Before we start

Recording

A link to the webinar recording and slides will be emailed to all participants and available on the AFi website.

Questions

Please use Zoom's Q&A function throughout the webinar to submit your questions.

Chat

The chat function is disabled in Zoom.

Post-event survey

Tell us how we can improve in our post-event survey.

Today's panel

Leony Aurora
Landscapes & Partnerships Lead
Tropical **Forest Alliance**

Alexander Murillo
Global Lead Forest & Climate
Nestlé

Jeff Milder
Director
Accountability Framework initiative

Gita Syahrani
Chairwoman
Earth-Centered Economy Coalition

Now, a bit about you

Poll:
What is your involvement in landscape or sourcing area-level efforts to advance responsible supply chains?

- I'm directly involved in such efforts (eg, as a company, service provider, or landscape stakeholder)

- I'm not yet involved, but I/we are interested in getting involved

- I'm not involved in specific landscape or sourcing area-level efforts, but I work on this topic at a broader level

- I'm familiar with the concepts and am interested in learning more

- Can we start at square one: What is a sourcing area and why does it matter?

The Accountability Framework initiative (AFi)

A collaborative effort to eliminate deforestation, ecosystem conversion, and human rights abuses from agricultural and forestry supply chains

AFi Backbone Team co-hosted by: MERIDIAN INSTITUTE, RAINFOREST ALLIANCE

The Accountability Framework
A practical roadmap for responsible supply chains

The Framework includes Core Principles, Operational Guidance, and Definitions that are:

Global
All regions where production of forest and agricultural 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, aggregator, trader, manufacturer, retailer.

The Accountability Framework

Action areas and Core Principles

1 Protection of forests and other natural ecosystems

2 Respect for human rights

3 Specification of commitments

4 Company systems to drive effective implementation

5 Supply chain assessment and traceability

6 Managing for supply chain compliance

7 Site establishment

8 Site management and long-term protection

9 Remediation and environmental restoration

10 Collaboration for landscape and sectoral sustainability

11 Monitoring and verification

12 Reporting, disclosure, and claims

Set goals

Establish company systems

Manage supply chains

Manage production

Collaborate

Monitor and verify

Report progress

Managing for responsible supply chains

Achieving responsible supply chains generally requires company action at three levels:

Product volume compliance
13 September 2023 webinar

Supplier performance
12 December 2023 webinar

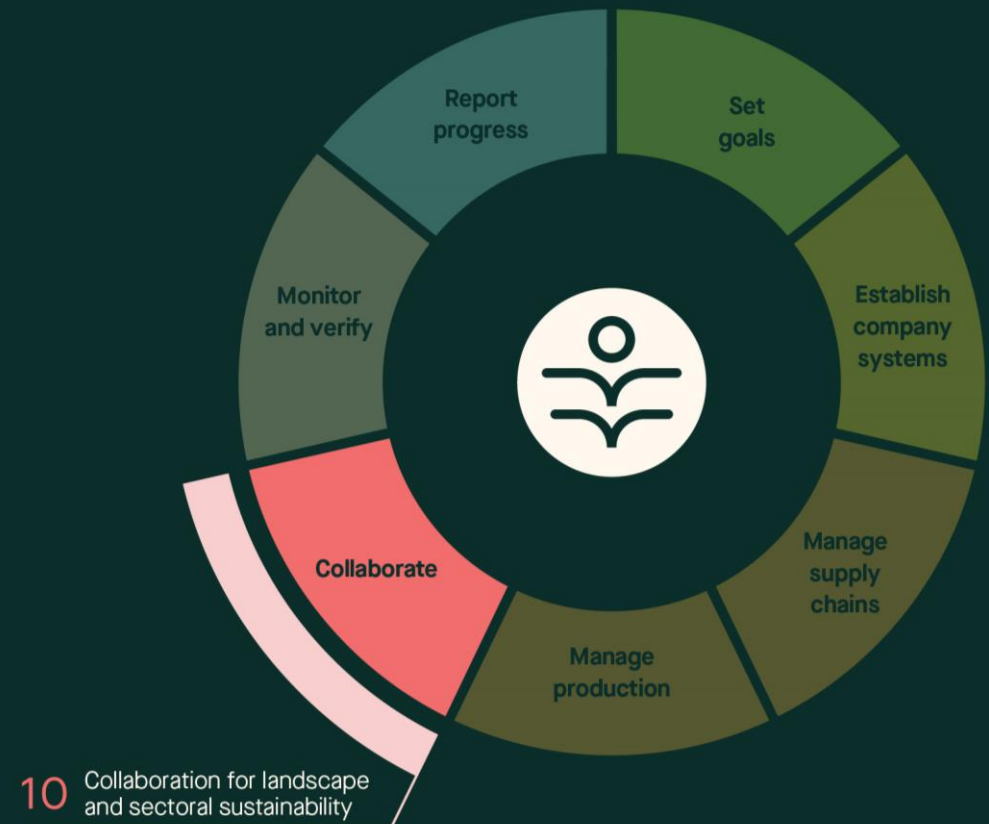**Sourcing area level impact**
22 February 2024 (this webinar)

Collaborate

Core Principle 10:

- "Companies collaborate with other stakeholders to address key social and environmental issues related to their businesses at the sectoral, landscape, and jurisdictional levels..."

Operational Guidance:

- Achieving Commitments Through Collaboration

10 Collaboration for landscape and sectoral sustainability

Why take action at the sourcing area or landscape level?

It is the best – or only – way for a company to fulfil its responsible supply chain commitments and obligations:

- Scope of influence: risks and impacts lie beyond the company's full control

- Dynamic supply chains: supply origins may shift among different plots or production units over time

- Forward-looking perspective: creating the conditions for future compliance

It addresses new trends in how companies are expected to identify and manage environmental and social issues linked to their business:

- Dependencies and impacts: the 'double materiality' lens, eg under TNFD and the EU Corporate Sustainability Reporting Directive (CSRD), requires a focus beyond product volumes

- Due diligence: requires identifying & addressing the causes of impact, which often lie beyond the production unit

- Emissions accounting: area-level performance may affect Scope 3 emissions footprint

- Landscape target-setting and disclosure: included in key frameworks, eg, SBTN and CDP

A few key concepts

Sourcing area

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

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.

