



28 January 2025

Public consultation webinars

Webinar 1: 9am WIB | 10am MYT

Webinar 2: 10am ET | 3pm GMT | 4pm CET





Agenda

Time	Agenda item
0:00	Welcome; introduction to the AFI
0:05	Overview of the Accountability Framework updating process
0:10	Summary of the 11 consultation topics
0:45	Q&A
1:00	Adjourn



Responsible supply chains are essential and possible – but not yet the norm

‘Business as usual’ agriculture and forestry are leading drivers of negative impacts, including:

- deforestation, conversion, and associated GHG emissions
- land grabbing and violence against Indigenous Peoples
- other human rights violations (eg, forced labour and child labour)

The Accountability Framework initiative (AFi):

- a collaborative programme to make responsible supply chains the new normal in the agri-food and forest products sectors...
- ...by addressing gaps in ambition, implementation, monitoring, and accountability





The AFi Coalition



AFi Backbone Team
co-hosted by:





The Accountability Framework

A practical roadmap for responsible supply chains



Global

All regions where production of agricultural and forest commodities poses risk of deforestation, conversion, and human rights abuses



Cross-commodity

Soy, palm oil, beef and leather, timber, rubber, cocoa, coffee, and others



End-to-end supply chain

Producer, processor, trader, manufacturer, retailer



A management system for responsible supply chains





Who uses the Accountability Framework?

Improving company policies and practices



350+ companies
across the supply chain



Financial
institutions



Strengthening and aligning the enabling environment



75+ industry and multi-
stakeholder initiatives



Standards
and tools



Accountability
standards and initiatives



Public
policy



Updates to the Accountability Framework





Overview of the Framework updating process

Document		Status
Core Principles		Updated in April 2023
Definitions		Updated in February 2024
Operational Guidance	<ul style="list-style-type: none"> Applying the Definitions Related to Deforestation and Conversion Cutoff Dates 	Updated in 2023
	<ul style="list-style-type: none"> Supply Chain Management Monitoring and Verification 	Updates in this consultation
	<ul style="list-style-type: none"> Supply Chain Assessment and Control Uses of Certification in Responsible Sourcing Company Commitments, Targets, and Progress Trajectories 	New guidance in this consultation
	<ul style="list-style-type: none"> Reporting, Disclosure, and Claims Respecting the Rights of Indigenous Peoples and Local Communities Workers' Rights Free, Prior, and Informed Consent (FPIC) 	Updated versions to be published in 2025
	<ul style="list-style-type: none"> Achieving Commitments through Collaboration Environmental Restoration and Compensation Remediation and Access to Remedy Smallholder Inclusion Voluntary Commitments and Applicable Law 	Updates to be prepared later; 2020 versions available



Purpose and scope of the consultation

Why:

- **Update guidance** to reflect learning and innovation from recent years
- **Address ‘live’ issues** where lack of clarity or alignment may impede progress
- **Strengthen linkages** to recent and emerging regulation, mandates, and trends (eg, EU regulation, climate and nature frameworks, and mandatory disclosure)
- **Improve user-friendliness**, informed by user feedback

How:

- Technical working groups and research
- Company and stakeholder consultation
- AFi Coalition review / approval

Updates are expected to build on the current Framework, providing continuity for existing Framework users.



Topics covered in the consultation

Supply chain traceability, assessment, and control

- Topic 1: Product unit-level traceability and control
- Topic 2: Area-level traceability and control
- Topic 3: Certification
- Topic 4: Supplier control systems

Supply chain management

- Topic 5: Responsible procurement
- Topic 6: Determining appropriate responses to non-compliance
- Topic 7: Pathway back to compliance
- Topic 8: Responsible Disengagement

Verification

- Topic 9: Verification

Targets and progress trajectories

- Topic 10: Improvement pathways for difficult-to-trace product volumes
- Topic 11: Target dates and fulfilment of targets





Overview for Topics 1-4

Addressing supply chain assessment, traceability, and control

Accountability Framework Core Principle 5: “Companies know the origins and compliance status of materials in their supply chains.”

