

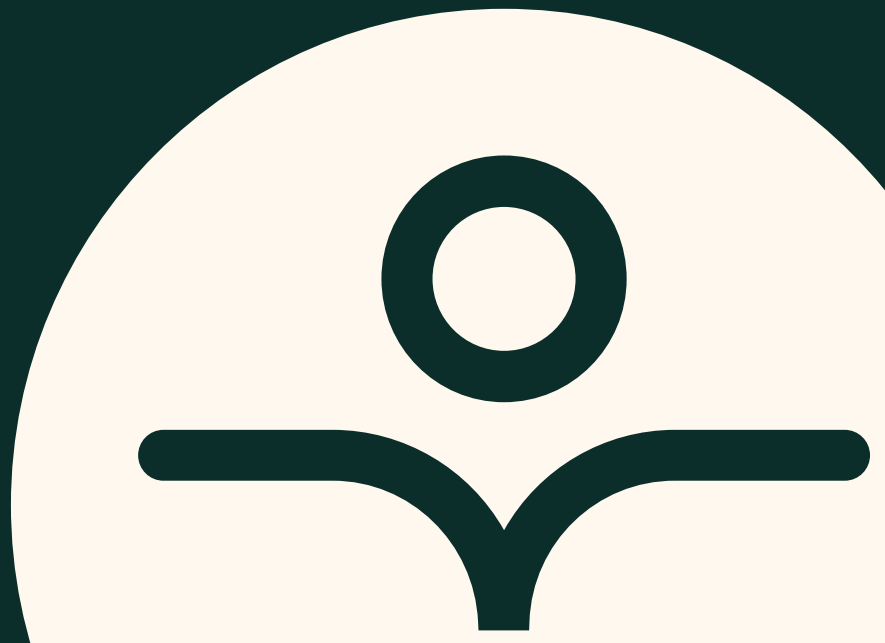


Accountability
Framework
initiative

Terms and Definitions

FEBRUARY 2024

This document defines key terms that are used in the Accountability Framework Core Principles and Operational Guidance.



The **Accountability Framework** was created through a consultative process with a wide range of stakeholders including companies, NGOs, and government, and following applicable good practices for multi-stakeholder initiatives. It represents the consensus of the entire **Accountability Framework initiative (AFi) Coalition**, whose members as of the date of publication include:



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Version

This document version was developed in accordance with the AFi's [Policy on Revisions to the Accountability Framework](#) and supersedes any prior document versions. For an explanation of changes, [please click here](#).

Legal disclaimer

This work product is intended to be advisory 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.

Definitions

For all terms, the black text indicates the definition of the term. For some terms, additional explanatory information is provided, in green text, to help interpret and apply the definition. Except where specified otherwise, all words within each definition carry their standard dictionary meaning.

Abusive practices or undue disciplinary procedures

The use of corporal punishment, mental or physical coercion, or verbal abuse of personnel, or other harsh or inhumane treatment in the workplace.¹

Actions

Activities, improvement processes, or practices that a company carries out to address environmental or social issues or to fulfil commitments, policies, goals, targets, or other obligations. Actions may be based, for instance, on best practices identified in the Accountability Framework or other credible standards and frameworks and/or on specific activities identified in action plans or engagement plans.

Agriculture / Agricultural use

The use of land primarily for any one or more of the following:

1. cultivation of temporary or annual crops that have a growing cycle of one year or less
2. cultivation of permanent or perennial crops that have a growing cycle of more than one year, including tree crops
3. cultivation of permanent or temporary meadows or pastures, for example by planting of non-native grasses and/or by agricultural management practices such as irrigation or fertilisation
4. raising of livestock on land characterised by severe and sustained degradation
5. buildings, animal feeding operations, and other farm infrastructure
6. temporarily fallow land

Applicable law

National and ratified international laws that apply in a given context or situation.

- National laws include the laws and regulations of all jurisdictions within a nation.
- International laws to which nations have acceded are also considered as applicable law.

Assurance

Demonstration that specified requirements relating to a product, process, system, person, or entity are fulfilled.²

Audit / Auditing

Systematic and documented process for obtaining records, statements of fact, or other relevant information and assessing them objectively to determine the extent to which specified requirements are fulfilled.

¹ Source: SA8000 Standard; Universal Declaration on Human Rights, Article 5

² Source: ISEAL Code of Good Practice for Sustainability Systems V1.0



Buyer

A company that purchases raw materials, processed materials, or finished products from a supplier.

- Buyers can include processors (eg, mills or slaughterhouses), traders, manufacturers, and retailers. For instance, traders buy raw or processed materials from farms or processing mills, while retailers buy consumer products from manufacturers.
- A given company can be both a supplier and a buyer.

Chain of custody

The process by which materials and associated information are transferred, monitored, and controlled as they move through each step in a supply chain.³

- There are four commonly recognised types of chain of custody models, each of which is defined in the Accountability Framework: identity preserved, segregated, mass balance, and credit trading.

Child labour

Work that deprives children of their childhood, their potential, and their dignity, and that is harmful to their physical and mental development. International standards⁴ set the general minimum age for admission to employment or work at 15 years (13 for light work) and the minimum age for hazardous work at 18 (16 under certain strict conditions). They provide for the possibility of initially setting the general minimum age at 14 (12 for light work) where the economy and educational facilities are insufficiently developed.