Jurisdictional initiative

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

Leony Aurora
Landscapes & Partnerships Lead
Tropical Forest Alliance

Individual Action

1. Inability to address root causes and drive systemic change
2. Limited resources, scale and impact
3. Limited ability to leverage funding from others
4. Resource intensive
5. Solely responsible

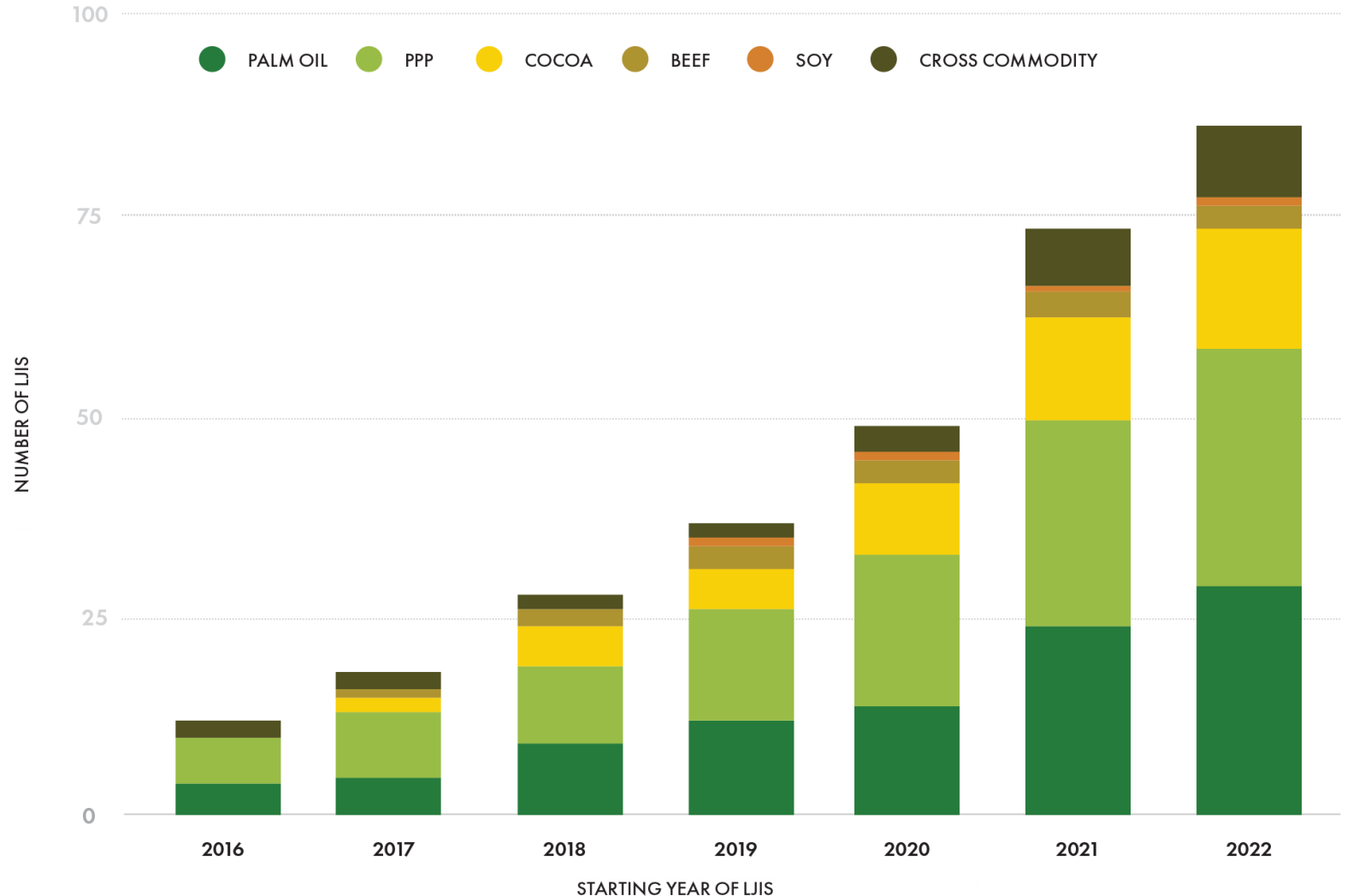**Transforming production landscapes alone is extremely challenging and expensive**

Collective Action

1. **Demonstrate leadership** and **set the agenda**
2. **Scale up** resources and impact across landscape
3. **Leverage funding** from public and private sector partners to extend reach
4. **Drive down costs** with economies of scale
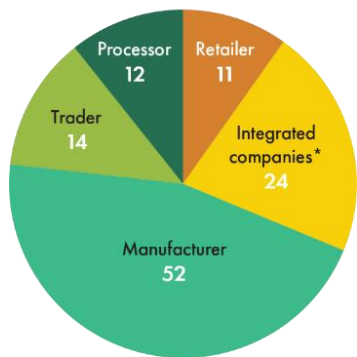5. **Sharing responsibility** and learning
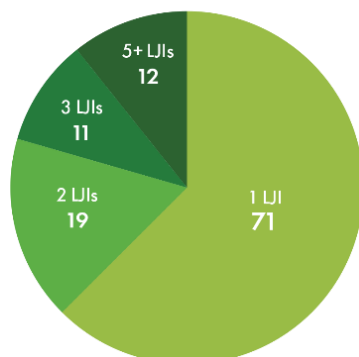
Companies' landscape-scale action

- 110+ downstream and midstream companies have taken action in cocoa, palm oil, pulp and paper, beef and soy landscapes