- First buyers know the know the origin of raw materials to the level of the production unit.
- Downstream buyers may meet this requirement through multiple options:
 1. Traceability and control to the production unit
 2. Traceability and control to a sourcing area
 3. Use of certification
 4. Use of supplier control systems

Updates focus on providing:

- More detail on the effective use of each method
- Criteria for each method to be suitable for meeting traceability and control requirements

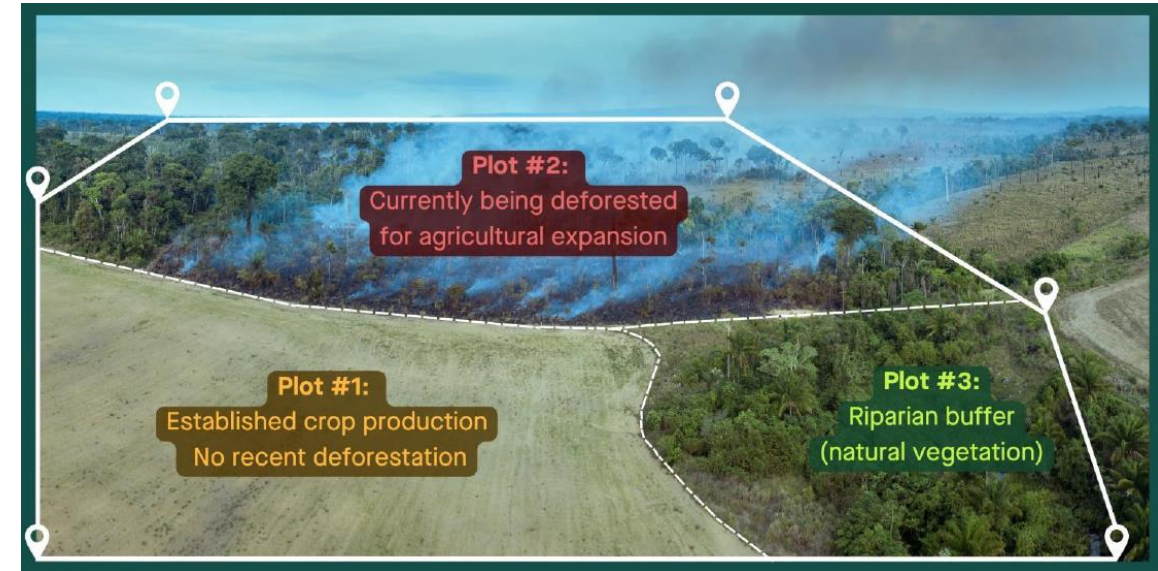


Topic 1: Production unit-level traceability and control

‘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.

Proposed updates:

- Emphasise that compliance should be assessed at the production unit level
- Clarify that commodity buyers should use this “whole production unit approach” for compliance monitoring, and ask suppliers to do the same
- Explain alignment of this approach with other laws or monitoring approaches that might allow or call for sub-farm level assessment or data (eg, EUDR)





Topic 2: Area-level traceability and control

Current AFi guidance:

- Criteria for when area-level traceability/control may be used to demonstrate compliance

Proposed updates:

- Principles for ensuring appropriate use of area-level traceability and control methods, eg:
 - Attend to all salient environmental and social risks
 - Supplement retrospective assessment with forward-looking monitoring and response
 - Not appropriate when purchasing directly from producers
- Methods for credible area-level monitoring and control of deforestation/conversion:
 - Appropriate timeframe, spatial resolution, and currentness
 - Homogeneously low risk across the entire area
 - Assess deforestation/conversion for all types of production
 - Precautionary approach
- Emphasise values of pursuing further traceability



Topic 3: Certification

Context: Broadening of the potential use cases for certification has raised new questions about when and how this tool may best be used (and supplemented where needed) to fulfil a variety of purposes.