- Hazardous work is work which, by its nature or the circumstances in which it is carried out, is likely to jeopardise the health, safety, or morals of young persons.⁵
- Children between the ages of 13 and 15 years old may do light work, as long as it does not harm their health or development, or hinder their attendance at school or participation in vocational orientation and training.⁶

Claim / Sustainability claim

Promotional communications about the sustainability attributes of a product, process, service, or organisation. This may include communications related to the establishment, implementation, progress towards, or fulfilment of supply chain commitments, policies, goals, targets, or other obligations.⁷

Collective bargaining

All negotiations that take place between an employer, a group of employers, or one or more employers' organisations, on the one hand, and one or more workers' organisations, on the other, for: (i) determining working conditions and terms of employment; and/or (ii) regulating relations between employers and workers; and/or (iii) regulating relations between employers or their organisations and a workers' organisation or workers' organisations.⁸

³Adapted from the International Organization for Standardization (ISO)

⁴Source: ILO Convention 138

⁵Adapted from ILO Convention 138, Article 3; ILO Recommendation 190

⁶Adapted from ILO Convention 138, Article 7

⁷Adapted from ISEAL Credibility Principles V2

⁸Source: ILO Convention 154



Commitment

A public statement by a company that specifies the actions that it intends to take or the goals, criteria, or targets that it intends to meet with regard to its management of or performance on environmental, social, and/or governance topics.

- Commitments may also be titled or referred to as policies, pledges, or other terms.
- The AFI recognises that commitments are also made by other actors, such as governments. This definition is limited to company commitments because these are the primary focus of the Accountability Framework.
- Commitments may be company-wide (eg, a company-wide forest policy) or specific to certain commodities, regions, or business units. They may be topic specific or they may address multiple environmental, social, and/or governance topics.
- Commitments, as defined here, are distinct from the operational policies or procedures (eg, sourcing codes, supplier requirements, manuals, and standard operating procedures) by which companies may operationalise their commitments or sustainability initiatives. Commitments are generally broader, more normative or aspirational, and take a multi-year view of company performance, whereas operational policies or procedures tend to focus on specific implementation details, parameters, or requirements.

Company

An enterprise, firm, or other organisational or legal entity involved in the production, provision, trade, or sale of goods and services (including financial services). This definition encompasses all company ownership structures, including privately-held, publicly-traded, and state-owned companies as well as companies in which states hold an interest. For the purpose of the Accountability Framework, a company is defined to include the corporate group (see definition) of which it is part. This includes the company's subsidiaries, affiliates, joint ventures, and majority holdings.

Compensation

Actions taken and/or funds made available to remedy or counterbalance deforestation, conversion, degradation, or other harms to ecosystems and their conservation values with environmental and/or social gains at sites other than those where the harms occurred.

- This definition refers to compensation for environmental harms. The term 'compensation' is also used in the context of remediation of human rights harms, for which compensation may come in many forms. See the [Operational Guidance on Remediation and Access to Remedy](#).

Compliance

The state of complying with or fulfilling a given commitment, policy, or other obligation.

Control system

A system for assessing and managing the attributes of raw materials or products at their place of production and/or as they move through a supply chain.

- Control systems include certification programmes, systems of government regulation and enforcement (including moratoria), jurisdictional management systems, trader- and buyer-managed control systems, and commercial systems.

Conversion

Loss of a natural ecosystem as a result of its replacement with agriculture or another land use, or due to a profound and sustained change in a natural ecosystem's species composition, structure, or function.

- Deforestation is one form of conversion (conversion of natural forests).
- Conversion includes severe and sustained degradation or the introduction of management practices that result in a profound and sustained change in the ecosystem's species composition, structure, or function.
- Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal.



Corporate group

The totality of legal entities to which the company is affiliated in a relationship in which either party controls the actions or performance of the other. Factors that are used to determine whether a company is part of a broader corporate group include:

- Formality of relationship: Is there formal ownership, such as through an investment holding structure?
- Declared as a group: Has the group publicly declared the companies are linked?
- Family control: Are the companies owned or run by members of the same family?
- Financial control: Are there contractual or other financial arrangements that indicate one party controls the performance of another?
- Management control: Is there extensive overlap in officials between companies?
- Operational control: Are landholdings under a group's operational control?
- Beneficial ownership: Is ultimate ownership hidden in offshore companies or by the use of nominees?
- Shared resources: Do companies share a registered address, land or other physical assets, or provision of company functions or services?

Credit trading / Certificate trading / Book and claim

A chain of custody model in which the generation, assignment, and transfer of sustainability credentials is not linked to the physical flow of materials in a supply chain.

- Under credit trading systems, producers may generate sustainability credentials by producing materials in accordance with specified sustainability criteria, while buyers may purchase such credentials for a specified volume of the same product from any origin.
- Credit trading differs from other chain of custody models in that it does not include physical traceability of materials and thus the end product with which the sustainability credentials are associated does not necessarily contain any physical volume that was produced in accordance with the corresponding sustainability criteria.

Cultural heritage

The legacy of physical and intangible assets that a group or society inherits from past generations, maintains in the present, and preserves for future generations. This may include: (i) tangible forms of cultural heritage, such as moveable or immovable objects, property sites, or structures having archaeological, paleontological, historical, cultural, artistic, or religious values; (ii) unique natural features that embody cultural values, such as sacred groves, rocks, lakes, and waterfalls; and (iii) intangible forms of culture, defined as the practices, innovations, representations, expressions, knowledge, skills — as well as the instruments, objects, artefacts, and cultural spaces associated therewith.⁹

Customary rights / Customary law

Rights that arise from a behaviour or act that is repeated over time under the belief that it is obligatory and, due to repetition and acceptance, acquire the force of law within a geography or society.