- 90+ LJIs have been supported by downstream, midstream and integrated companies
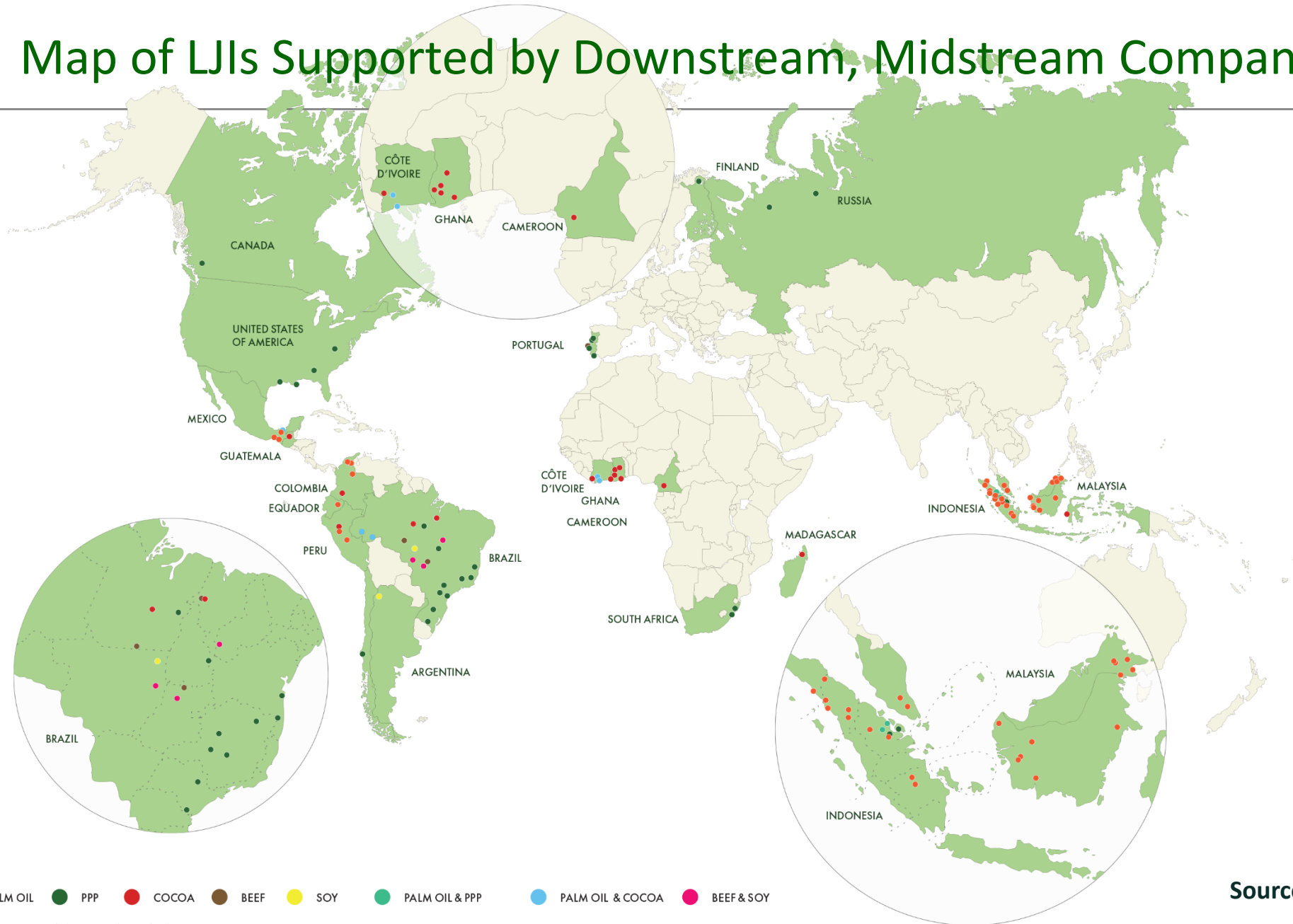
COMPANIES SUPPORTING LJIS BY TYPE

Processor 12
Retailer 11
Trader 14
Integrated companies* 24
Manufacturer 52

NUMBER OF LJIS SUPPORTED PER COMPANY

5+ LJIs 12
3 LJIs 11
2 LJIs 19
1 LJI 71

PALM OIL PPP COCOA BEEF SOY CROSS COMMODITY

NUMBER OF LJIS — STARTING YEAR OF LJI (2016, 2017, 2018, 2019, 2020, 2021, 2022)

* The graph reflects when the LJIs were established, not when the downstream and midstream companies started supporting them
Sources: TFA et al. (2023a, b, c, d, e).

14 **Source:** TFA, 2023

Map of LJIs Supported by Downstream, Midstream Companies

Legend: PALM OIL · PPP · COCOA · BEEF · SOY · PALM OIL & PPP · PALM OIL & COCOA · BEEF & SOY

Sources: TFA et al. (2023a, b, c, d, e)

Alexander Murillo
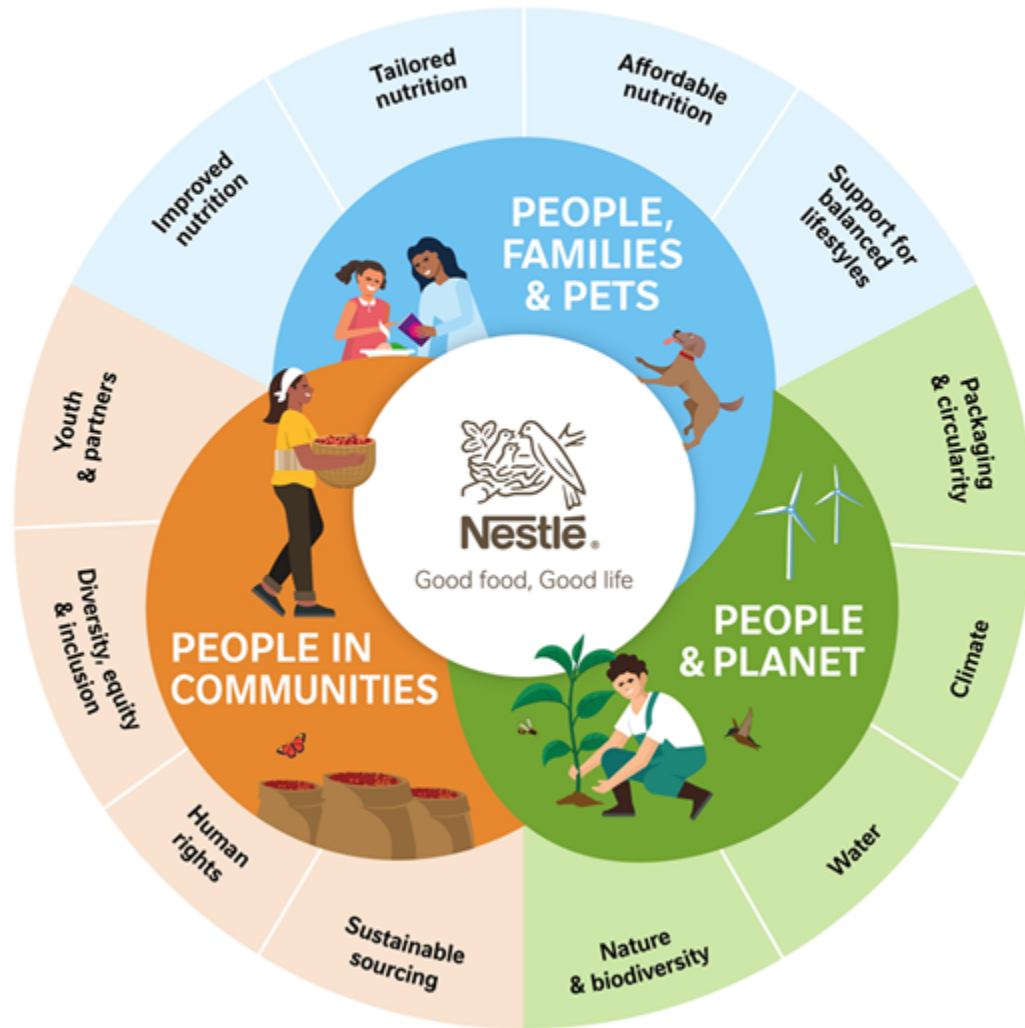Global Lead Forest & Climate
Nestlé