New guidance (working draft):

- Guidance for assessing the features and functions of any certification programme
 - Production-level standard
 - Chain of custody (CoC) model [aligned with ISEAL typology]
 - System requirements for credibility and rigour
- Distinguish between physical (eg, segregated) and non-physical (eg, mass balance) CoC
- Using certification with physical CoC for product volume compliance, performance, and due diligence
- Using and supplementing certification with non-physical CoC
- Guidance for reporting on compliance status of certified materials
- Decision tree for uses of certification



Topic 4: Supplier control systems

Supplier control system: A supplier's systems for traceability, monitoring, and control to assess and manage the origins and compliance of materials in their supply chain, and to furnish this information to buyers.

Current AFi guidance:

- Buyers must assess the adequacy of suppliers' control systems and pursue supplemental measures if they are not adequate.
- Supplier control systems must 'cascade' upstream to the supply base level.

Proposed updates:

- Detail specific criteria for effective and rigorous supplier control systems.
- Clarify that supplier control systems may make use of any of the Framework's methods for traceability and control (production unit level, area level, certification)



Overview for Topics 5-8: supply chain management

Supply chain management: Actions by commodity buyers to manage their entire supply chain, considering both current and future risk, performance, and compliance. This includes the buyer's purchasing policies, practices, and systems, as well as its relationships with suppliers.

Specific topics in the public consultation:

5. Responsible procurement
6. Responses to non-compliance
7. Pathways back to compliance
8. Responsible disengagement



Topic 5: Responsible procurement

Current AFi guidance:

- Buyers should align sourcing practices with responsible supply chain commitments and obligations.
- Responsible sourcing should cover direct and indirect sourcing across all origins and products.

Proposed updates:

- More in-depth guidance on supplier selection, screening, and onboarding
 - Criteria for selection of new suppliers, aligned with the buyer's policies and obligations
 - Consider prospective suppliers' policies, practices, and performance
- Additional detail on purchase control systems to assess and ensure product batch compliance before purchase
- Improving control of spot market purchasing (and shift towards buying arrangements that afford more opportunity for supplier engagement when possible)



Topic 6: Determining appropriate responses to non-compliance

Current AFi guidance:

- Companies should manage non-compliance to resolve such issues expeditiously without enabling or promoting further non-compliance (Core Principle 6).
- Assess non-compliance and response based on severity, culpability, and supplier commitment to improvement.
- Inclusive approach: default is to engage non-compliant suppliers to support improvements rather than immediate exclusion.
- Improvement process should include time-bound plans, monitoring, and follow-through from both supplier and buyer. Buyer should support improvement process, as appropriate.



Topic 6: Determining appropriate responses to non-compliance

Proposed updates:

- Contextualised guidance on responses to non-compliance and criteria for when to purchase from supplier based on where they sit in the supplier chain, including
 - Purchasing directly from production units with non-compliance
 - Purchasing from compliant production units, but the producer has non-compliance on other operations
 - Purchasing from suppliers downstream of producers
- More detail to inform decision-making regarding suspension or exclusion of suppliers with persistently low performance or unwillingness to improve



Topic 7: Pathway back to compliance

The context:

- Resolving non-compliance in supply chains is a priority, but steps for re-entering supply chains or regaining compliance are often unclear.

Current AFi guidance:

- The Accountability Framework provides guidance on addressing non-compliance and adverse impacts related to deforestation, conversion, and human rights.
- Suppliers and their buyers should provide a clear, publicly available implementation plans and timetables for returning to compliance.



Topic 7: Pathway back to compliance

Proposed updates:

- Criteria for pathways back to compliance after post-cutoff deforestation or conversion including:
 - Eligibility – Supplier should not have systemic or ongoing non-compliance
 - Actions –
 - Measures to remedy post-cutoff date deforestation or conversion through restoration and/or compensation
 - Ongoing monitoring
 - Systems to prevent future non-compliance
 - Progress – remedy is underway and elements for its long-term success are in place
- Guidance on when and how production units or supply chain volumes may be reported as compliant following re-entry into supply chains



Topic 8: Responsible disengagement

Current AFi guidance:

- Supplier exclusion may be required if a supplier is persistently non-compliant and/or unwilling to improve.