⁹Source: UNDP SES Standard 4: Cultural Heritage



Customary rights to land, resources, and territory

Patterns of long-standing land and resource usage in accordance with Indigenous Peoples' and local communities' customary laws, values, customs, and traditions.¹⁰

- Such rights apply to the lands, resources, and territories that Indigenous Peoples and local communities have traditionally owned, occupied, or otherwise used. They do not apply to lands, territories, and resources that these groups have acquired in other ways, such as by purchase or part of a compensation package.
- These rights are a collective human right of Indigenous Peoples and local communities that exists whether or not a title from the state has been issued.

Cutoff date

The date after which deforestation or conversion renders a given area or production unit non-compliant with no-deforestation or no-conversion commitments, policies, goals, targets, or other obligations.

Debt bondage

The status or condition arising from a pledge by a debtor of his or her personal services or of those of a person under his or her control as security for a debt, if the value of those services as reasonably assessed is not applied towards the liquidation of the debt or the length and nature of those services are not respectively limited and defined.¹¹

Deforestation

Loss of natural forest as a result of: (i) conversion to agriculture or other non-forest land use; (ii) conversion to a tree plantation; or (iii) severe and sustained degradation.

- This definition pertains to no-deforestation supply chains that generally focus on preventing the conversion of natural forests.
- Severe and sustained degradation (scenario iii in the definition) constitutes deforestation even if the land is not subsequently used for a non-forest land use.
- Loss of natural forest that meets this definition is considered to be deforestation regardless of whether or not it is legal.
- The Accountability Framework's definition of deforestation signifies 'gross deforestation' of natural forest where 'gross' is used in the sense of "total; aggregate; without deduction for reforestation or other offset."

Degradation

Changes within a natural ecosystem that significantly and negatively affect its species composition, structure, and/or function and reduce the ecosystem's capacity to supply products, support biodiversity, and/or deliver ecosystem services.

Disclosure

Public sharing of information by companies. This can include reporting that is available to the public as well as free public sharing of other information, such as company policies and commitments; company business structures, affiliates, and financial interests; supplier lists; conflicts of interest; or political action (lobbying, campaign contributions, etc). Disclosure is a mechanism for transparency.

Discrimination

Any distinction, exclusion, or preference made on the basis of race, colour, sex, religion, political opinion, national extraction, or social origin (among other characteristics), which has the effect of nullifying or impairing equality of opportunity and treatment in employment or occupation.¹²

¹⁰ Source: RSPO Principles and Criteria

¹¹ Adapted from the Supplementary Convention on the Abolition of Slavery, the Slave Trade and Institutions and Practices Similar to Slavery, Article 1

¹² Source: ILO Convention 111



Downstream

A position in the supply chain further from raw material origin and closer to the stage of final sale and consumption.

Due diligence

A risk management process implemented by a company to identify, prevent, mitigate, and account for how it addresses environmental and social risks and impacts in its operations, supply chains, and investments.

- This definition of due diligence pertains to environmental and social issues in commodity supply chains, consistent with the scope of the Accountability Framework. Other forms of business due diligence, such as financial and legal due diligence, are not included in this definition.

Environmental and human rights defenders

Individuals or groups who, in their personal or professional capacity and in a peaceful manner, act to protect and promote human rights, eliminate human rights violations, or protect the environment, including water, air, land, flora, and fauna.

Exclusion

Action by a buyer to end a purchasing relationship with a supplier (in the case of a prior or ongoing relationship) or to avoid purchasing from a given supplier (in the case of spot markets or lack of an ongoing purchasing relationship).

Fair benefits

Goods and services furnished to employees free of charge or at markedly reduced cost that are clearly and primarily of benefit to the employee.

- Fair benefits comprise things such as health care, social security (including proper facilitation of employee participation in governmental systems), voluntary savings systems, food, drink, transportation fuel, other payments in kind, and cost, other than capital cost, of workers' housing borne by employers. These benefits must not be considered as a replacement for any regular wages.¹³

Financial investment

The provision of money to a company, producer, or other business entity, including the acquisition of any asset or security with the expectation of earning financial returns over time. Financial investments may take a variety of forms, including but not limited to lending, grants, purchase of shares or debt, joint ventures or ownership interests in a business entity, or acquisition of an asset or interest in an asset.

Food security

The condition in which all people, at all times, have physical and economic access to sufficient, safe, and nutritious food that meets their dietary needs and food preferences for an active and healthy life.¹⁴

Forced or compulsory labour

All work or service that is exacted from any person under the menace of any penalty and for which the said person has not offered themselves voluntarily, including all forms of debt bondage and human trafficking for the purpose of forced labour.¹⁵

¹³ Adapted from the definitions of in-kind benefits from the Global Living Wage Coalition

¹⁴ Source: World Food Programme

¹⁵ Source: ILO Convention 29, Article 2; ILO Protocol 29, Article 1



Forest

Land spanning more than 0.5 hectares with trees higher than 5 metres and a canopy cover of more than 10%, or trees able to reach these thresholds in situ. It does not include land that is predominantly under agricultural or other land use. Forest includes natural forests and tree plantations. For the purpose of implementing no-deforestation supply chains, the focus is on preventing the conversion of natural forests.

- Quantitative thresholds (eg, for tree height or canopy cover) established in legitimate national or sub-national forest definitions may take precedence over the generic thresholds in this definition.
- The Accountability Framework should not be interpreted as weakening or qualifying any protection or provision of national forestry laws, including when these laws apply to legally classed forests that are tree plantations or presently have little or no tree cover.
- As stated in Core Principle 3.4, company commitments are additional to applicable law, and when both apply to the same topic, the highest (more protective) standard prevails.
- The AFI advocates that natural forests be distinguished from tree plantations for the purpose of conducting forest inventories and quantifying forest loss and gain. This will facilitate comparability between government forest monitoring and the tracking of supply chain commitments focused on human-induced conversion of natural forests.¹⁶

Free, prior, and informed consent (FPIC)

A collective human right of Indigenous Peoples and local communities to give and withhold their consent prior to the commencement of any activity that may affect their rights, land, resources, territories, livelihoods, and food security. It is a right exercised through representatives of their own choosing and in a manner consistent with their own customs, values, and norms.