Good food, Good life

AFI 2023-2024 SERIES

WEBINAR #5: COLLABORATING FOR SUSTAINABILITY IN SOURCING LANDSCAPES

22 February 2024

AT NESTLÉ, WE ARE MAKING IT OUR BUSINESS TO ADVANCE REGENERATIVE FOOD SYSTEMS AT SCALE

Nestlé Forest Positive Strategy helping us to walk the talk of our Generation/Regeneration motto

Investing and engaging in our supply chains and beyond, to help restore the nature, mitigate climate change, enhance food security and improve livelihoods conditions.

Good food, Good life

FOREST POSITIVE STRATEGY

INVESTING AND ENGAGING IN OUR SUPPLY CHAINS AND BEYOND, TO HELP TRANSFORM THE KEY LANDSCAPES, WE SOURCE FROM.

I. Deforestation-free supply chains

We are working toward achieving and maintaining 100% deforestation-free supply chains for our key ingredients, using tools such as supply chain mapping, on-the-ground assessments, certification and satellite monitoring.

By the end of 2022, 99.1% of our primary supply chains for meat, palm oil, pulp and paper, soy and sugar were assessed as deforestation-free. Our palm oil supply chain presents the greatest opportunity to improve, with 95.6% assessed as deforestation-free.

We are aiming for deforestation-free supply chains for coffee and cocoa by 2025.

II. Long-term forest conservation and restoration in our supply chains

We are working to implement proactive measures to help keep forests standing and restore degraded forests and natural ecosystems while respecting the rights of Indigenous Peoples and Local Communities.

III. Sustainable landscapes

We are working to help transform the key landscapes we source from for the future.

Sustainable livelihoods and Respect for human rights

Drive **positive impact** and address **root causes** of risks and issues

Bring into **compliance** (e.g. EUDR, CSDDD, ...)

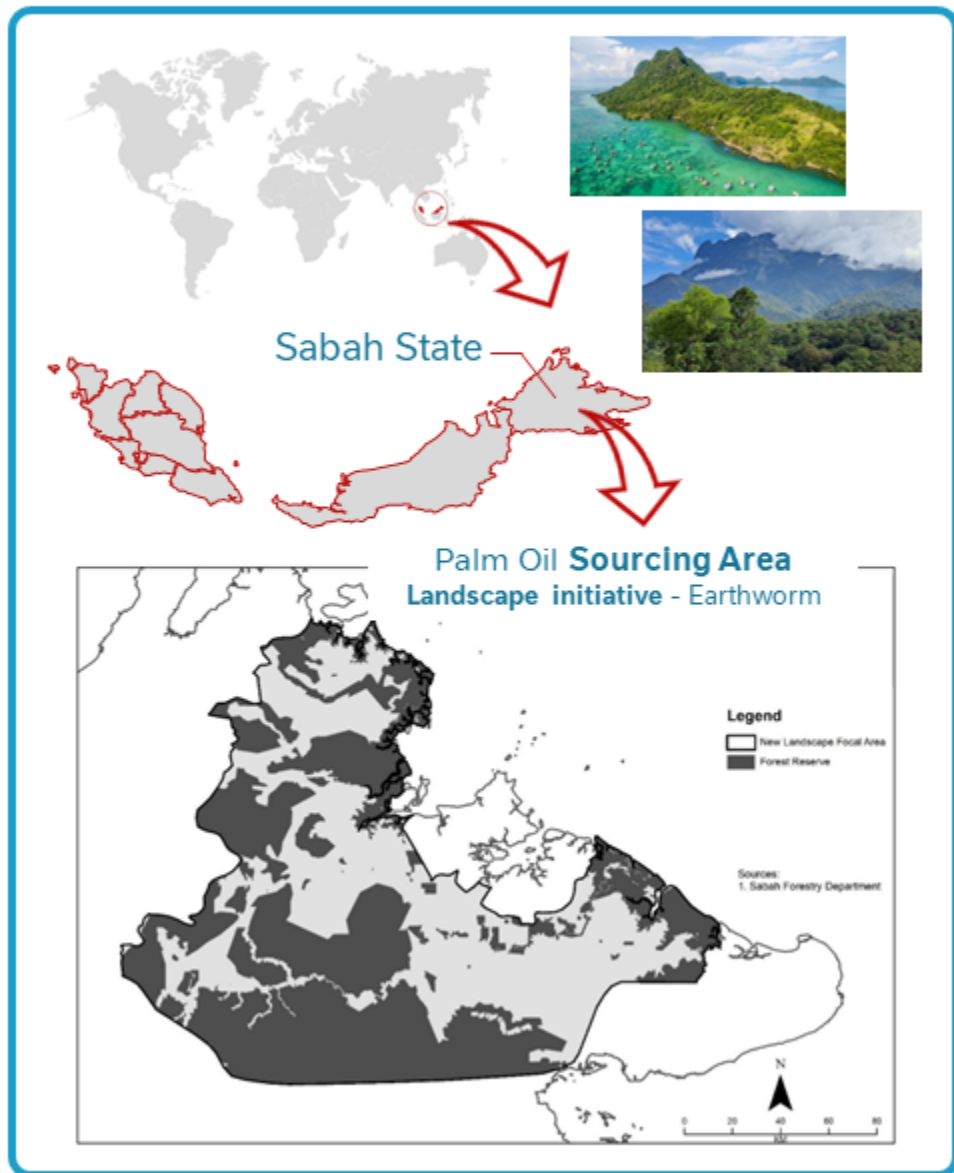Prepare for the **oncoming** Nature / HR based evolutions