Proposed updates:

- Emphasise need for responsible disengagement to ensure this process is as protective as possible of potentially affected people and ecosystems
- Outline steps to take before and after deciding to terminate a business relationship:
 - Assessment of non-compliance
 - Seek to increase leverage/influence (eg, commercial action or direct support)
 - Define and communicate rationale for and scope of exclusion
- Identify measures to minimise adverse impacts when disengaging, eg:
 - Provide reasonable notice
 - Support rights and livelihoods of workers and smallholders
 - Engage in collaborative or landscape-level solutions to help address root causes



Topic 9: Verification

The context:

- Verification is a growing expectation due to regulations and stakeholder expectations, but it is not always clear when, how much, or what types of verification are necessary or appropriate

Current AFi guidance:

- The Accountability Framework outlines characteristics of credible first-, second-, and third-party verification, eg:
 - consistency based on documented procedures
 - rigorous methodologies and auditable metrics
 - qualified auditors
 - impartiality and independence
 - transparency and stakeholder engagement
 - link audit/verification to improvement processes
- Specifies good practices for third-party verification and when it is necessary



Topic 9: Verification

Proposed updates:

- Differentiate verification approaches for internal management vs. external validation
- Provide parameters for verification for each of four use cases:
 - Fulfilling regulations that require assurance of sustainability disclosure
 - Substantiating claims on specific product volumes
 - Substantiating public-facing reporting
 - Verifying adequacy of supply chain due diligence
- Provide guidance on what should be verified (based on use case), e.g.
 - **Product volume** compliance or performance: requires verifying traceability to origin, chain of custody for product, and compliance or performance at origin
 - **Supply chain level** aggregate compliance or performance, systems, and controls
 - **Company level** sustainability disclosures
- Outline verification requirements for demonstrating verified deforestation- and conversion-free (vDCF) status of product volumes



Topic 10: Improvement pathways for difficult-to-trace product volumes

The context:

- Companies often face challenges in achieving adequate control of difficult-to-trace product volumes. This may be due to:
 - Challenges upstream, eg, multiple tiers of indirect suppliers; informality of local trade
 - Challenges downstream, eg, multiple processing stages for derivatives; commodities embedded in animal feed

Current AFi guidance:

- Guidance on traceability for indirect suppliers and smallholders
- No specific guidance on derivatives and embedded volumes



Topic 10: Improvement pathways for difficult-to-trace product volumes

Proposed updates and additions:

- Definitions of derivatives, embedded commodity volumes, etc.
- Reinforce that company responsible sourcing strategies should address derivatives and embedded volumes
- Where there is insufficient traceability and control, companies should pursue both of the following:
 - Improvement measures: steps towards greater traceability and control
 - Investment measures: address risks and support improvement at the supply base level
- Additional guidance on:
 - Assessment / accounting: quantify embedded volume footprint
 - Reporting / disclosure: on quantity, status, and improvement/investment measures for volumes with inadequate traceability and control



Topic 11: Target dates and fulfilment of targets

The context:

- Many companies have set responsible supply chains goals, such as no-deforestation by 2025. Progress towards these goals varies, with some not on track.
- Other companies have not set goals, and some hesitate to do so.
- In 2025 and beyond, it will be essential to maintain ambition, sustain achievements made to date, foster further progress, and facilitate accountability.

Current AFI guidance:

- Core Principle 3 calls on companies to set ambitious, timebound commitments across the entire business.
- Commitments on deforestation and conversion specify a target date: “The date by which a given company intends to have fully implemented its commitment or policy”
- Provides standardised metrics for disclosing progress, including exposure, risk, and performance indicators (eg, % of materials that are deforestation-free).