Freedom of association

The right of workers and employers, without distinction whatsoever, to establish and join organisations of their own choosing without previous authorisation.¹⁷

Gap assessment

An assessment of actual performance compared to desired performance (eg, as defined by the company's commitments, policies, goals, targets, and other obligations), which results in the identification of gaps that must be filled to achieve the desired performance. Gap assessments inform action plans developed to achieve full compliance. Gap assessments are sometimes referred to as baseline assessments or needs assessments.

Goal

The intended performance level of a supply chain or outcomes on the ground related to the protection of forests and other natural ecosystems, human rights, and other environmental and social values.

Grievance mechanism

Any routinised process through which grievances concerning business-related negative impacts to human rights or the environment can be raised and remedy can be sought.¹⁸ Grievance mechanisms may be state-based or non-state-based and they may be judicial or non-judicial.

¹⁶ Source: Food and Agriculture Organisation of the United Nations (FAO), with further elaboration and clarification provided for the Accountability Framework

¹⁷ Source: ILO Convention 87

¹⁸ Adapted from the UN Guiding Principles on Business and Human Rights



Human trafficking

The recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery, or practices similar to slavery, servitude, or the removal of organs.¹⁹

Identity preserved

A chain of custody model under which materials with particular characteristics of interest that originate from a single identifiable source are kept physically separate from all other sources throughout the supply chain. Identity preserved is used commonly but not exclusively in the context of certification.

Implementation plan

Documentation of the actions that a company intends to take to address environmental or social issues or to fulfil commitments, policies, goals, targets, or other obligations. Implementation plans may follow from risk assessments, gap assessments, and other processes that identify actual or potential non-compliances, adverse social or environmental impacts, or other improvement needs.

- Other types of company plans that may be similar to or synonymous with implementation plans include improvement plans, management plans, and corrective action plans.

Indigenous Peoples

Distinct groups of people who satisfy any of the more commonly accepted definitions²⁰ of Indigenous Peoples, which consider (among other factors) whether the collective:

- has pursued its own concept and way of human development in a given socioeconomic, political, and historical context;
- has tried to maintain its distinct group identity, languages, traditional beliefs, customs, laws and institutions, worldviews, and ways of life;
- has at one time exercised control and management of the lands, natural resources, and territories that it has historically used and occupied, with which it has a special connection, and upon which its physical and cultural survival typically depends;
- self-identifies as Indigenous Peoples; and/or
- descends from populations whose existence pre-dates the colonisation of the lands within which it was originally found or of which it was then dispossessed.

When considering the factors above, no single one shall be determinative. Indigenous Peoples are defined as such regardless of the local, national, and regional terms that may be applied to them, such as 'tribal people,' 'first peoples,' 'secluded tribes,' 'hill people,' or others.

¹⁹ Source: Palermo Protocol, Article 3

²⁰ Commonly accepted definitions generally include, but are not limited to, those provided for in the Indigenous and Tribal Peoples Convention 1989 (ILO Convention No. 169), the UN Commission on Human Rights study on the problem of discrimination against indigenous populations, and the UN Working Paper on the Concept of 'Indigenous People' prepared by the Working Group on Indigenous Populations



Jurisdictional initiative

A type of landscape initiative that is delineated by administrative boundaries and implemented with a high level of government involvement.²¹

Landscape initiative

A multi-stakeholder initiative in a given landscape to set common goals, take collective action, and monitor progress towards improving social, environmental, and economic outcomes, while reconciling different interests, at a landscape level.²²

- Landscapes are defined geographic areas with common ecological and socioeconomic characteristics. They may be delineated based on watersheds, ecosystems, jurisdictional boundaries, company sourcing areas, or in other ways.
- Landscape initiatives are typically implemented through a range of actions such as land-use plans, place-based projects, policies and incentives, new investments and financial mechanisms, capacity building, supply chain interventions, and monitoring and enforcement.

Leakage

The displacement of negative impacts from one land area, biome, supply chain, or business entity to others. Leakage is prone to occur in commodity markets and other interlinked systems when social and environmental risks or adverse impacts, such as commodity-linked deforestation or conversion, are better controlled in some segments of the market or system than in others.

Legal and decent working hours

Working hours that comply with applicable laws, collective bargaining agreements (where applicable), and industry standards on working hours, breaks, and public holidays.²³

Legal personality

An individual, group, or entity that is recognised under law as capable of having legal rights and duties including the right to sue, be sued, hold property titles and interest, and enter into contracts.