Bring efficiency to delivery of both **Nestlé Global** and **Sourcing** commitments.
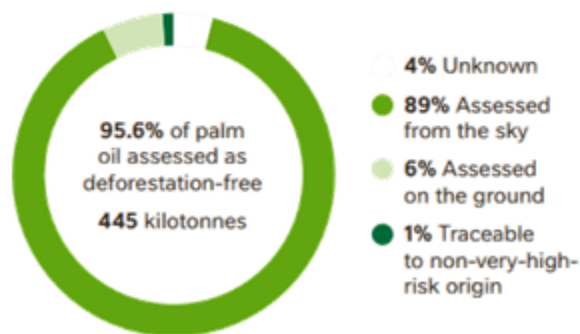
Good food, Good life

LET'S TAKE A TRIP TO MALAYSIA

Sabah State

Palm Oil **Sourcing Area**
Landscape initiative - Earthworm

Legend
- New Landscape Focal Area
- Forest Reserve

Sources:
1. Sabah Forestry Department

- Size of this **Sourcing area** : 2 340 949 ha
  (57% of Switzerland size)*

- Over 800 000 ha of palm
  and 55 000 ha of rubber / timber plantations

- Biodiversity hotspot with over 1.2 million ha
  indicative High Conservation Value areas

- An estimated 10 000 independent smallholders
  With limited knowledge on regenerative agriculture

- Challenges for migrant workers and their families

100% PALM OIL ASSESSED DEFORESTATION-FREE BY 2022

95.6% of palm oil assessed as deforestation-free
445 kilotonnes

- **4%** Unknown
- **89%** Assessed from the sky
- **6%** Assessed on the ground
- **1%** Traceable to non-very-high-risk origin

ROOT CAUSES

If people don't see their livelihoods improve, deforestation will come back

To help protect, restore and regenerate forests and natural ecosystems while promoting sustainable livelihoods and helping to protect the rights of Indigenous Peoples and Local Communities

* Size of Switzerland: 4,12 mha (www.eda.admin.ch)

Good food, Good life

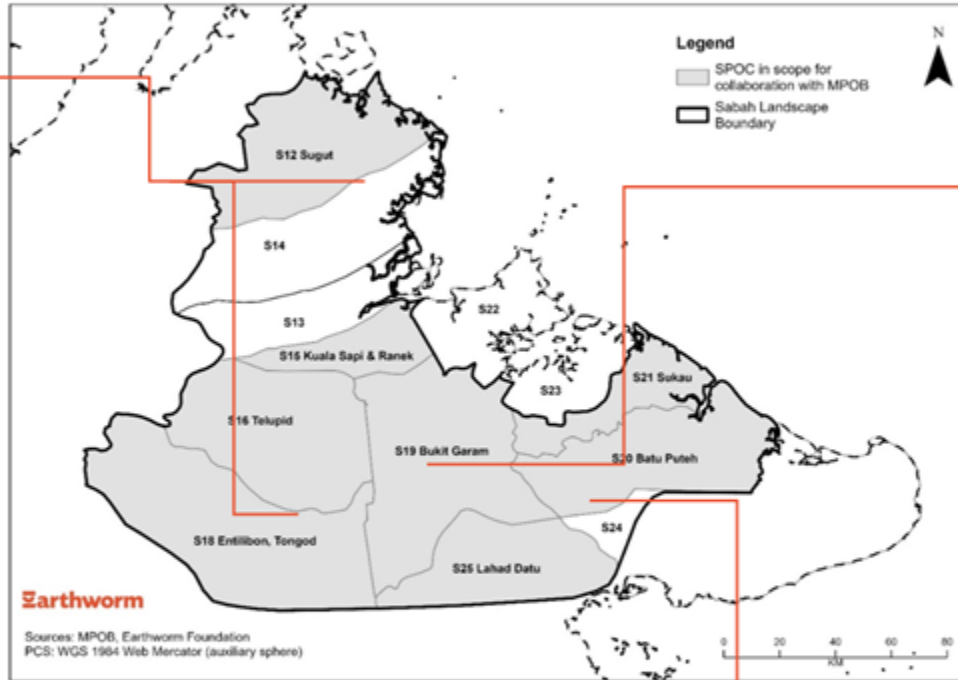# ZOOM ON EARTHWORM – SABAH LANDSCAPE INITATIVE

Key projects

Protection of Forest Linked to Communities

Forest loss were detected in high priority HCV areas in Sugut and Tongod region, where EF are engaging local communities and stakeholders to address forest loss through a **multi-stakeholder holistic land use planning** process.

Smallholder Resilience

Landscape-wide, **over 1,500** new farmers were registered for sustainability certification (MSPO), income diversification and good agricultural practice programme. Of which, over **700** farmers have embarked on activities to build resilience.

Protection of Forest and Biodiversity

Over 15,000 ha of elephant ranging area is managed under a multi-stakeholder human-elephant coexistence programme in Ulu Muanad.

Safeguard Workers and Family Welfare

46 companies were trained in decent work practices among employers, and a **child sensitive grievance mechanism** was introduced.

In 2023, over **3,000 ha of forest loss** were detected

- 35% likely linked to communities' land clearing
- 62% in forest reserves, largely legally permitted logging

Key progress in 2023, achieved through collective actions

- **Supply chain transformation:** Over 80% of mills are making progress to achieve 100% traceability
- **Forest protection:** 9,500 ha of community land engaged to address forest loss
- **Resilience farmer:** Over 1,500 smallholders trained
- **Workers and Families:** Over 1,600 workers and 300 children impacted indirectly

Map Legend:
- SPOC in scope for collaboration with MPOB
- Sabah Landscape Boundary

Map regions: S12 Sugut, S14, S13, S22, S15 Kuala Sapi & Ranek, S23, S16 Telupid, S21 Sukau, S19 Bukit Garam, S20 Batu Puteh, S18 Entilibon, Tongod, S24, S25 Lahad Datu

Earthworm
Sources: MPOB, Earthworm Foundation
PCS: WGS 1984 Web Mercator (auxiliary sphere)