Topic 11: Target dates and fulfilment of targets

Proposed updates:

- Provide further clarity on what it means to fulfil a commitment (by a target date):
 - All or nearly all materials in the company's supply chain comply with the commitments
 - The company has effective systems to prevent and avoid non-compliance, monitor its supply base, and respond as needed
 - Fulfilling a commitment is not a one-time achievement
- Additional guidance on post-2025 public commitments and action plans
 - Retain goals of original commitment (if existing) or establish goals (if not pre-existing)
 - Define and publish short-term improvement plans and targets (1-2 yr rolling basis), in addition to any longer-term goals and endpoints or milestones
- Disclose progress annually in line with AFi guidance and metrics. Includes standardisation of measures including:
 - Deforestation- and conversion-free status for 100% of sourced volumes
 - Traceability status for 100% of sourced volumes
 - Management responses and timeline for all volumes not known to be compliant



How to participate

Learn more about the consultation topics:

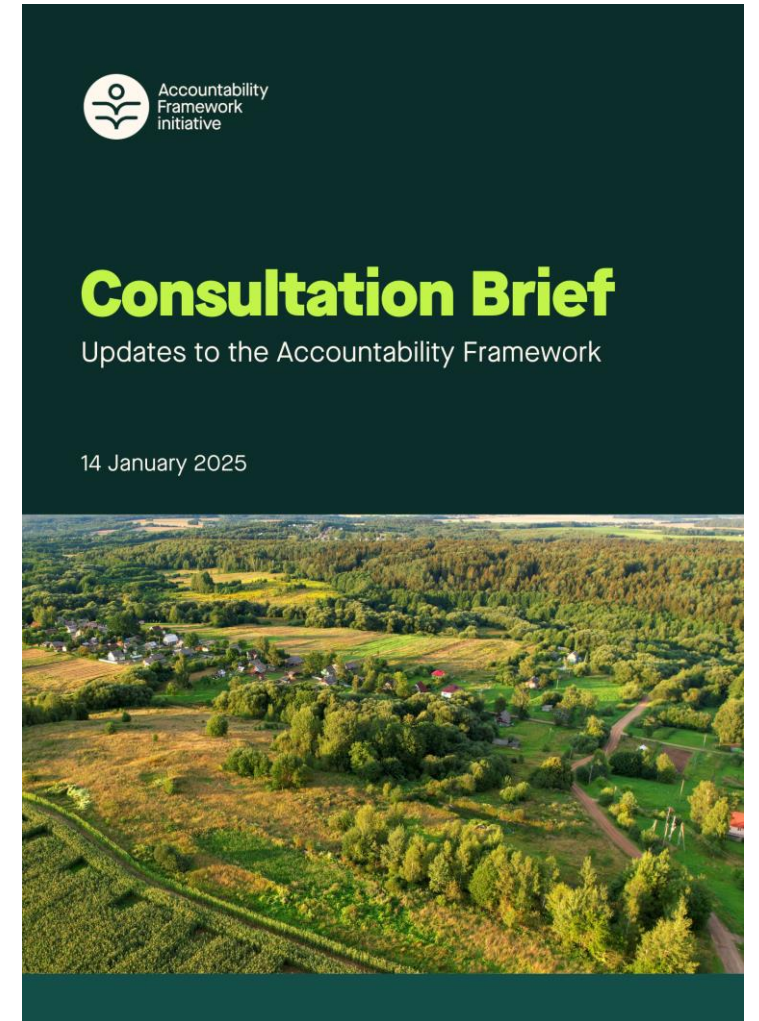
- Access the [consultation webpage](#).
- Review the full [Consultation Brief](#) for detailed information.

Provide your feedback:

- Complete the [online survey](#), which includes consultation questions for each topic. Share input on as many or as few topics as you choose.
- Submit feedback via email if preferred: consultation@accountability-framework.org

Timeline:

- Consultation period: 14 January – 14 March 2025.



← Scan here or go to bit.ly/4iN9wTS to access the Consultation Brief



Q&A

Scan here or go to bit.ly/4iN9wTS to access the consultation web page and Consultation Brief



For questions or general comments, email us via:
consultation@accountability-framework.org



Accountability
Framework
initiative

Thank you!