- Legal personality of an Indigenous People is not to be confused with the identification of Indigenous Peoples or the recognition by the state that a particular group is identified as an Indigenous People.²⁴

Livelihoods

A person's or a group's way of making a living, from the environment or in the economy — including provisions for basic needs and assurance of access to food, clean water, health, education, housing, and the materials needed for their life and comfort — either through their own direct use of natural resources or through exchange, barter, trade, or engagement in the market. It encompasses the capabilities, assets, and activities required to secure the necessities of life.²⁵

²¹ Adapted from definitions of "jurisdictional approach" provided by multiple sources, including CDP, Proforest, ISEAL, and the Jurisdictional Approaches Resource Hub

²² Informed by multiple pre-existing definitions including those of CDP, Proforest, and the Jurisdictional Approaches Resource Hub

²³ Source: SA8000 Standard

²⁴ Source: UNDP Social and Environmental Standards (SES) Standard 6: Indigenous Peoples

²⁵ Source: RSPO Principles and Criteria



Living income

The net annual income required for a household in a particular place to afford a decent standard of living for members of that household. Elements of a decent standard of living include: food, water, housing, education, healthcare, transportation, clothing, and other essential needs including provisions for unexpected events.²⁶

- Both living wage (see definition below) and living income are about achieving a decent standard of living for households. The concept of living wage is applied in the context of hired workers (in factories, on farms, etc), whereas living income is relevant to persons for whom most or all income is through self-employment.

Living wage

The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.²⁷

Local community

A group of interacting people living in and sharing a specific environment and place, and sharing common concern around local facilities, services, and environment and which may at times depart from traditional or state definitions. Such communities may attach particular meaning to land and natural resources as sources of culture, customs, history, and identity, and/or depend on them to sustain their livelihoods, social organisation, culture, traditions, and beliefs. Local communities may be legally or customarily known or designated using various terms, such as 'traditional communities.' Like Indigenous Peoples, they may use and manage land in accordance with customary tenure systems and associated rights and may depend on their land for cultural and physical survival. Due to their similarities, the Framework refers to both 'Indigenous Peoples and local communities' and requires the same processes and respect for the rights of both groups, including with respect to property and the right to give or withhold free, prior, and informed consent (FPIC; see definition).²⁸

Low risk

A conclusion, following a risk assessment, that there is negligible or insignificant risk that material produced in or sourced from a given context is non-compliant with one or more aspect of a company's social and environmental commitments or obligations.

- Low risk is defined per context and risk topic (eg, aspect of a company's social and environmental commitments and obligations). A given production region may be considered low risk for one aspect of a company's commitment but higher risk for other aspects.

Manufacturer

A company that manufactures consumer products from raw or processed agricultural or forestry materials.

Mass balance

A chain of custody model under which product with particular characteristics of interest may be mixed according to defined criteria with material that may lack these characteristics. Materials may be mixed at any stage in the supply chain, provided that the quantities are controlled such that the quantity of product sold as having the given characteristics is equivalent to the quantity of product produced with these characteristics. Mass balance is used commonly but not exclusively in the context of certification.

²⁶ Adapted from Living Income Community of Practice

²⁷ Source: Global Living Wage Coalition

²⁸ Source: Free, Prior and Informed Consent Guide for Roundtable on Sustainable Palm Oil (RSPO) Members. RSPO Human Rights Working Group 2015



Metric

An objective and verifiable measure used to assess or report conditions, actions, outcomes, or trends, for instance in relation to a given land area, facility, supply chain, company, process, or system.

- The Accountability Framework uses this term, rather than the closely related term 'indicator,' although the terms may often be used interchangeably.

Milestone

A pre-defined, time-bound progress step. Milestones may include interim targets towards fulfilling commitments, policies, goals, targets, or other obligations, as well as checkpoints in an implementation plan corresponding to the completion of specific actions or achievement of results.

Minimal level

A small amount of deforestation or conversion that is negligible in the context of a given site because of its small area and because it does not significantly affect the conservation values of natural ecosystems or the services and values they provide to people.

- Minimal levels of deforestation or conversion at the site scale do not necessarily violate no-deforestation or no-conversion commitments. However, this provision does not sanction substantial conversion of forests or natural ecosystems to enlarge commodity production areas.
- To be considered consistent with no-deforestation or no-conversion commitments, minimal levels must generally meet the following conditions:
 1. Not exceed cumulative thresholds that are small both in absolute terms (eg, no more than a few hectares) and relative to the area in question (eg, no more than a small proportion of the site). Levels of conversion or deforestation should be assessed cumulatively over space and time; multiple small instances of conversion may lead to a producer being considered non-compliant with commitments.
 2. Not result in the loss of important biological, social, or cultural values, for instance as defined by the High Conservation Value framework.
 3. If planned in advance, be specified as a result of an integrated and participatory land-use planning process that follows good practices for achieving positive environmental and social outcomes (eg, as specified in Core Principle 7).
 4. If not planned in advance (eg, if resulting from unauthorised encroachment or other unforeseen activities), are addressed through effective actions to prevent repetition and to remediate harms and restore lost conservation values to the extent necessary.
- Even when minimal levels of deforestation or conversion may not be cause for exclusion from ethical supply chains, they may still require remediation (including restoration and/or compensation) to the extent that they result in negative impacts to conservation values or human rights.

Monitoring

An ongoing function that uses the systematic collection of data on specific metrics to assess and document the extent to which actions, progress, performance, and compliance are being carried out or achieved.



Natural ecosystem

An ecosystem that substantially resembles — in terms of species composition, structure, and ecological function — one that is or would be found in a given area in the absence of major human impacts. This includes human-managed ecosystems where much of the natural species composition, structure, and ecological function are present.

- Natural ecosystems include:
 1. Largely 'pristine' natural ecosystems that have not been subject to major human impacts in recent history.
 2. Regenerated natural ecosystems that were subject to major impacts in the past (for instance by agriculture, livestock raising, tree plantations, or intensive logging), but where the main causes of impact have ceased or greatly diminished and the ecosystem has attained species composition, structure, and ecological function similar to prior or other contemporary natural ecosystems.
 3. Managed natural ecosystems (including many ecosystems that could be referred to as 'semi-natural') where much of the ecosystem's composition, structure, and ecological function are present; this includes managed natural forests as well as native grasslands or rangelands that are, or have historically been, grazed by livestock.
 4. Natural ecosystems that have been partially degraded by anthropogenic or natural causes (eg, harvesting, fire, climate change, invasive species, or others), but where the land has not been converted to another use and where much of the ecosystem's composition, structure, and ecological function remain present or are expected to regenerate naturally or by management for ecological restoration.