Associated Funder
- Johnson & Johnson
- Reckitt

Contributors
- ADM Cares (Archer Daniels Midland)
- Colgate Palmolive
- Givaudan
- Groupe Rocher
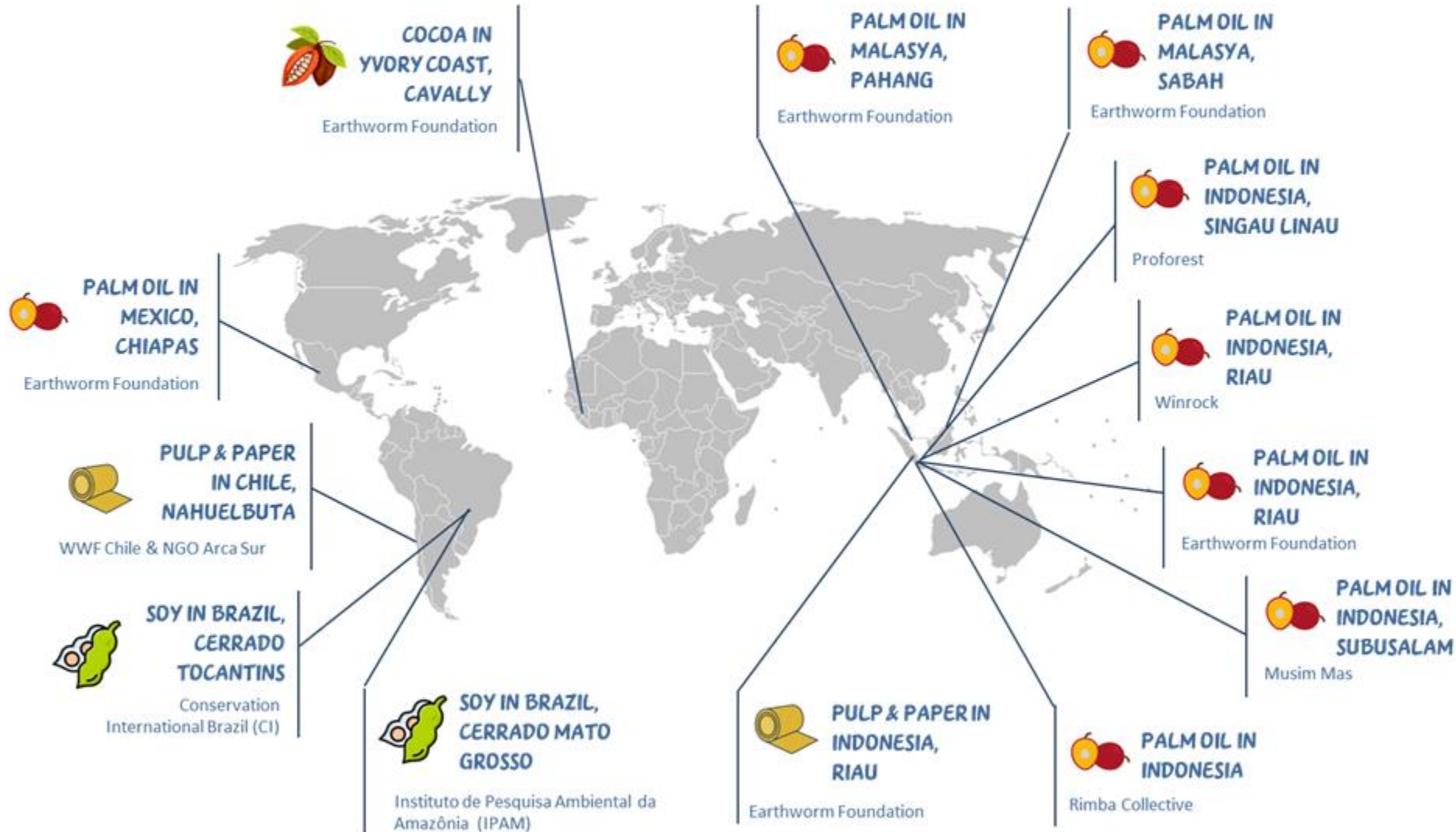- IOI Group
- Nestlé
- KLK - Kuala Lumpur Kepong Berhad

Field Partners
- Agrovet Citra Trading
- KLK Sawit Nusantara (Formerly IJM Plantations)
- Malaysian Palm Oil Board
- MEGES Nature Farm Enterprise
- Sabah Labour Department
- Sabah Wildlife Department
- Seratu Aatai

www.earthworm.org/our-work/projects/sabah-malaysia

The Consumer Goods FORUM | Forest Positive

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EXAMPLES OF LANDSCAPE INITATIVES SUPPORTED BY NESTLÉ

COCOA IN
YVORY COAST,
CAVALLY

Earthworm Foundation

PALM OIL IN
MALASYA,
PAHANG

Earthworm Foundation

PALM OIL IN
MALASYA,
SABAH

Earthworm Foundation

PALM OIL IN
INDONESIA,
SINGAU LINAU

Proforest

PALM OIL IN
MEXICO,
CHIAPAS

Earthworm Foundation

PALM OIL IN
INDONESIA,
RIAU

Winrock

PULP & PAPER
IN CHILE,
NAHUELBUTA

WWF Chile & NGO Arca Sur

PALM OIL IN
INDONESIA,
RIAU

Earthworm Foundation

SOY IN BRAZIL,
CERRADO
TOCANTINS

Conservation
International Brazil (CI)

PALM OIL IN
INDONESIA,
SUBUSALAM

Musim Mas

SOY IN BRAZIL,
CERRADO MATO
GROSSO

Instituto de Pesquisa Ambiental da
Amazônia (IPAM)

PULP & PAPER IN
INDONESIA,
RIAU

Earthworm Foundation

PALM OIL IN
INDONESIA

Rimba Collective

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Gita Syahrani
Chairwoman
Earth-Centered Economy Coalition

ELEMENTS OF ACCOUNTABILITY FRAMEWORK UTILIZED

Koalisi Ekonomi Membumi

Jurisdictional approaches are a type of landscape approach that are developed within the administrative boundaries of sub-national or national governments, usually with emphasis on the roles of government in public policy, land-use planning, law enforcement, investment, or other functions.

CORE PRINCIPLE 10:

Collaboration for landscape and sectoral sustainability

Companies contribute to sector, landscape, and jurisdictional initiatives to foster collaboration towards addressing key social and environmental challenges.

