have increased our engagement with business partners to share our best practices and help them build capacity.”

The BCP is also engaging with mill managers in China to discuss areas with the most potential for improvement and examples of best practices drawn from the initial mill visits. Additionally, the BCP continues to collaborate with external stakeholders, including certification bodies, trade associations, and NGOs, and plans to incorporate further elements of the Accountability Framework into its approach going forward.

According to Carnstone’s Everett, the pulp and paper sector welcomes this practical support from the NGO community to help guide responsible sourcing. “The need for action is more urgent than ever as we face climate and biodiversity emergencies that are closely linked to deforestation.” While challenging the status quo is always difficult, he is encouraged to see the innovative and ambitious actions that sector leaders are taking to build ethical supply chains and create a competitive advantage for their businesses by doing so. “The Accountability Framework is a clear call for businesses to act, whilst at the same time providing them with practical tools to help them do so.”