Natural forest

A forest that is a natural ecosystem.

- Natural forests possess many or most of the characteristics of a forest native to the given site, including species composition, structure, and ecological function. Natural forests include:
 1. Primary forests that have not been subject to major human impacts in recent history.
 2. Regenerated (second-growth) forests that were subject to major impacts in the past (for instance by agriculture, livestock raising, tree plantations, or intensive logging), but where the main causes of impact have ceased or greatly diminished and the ecosystem has attained much of the species composition, structure, and ecological function of prior or other contemporary natural ecosystems.
 3. Managed natural forests where much of the ecosystem's composition, structure, and ecological function exist in the presence of activities such as:
 - Harvesting of timber or other forest products, including management to promote high-value species.
 - Low intensity, small-scale cultivation within the forest, such as less-intensive forms of swidden agriculture in a forest mosaic.
 4. Forests that have been partially degraded by anthropogenic or natural causes (eg, harvesting, fire, climate change, invasive species, or others) but where the land has not been converted to another use and where degradation does not result in the sustained reduction of tree cover below the thresholds that define a forest or sustained loss of other main elements of ecosystem composition, structure, and ecological function.
- The categories 'natural forest' and 'tree plantation' are mutually exclusive, though in some cases the distinction may be nuanced. Please see the [Operational Guidance on Applying the Definitions Related to Deforestation and Conversion](#) for further discussion of boundary cases.
- For the purpose of no-deforestation supply chains, the focus is on preventing the conversion of natural forests.

Net deforestation

The difference in forest area between two points in time, taking into account both losses from deforestation and gains from forest regeneration and restoration. Net deforestation is measured with reference to a given geographic area (eg, a district, state, nation, or globe) and a given timeframe.

- The Accountability Framework specifies that net deforestation is not an appropriate metric for characterising the forest and land-use footprint of company operations, supply chains, or investments. Rather, companies should utilise the concept of (gross) deforestation, as defined by the Accountability Framework, in setting targets and monitoring outcomes.
- This definition is provided here for context and completeness because it sometimes appears in the lexicon. Some have suggested that net deforestation may be a relevant concept for setting targets and informing land-use planning at the landscape, jurisdictional, or national scale, considering all sectors and all land uses together. To the extent that the net deforestation concept is used in these contexts, the AFi advocates that natural forests be distinguished and tracked separately from tree plantations for the purpose of quantifying forest loss and gain.

No-conversion / Conversion-free / Zero conversion

Commodity production, sourcing, or financial investments that do not cause or contribute to the conversion of natural ecosystems (as defined by the Accountability Framework).

- No-conversion refers to no gross conversion of natural ecosystems, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains.
- The terms 'no-conversion' and 'conversion-free' are used in favour of 'zero-conversion' because 'zero' can imply an absolutist approach that may be at odds with the need to sometimes accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes (see definition for minimal level).

No-deforestation / Deforestation-free / Zero deforestation

Commodity production, sourcing, or financial investments that do not cause or contribute to deforestation (as defined by the Accountability Framework).

- No-deforestation refers to no gross deforestation of natural forests, which the Accountability Framework specifies as the appropriate policy and goal on this topic for companies and supply chains.
- In the context of the Accountability Framework, deforestation refers to the loss of natural forest (see definition of deforestation).
- The terms 'no-deforestation' and 'deforestation-free' are used in favour of 'zero deforestation' because 'zero' can imply an absolutist approach that may be at odds with the need sometimes to accommodate minimal levels of conversion at the site level in the interest of facilitating optimal conservation and production outcomes (see definition for minimal level).

Non-compliance

The state of not complying with or fulfilling (or only partially complying with or fulfilling) a given commitment, policy, other obligation.

- In the context of the Accountability Framework, non-fulfilment of voluntary commitments and policies, non-compliance with applicable law, and adverse impacts to internationally recognised human rights are all considered instances of non-compliance.

Operation

A production unit or primary processing facility.

Outcome

Social, environmental, or other conditions or results.

- Outcomes are associated with 'on-the-ground' conditions within farms, forests, processing facilities, and landscapes. These outcomes may also be assessed and reported in aggregate (eg, at business unit or supply chain level), with reference to these same place-based social and environmental results.

Oversight

The act of overseeing the work of an assurance provider (eg, a verification body) to ensure the quality and legitimacy of the assurance process.

Performance

Quantitative or qualitative measures of social and environmental conditions or outcomes. Performance may be measured and reported in relation to a stated commitment, policy, goal, target, or other obligation.

Plot (of land)

An area of land with a particular ownership, land use, or other characteristic. A plot is frequently used as the basis for a cadastre or land registration system.

Primary processor

A business, cooperative, or other entity that conducts the first stage of processing after an agricultural or forestry raw material is harvested. Examples include palm oil mills, slaughterhouses, oilseed aggregation and crushing sites, coffee wet milling facilities, and sawmills processing logs into lumber.

Producer

The owner or manager of a production unit. This includes smallholders and other individual owners/managers, corporate entities, and communities that own or manage production systems.

Producer group

A grouping of agricultural or forestry producers that is organised and managed to aggregate or market products, or to provide services on behalf of its producer members.