MAIN ACTIONS FOR COMPANY :

1. Developing a stakeholder engagement plan for each context (e.g., jurisdiction, sector)in which a company operates;
2. Engaging in multi-stakeholder planning and policy efforts;
3. Advocating for supportive policies and enabling conditions;
4. Contributing to collaborative efforts to achieve long-term protection of natural ecosystems;
5. Engaging supply chain partners and suppliers

AFI CLINIC PROCESS IN WEST KALIMANTAN & ACEH

Aceh Timur,
Nanggroe Aceh Darussalam

Sanggau,
Kalimantan Barat

Musi Banyuasin,
Sumatera Selatan

Aceh Tamiang,
Nanggroe Aceh Darussalam

Sintang,
Kalimantan Barat

Banyuasin,
Sumatera Selatan

PROGRESS NUMBER

89
Small-Medium Companies (attending)*)

12
Companies (registered)*)

*) West Kalimantan & Aceh

- Alignment with Assessment of Business Plantation (PUP) process and timeline;
- District involvement to lead the process is the key factor to engage the companies throughout supply-chain;
- All registered companies sign the NDA to protect their data and committed to join the clinic

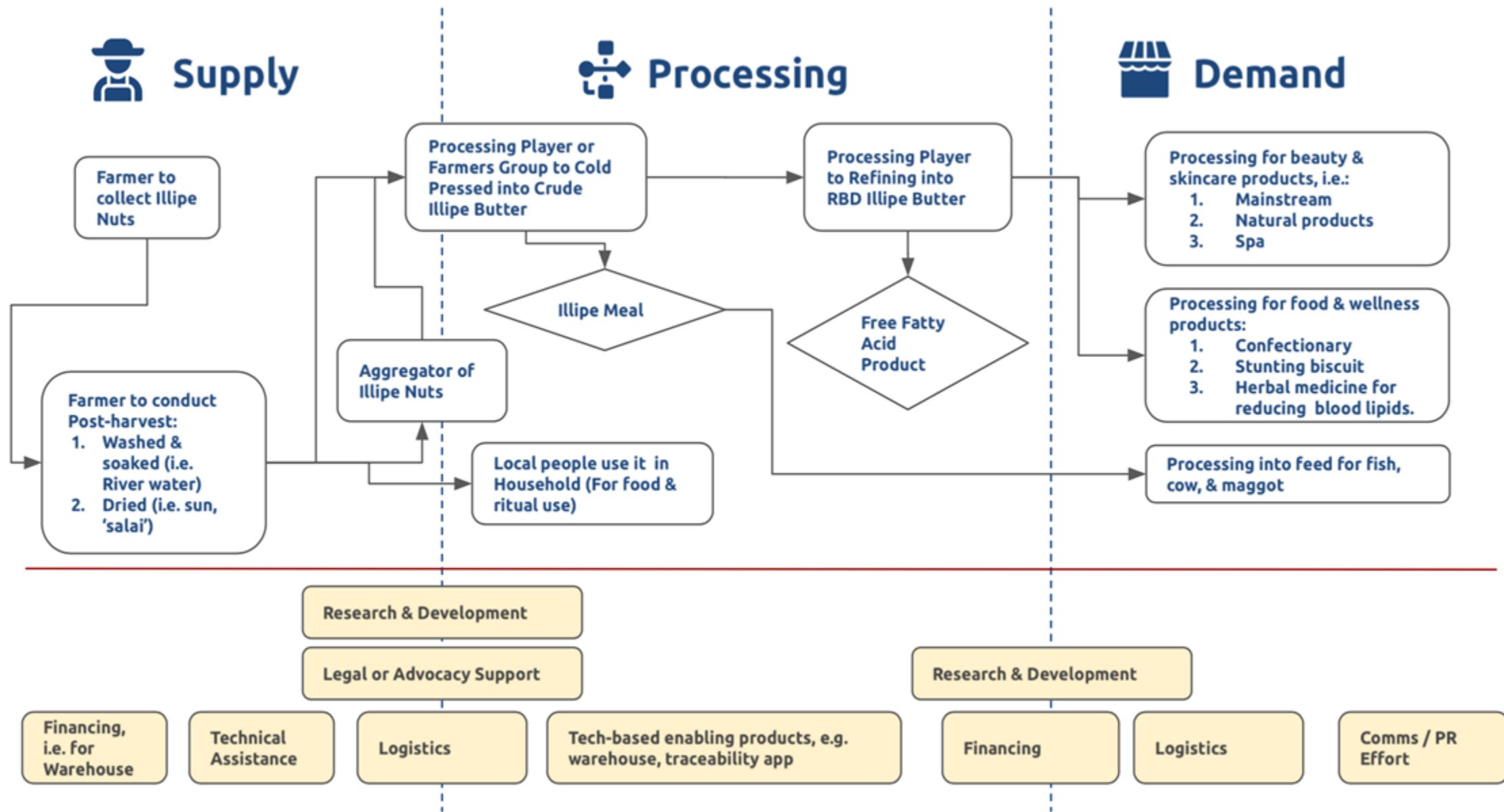**Koalisi Ekonomi Membumi**

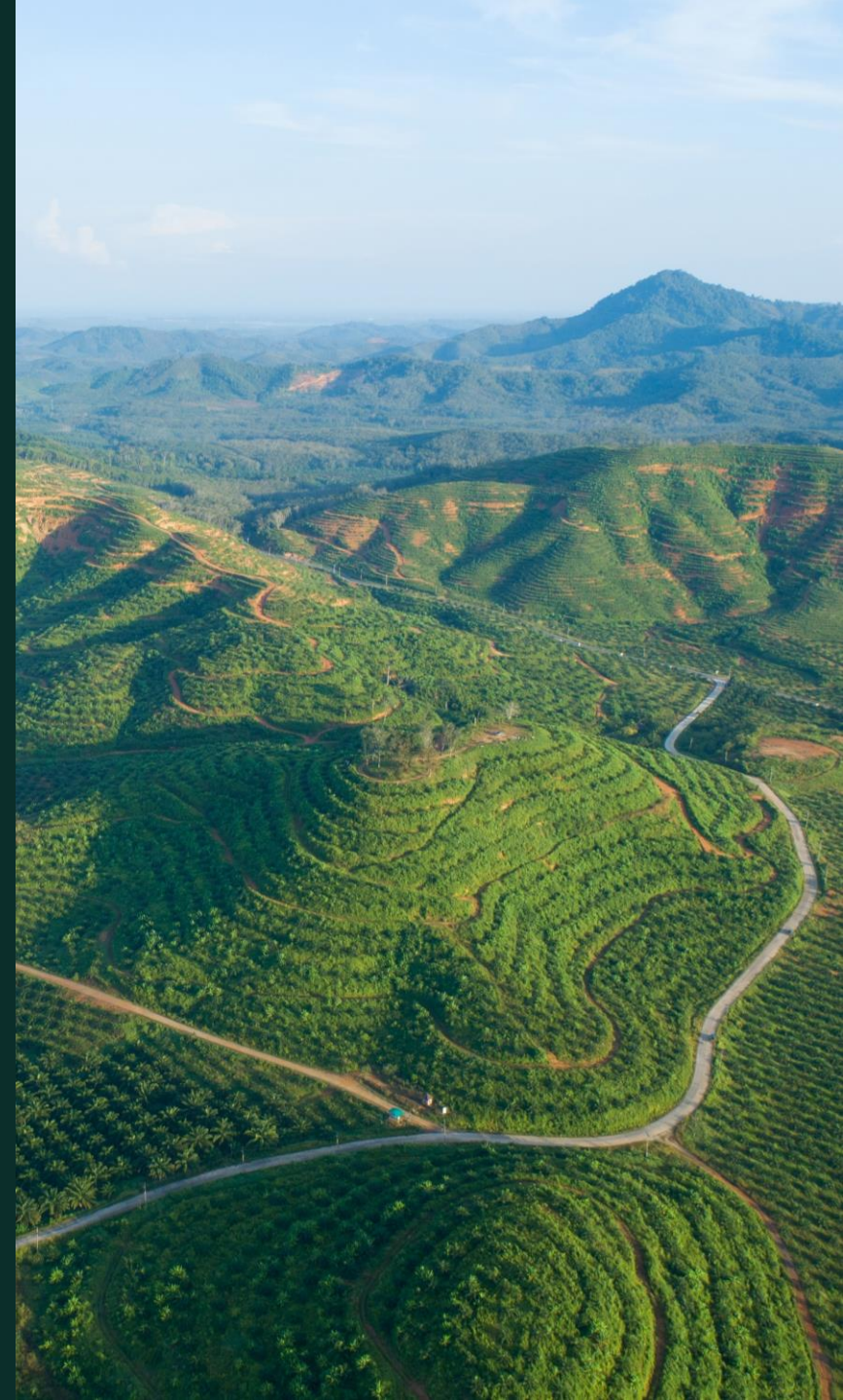Collaborator Partners: USAID · Kementerian PPN/Bappenas · Accountability Framework · WRI INDONESIA · RAINFOREST ALLIANCE · CDP · idh yayasan inisiatif dagang hijau