- Producer groups include cooperatives, farmer associations, and groups managed by traders, processors, or government initiatives. These groups may serve different purposes, such as collective processing and marketing of their members' products, provision of inputs and training to group members, political alignment and advocacy to advance members' interests, or internal traceability and management systems to support compliance with external standards or market demands (eg, certification programmes).

Production unit

A plantation, farm, ranch, or forest management unit. This includes all plots used for agriculture or forestry that are under one management, located in the same general area, and share the same means of production. It also includes natural ecosystems, infrastructure, and other land within or associated with the plantation, farm, ranch, or forest management unit.

- A production unit can be a contiguous land area (regardless of any internal subdivisions) or a group of plots interspersed with other land units the same area or landscape and under the same management.



Progress

Advancement towards fulfilling environmental and social commitments, policies, goals, targets, or other obligations. Progress may refer to actions and/or outcomes that demonstrate — or serve as credible proxies for — improvements in performance.

Reference date

The date from which deforestation or conversion associated with a given area or supply chain is measured and/or managed.

Remediation / Remedy

Terms used interchangeably or in combination with one another to refer to both the process of providing redress for a negative impact and the substantive outcomes that can counteract, or make good, the negative impact. These outcomes may take a range of forms such as apologies, restitution, rehabilitation, restoration, financial or non-financial compensation, and punitive sanctions (whether criminal or administrative, such as fines), as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition.²⁹

Reporting

Conveyance of information on compliance, performance, or actions from one party to another.

- Sustainability-related reporting is typically from suppliers to buyers, supply chain companies to financial institutions, and all types of companies to external stakeholders (eg, government, civil society, and the general public). Reporting can be public (see definition of disclosure) or private (eg, internal, bilateral party-to-party, or one-to-many via supplier reporting platforms).

Responsible recruitment

Recruitment carried out within the law, in line with international labour standards, and with full protection of workers from abusive situations. It applies to recruitment both within and across national borders.³⁰

- The process of recruitment includes advertising, information dissemination, selection, transport, placement into employment and – for migrant workers – return to the country of origin where applicable. It applies to both jobseekers and those in an employment relationship.
- Responsible recruitment aims to address abuses found in recruitment, including deception about the nature and conditions of work; retention of personal documents or property; illegal wage deductions; payment of recruitment fees or costs; and restrictions of workers' movement or ability to leave a job. It is recognised that a combination of these abuses can amount to human trafficking or forced labour.

Restoration

The process of assisting the recovery of an ecosystem, and its associated conservation values, that has been degraded, damaged, or destroyed.

- This definition refers to restoration as a means to remedy environmental harms or reverse the loss of environmental values. The term 'restoration' is also used in the context of remediation of human rights harms, for which restoration may come in many forms (eg, restoration of benefits, employment, or access to lands). See the [Operational Guidance on Remediation and Access to Remedy](#).

²⁹ Adapted from the UN Guiding Principles Reporting Framework

³⁰ Adapted from ILO



Retailer

A company that sells products directly to individual consumers. This includes supermarkets, convenience stores, lumber and home improvement stores, home furnishings stores, online retailers, restaurant chains, and the like.

Rightsholder

A stakeholder whose human rights may be put at risk or impacted by company operations, supply chains, or financial investments.³¹

Risk

The probability of a potential adverse impact combined with its potential seriousness.

Risk assessment

A systematic process of evaluating risk in a company's current or future operations, supply chains, and investments.

- In the context of the Accountability Framework, this term refers to the assessment of risk of non-compliance with company commitments, policies, or other obligations related to the Accountability Framework's scope, including adverse impacts to internationally recognised human rights. This is different from the use of the term in a general business context, where it refers to the assessment of financial risks and the drivers of such risk (eg, legal risk, credit risk, reputation risk, and others). Risk of adverse social and environmental impacts, including non-compliance with company commitments, policies, or other obligations, can be an important element of broader business risk.

Safe and healthy workplaces

Workplaces in which companies take effective steps to prevent potential health and safety incidents and occupational injury or illness arising out of, associated with, or occurring in the course of work.³²

Salient (human rights issues)

Human rights issues that stand out because they are at risk of the most severe negative impact through the company's activities or business relationships.³³

Segregated

A chain of custody model under which materials with particular characteristics of interest are kept physically separate from materials that may lack these characteristics, although materials are not necessarily traced and controlled back to a single identifiable source and may be mixed from among multiple sources. Segregated chain of custody is used commonly but not exclusively in the context of certification.

³¹ Adapted from the OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector Framework

³² Source: ILO Constitution

³³ Source: UN Guiding Principles Reporting Framework

Smallholder

Small-scale agricultural or forest products producers that are distinct from larger-scale producers found in similar contexts by virtue of many or all of the following characteristics:

- high degree of dependence on family labour
- profits accrue primarily to the farm's or forest's owner(s) and their family
- the farm or forest provides a primary source of livelihood for the smallholder
- production units have a relatively small land footprint (relative to the range of production unit sizes for the given commodity and region)
- household resources are allocated to both food crops and cash crops
- relatively low use of agricultural inputs and generally low productivity and yields
- significant economic constraints, such as lack of capital assets and low access to finance
- significant information constraints, including lack of technical knowledge and low access to market information

Consistent with the criteria and parameters outlined in the above definition, numerous governments, international agencies, policies, and sector initiatives provide more specific and quantitative definitions of smallholders, which may differ depending on location, land use type, and commodity. Where companies participate in certification programmes, sector programmes, or jurisdictional initiatives that define smallholder production, they may adopt those definitions when they appropriately reflect the above characteristics as relevant in the given context.

Smallholder group

A producer group whose membership is composed of smallholder producers.