Supported by: APKASI · LTKL LINGKAR TEMU KABUPATEN LESTARI

Beyond Core Commodities : Aligning Companies & Jurisdictions' Targets

Supply

Farmer to collect Illipe Nuts

Farmer to conduct Post-harvest:
1. Washed & soaked (i.e. River water)
2. Dried (i.e. sun, 'salai')

Aggregator of Illipe Nuts

Processing

Processing Player or Farmers Group to Cold Pressed into Crude Illipe Butter

Processing Player to Refining into RBD Illipe Butter

Illipe Meal

Free Fatty Acid Product

Local people use it in Household (For food & ritual use)

Demand

Processing for beauty & skincare products, i.e.:
1. Mainstream
2. Natural products
3. Spa

Processing for food & wellness products:
1. Confectionary
2. Stunting biscuit
3. Herbal medicine for reducing blood lipids.

Processing into feed for fish, cow, & maggot

Research & Development

Legal or Advocacy Support

Research & Development

Financing, i.e. for Warehouse

Technical Assistance

Logistics

Tech-based enabling products, e.g. warehouse, traceability app

Financing
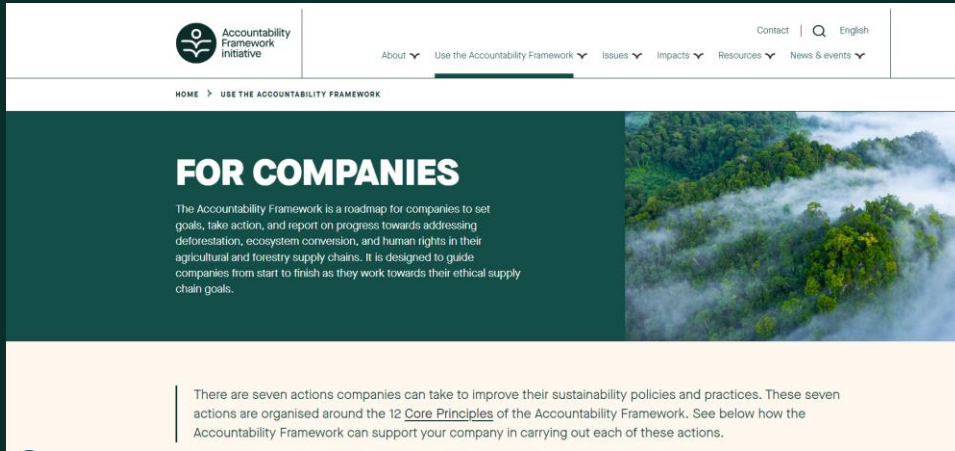
Logistics

Comms / PR Effort

Audience Q&A

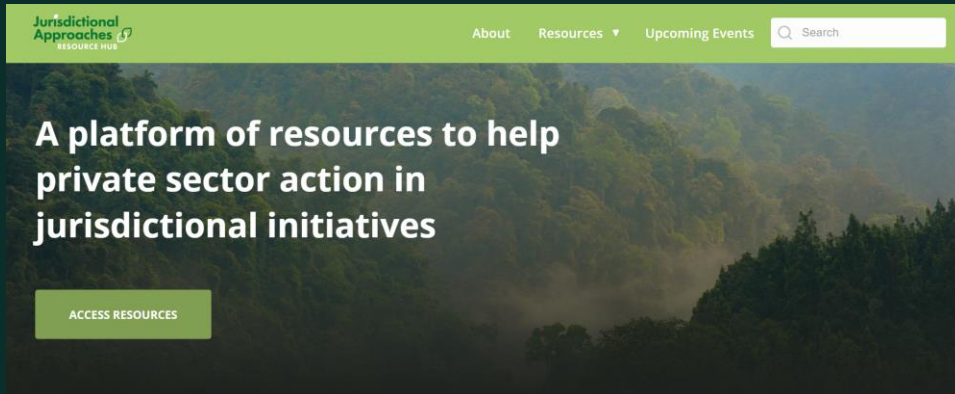Submit your questions via the Q&A box in Zoom!

Learn more and take action

AFi 'For companies' webpage

Learn how companies can use the Accountability Framework to support effective action toward ethical supply chains.

TFA Jurisdictional Approaches resource hub

Access the Tropical Forest Alliance's resources on landscape and jurisdictional approaches.

![Accountability Framework initiative]

Thank You!

Recording
You will receive an email with a link to the webinar recording shortly.

Post-event survey
Please take our survey to help us improve our future events.

Get in touch
Email the AFi Backbone Team via:
contact@accountability-framework.org