Sourcing area

An area or region from which materials in a supply chain originate.

- Sourcing areas could include a sourcing radius or a supply-shed around a first point of collection or processing facility (eg, a radius from a palm oil mill); a defined set of production units supplying a particular aggregator or buyer (eg, the area covered by a smallholder cooperative); or a landscape or subnational jurisdiction (eg, municipality) from which materials are sourced.

Spot market

A market in which commodities are bought and sold for immediate delivery.

Stakeholder

A person, group, or organisation with an interest in a company's production, sourcing, and financial investments, the ability to influence the outcomes of these activities, and/or the potential of being impacted by these activities.

Supplier

A producer or company that supplies raw materials, processed materials, or finished products to a buyer.

- Suppliers can include producers, processors, traders, and manufacturers. For instance, farms or processing mills supply raw or processed materials to traders, while manufacturers supply consumer products to retailers.
- A given company can be both a supplier and a buyer.
- A supplier may either be a direct supplier (selling directly to the buyer) or an indirect supplier (selling to an intermediary that is one or more steps removed from the buyer).



Supplier engagement plan

Documentation of the actions that a buyer intends to implement to support its suppliers and help ensure that these suppliers comply with the buyer's social and environmental commitments, policies, goals, targets, and other obligations.

Supply base

The actual or potential places of origin of materials in supply chains. The supply base includes: (i) production units; (ii) primary processing facilities; and (iii) sourcing areas.

Supply chain mapping

The process of identifying the actors in a company's supply chain and the relationships among them.

Suspension

Action by a buyer to pause purchasing from a supplier while continuing to engage the supplier to resolve and remediate non-compliance or other identified issues.

Target date

The date by which a given company (or other commitment- or policy-issuing entity) intends to have fully implemented its commitment or policy.

Traceability

The ability to follow a product or its components through stages of the supply chain (eg, production, processing, manufacturing, and distribution).

Trader

A business that purchases and sells raw or primary processed agricultural or forestry materials. Traders commonly also provide transport services for these goods. Trading companies may also engage in primary or secondary processing.

Traditional livelihoods

The traditional ways in which Indigenous Peoples and local communities have adapted to their surroundings, using culture, values, and customary law to secure their livelihoods and to maintain, preserve, and transmit to future generations their spiritual and cultural identity.

- Traditional activities such as weaving, fishing, hunting, shifting cultivation, and wildlife rearing may evolve to account for contemporary and changing social, political, and economic circumstances, but do not necessarily lose their origins in a traditional livelihood.³⁴

Transparency

The public disclosure of information in a form and manner accessible to stakeholders.

- See Section 3 of the Operational Guidance on Reporting, Disclosure, and Claims for more detail, including the type of information that should be made transparent.

³⁴ Source: UNDP Social and Environmental Standards (SES) Standard 6: Indigenous Peoples

Tree plantation

A forest predominantly composed of trees established through planting and/or deliberate seeding that lacks key elements of a natural forest native to the area, such as species composition and structural diversity.

- Tree plantations generally have one or a few tree species and tend to include one or more of the following characteristics:
 1. planted on cleared land
 2. harvested regularly
 3. trees are of even ages
 4. products from the plantation are managed and processed for commercial production
- Tree plantations can consist of trees planted for timber, pulp, non-timber forest products (eg, rubber latex), or ecosystem services (eg, soil stabilisation). Plantations dominated by agricultural species (eg, fruits or oil palm) are considered agriculture, not tree plantations.
- There exist a range of 'boundary cases' where sites have some characteristics of tree plantations and some characteristics of natural forests. Please see the [Operational Guidance on Applying the Definitions Related to Deforestation and Conversion](#) for more information on such cases.

Upstream

A position in the supply chain closer to the raw material origin.

Verification

Assessment and confirmation of compliance, performance, and/or actions relative to a stated commitment, policy, goal, target, or other obligation. Verification signifies that information is checked and confirmed by persons other than those involved in the operation or entity being assessed.

Related definitions include the following:

- First-party verification: Verification conducted by the company itself but carried out by personnel not involved in the design or implementation of the operations being verified.
- Second-party verification: Verification conducted by a related entity with an interest in the company or operation being assessed, such as the business customer of a production/processing operation or a contractor that also provides services other than verification.
- Third-party verification: Verification conducted by an independent entity that does not provide other services to the company.

Vulnerable workers

Workers who may be at greater risk of having their rights violated and for whom special protections should be put in place. Vulnerability is not an absolute term or descriptor and is influenced by various factors that can change depending on geographic region, industry, and season, for example. These types of factors throughout global supply chains can create specific vulnerabilities for populations such as women, young workers, migrant workers, minority populations (Indigenous Peoples and local communities), and temporary workers.³⁵

³⁵ Adapted from the Ethical Trade Initiative definition of vulnerable workers



Zero net deforestation

No net loss in forest area between two points in time, taking into account both losses from deforestation and gains from forest regeneration and restoration. Zero net deforestation is typically assessed with reference to a given geographic area (eg, a district, state, nation, or globe) and a given timeframe.

- The AFI advocates against the use of zero net deforestation as a target related to the forest and land-use footprint or outcomes of company operations, supply chains, or investments.
- This definition is provided here for context and completeness because it sometimes appears in the lexicon. Zero net deforestation may be a relevant target at the landscape, jurisdictional, or national scale, considering all sectors and all land uses together. To the extent that such a target is set in these contexts, the AFI advocates that the target also be disaggregated to establish separate sub-targets for and tracking of natural forests and tree plantations, so that the intended types of forest conservation, loss, and/or gain are clearly specified.



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