Defines key terms that are used in the Accountability Framework Core Principles and Operational Guidance.
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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.

This document is part of the Accountability Framework version 1.0 (released in June 2019), which represents the consensus of the Accountability Framework initiative (AFi) Steering Group members that participated in its development:

The AFi Backbone Team (secretariat) is co-led by the Rainforest Alliance and the Meridian Institute.

For more information on the AFi and the Framework development process, please visit www.accountability-framework.org

* For more information on current minor revisions in this document: www.accountability-framework.org/minor-revisions
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Purpose & summary

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

For all terms, the plain text indicates the definition of the term; the italicised text provides supporting explanation to help interpret and apply the definition.

For more information on how the definitions of deforestation and conversion are applied in practice, please see the *Operational Guidance on Applying the Definitions Related to Deforestation, Conversion, and Protection of Ecosystems*.

For terms that are not defined here, common and internationally-recognised definitions should be used.
Definitions

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 is carrying out to implement its commitments or those of its customers. 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.

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 (local, regional, and national).

- International laws to which nations have acceded are also considered as applicable law.

Assurance:

Demonstrable evidence that specified requirements relating to a product, process, system, person, or body are fulfilled.

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
Buyer:

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

- Buyers can include processors (e.g., 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.

Child:

Any person under 15 years of age, unless the minimum age for work or mandatory schooling is higher by local law, in which case the stipulated higher age applies in that locality.\(^2\)

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 standards\(^3\) 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.\(^4\)
- 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.\(^5\)

Claim:

A message used to describe or promote a product, process, business, or service with respect to its sustainability attributes or credentials. This may include messages related to the establishment, implementation, progress towards, or fulfilment of supply chain commitments.\(^6\)

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\(^2\) Source: SA8000 Standard

\(^3\) Source: ILO Convention 138

\(^4\) ILO Convention 138, Article 3; ILO Recommendation 190

\(^5\) ILO Convention 138, Article 7

\(^6\) Adapted from the ISEAL Alliance Sustainability Claims Good Practice Guide (Version 1.0, May 2015)
Collective bargaining:

All negotiations which 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.\(^7\)

Commitment (synonym: company commitment):\(^8\)

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.
- Commitments may be company-wide (e.g., 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 (e.g., 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.

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\(^7\) Source: ILO Convention 154

\(^8\) 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 focus of the Accountability Framework.
**Compensation** (in relation to environmental harms):

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.

- 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** (related term: compliance monitoring):

The state of complying with or fulfilling a given law, standard, commitment, or target. Compliance assessment is binary.

- Compliance may be assessed at the level of production or primary processing unit(s) (e.g., farms, farmer groups, or mills), supply chains, or an entire company commitment.

**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**:  
Change of a natural ecosystem to another land use or profound change in a natural ecosystem’s species composition, structure, or function.

- Deforestation is one form of conversion (conversion of natural forests).
- Conversion includes severe degradation or the introduction of management practices that result in a substantial and sustained change in the ecosystem’s former 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?

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.  

Customary rights:

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 (also known as “customary law”).

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9 Source: 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** (related to no-deforestation and no-conversion commitments):

The date after which deforestation or conversion renders a given area or production unit non-compliant with no-deforestation or no-conversion commitments, respectively.

**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.\(^{11}\)

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\(^{10}\) Source: RSPO Principles and Criteria

\(^{11}\) Supplementary Convention on the Abolition of Slavery, the Slave Trade and Institutions and Practices Similar to Slavery, Article 1
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 chain commitments, which generally focus on preventing the conversion of natural forests.
- Severe 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.

- Degradation may be considered conversion if it:
  a) is large-scale and progressive or enduring;
  b) alters ecosystem composition, structure, and function to the extent that regeneration to a previous state is unlikely; or
  c) leads to a change in land use (e.g., to agriculture or other use that is not a natural forest or other natural ecosystem).

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

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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.

**Downstream company**:  
A company that does little or no direct purchasing from producers (such as manufacturers and retailers).

**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.

- **Note**: 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.

- They 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

13 Source: based on definitions of in-kind benefits from the Global Living Wage Coalition
**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.\(^{15}\)

**Forest**\(^{16}\):

Land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent, 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 chain commitments, the focus is on preventing the conversion of natural forests.

- **Quantitative thresholds (e.g., 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.**

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\(^{14}\) Source: World Food Programme

\(^{15}\) Source: ILO Convention 29, Article 2; ILO Protocol 29, Article 1

\(^{16}\) Source: Food and Agriculture Organisation of the United Nations (FAO), with further elaboration and clarification provided for the Accountability Framework.
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.\(^\text{17}\)

Gap assessment:

An assessment of actual performance compared to desired performance (e.g., as defined by the company’s commitments, obligations, and targets), 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.

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.\(^\text{18}\)

- Grievance mechanisms may be State-based or non-State-based and they may be judicial or non-judicial.

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.\(^\text{19}\)

\(^\text{17}\) Source: ILO Convention 87

\(^\text{18}\) Adapted from the UN Guiding Principles on Business and Human Rights

\(^\text{19}\) Palermo Protocol, Article 3
Identity preserved certified material:

Certified raw material or derived product that originates from a single identifiable certified source and is kept separate from all other sources throughout the supply chain.

Implementation plan (also referred to as an improvement plan, management plan, or corrective action plan):

Documentation of the activities, investments, processes, procedures, and methodologies that a company intends to implement at the supply-base level to achieve and demonstrate compliance with environmental and social commitments and 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.

Indigenous peoples:

Distinct groups of people who satisfy any of the more commonly accepted definitions\(^{20}\) of indigenous peoples, which consider (among other factors) whether the collective:

- has pursued its own concept and way of human development in a given socio-economic, 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.

\(^{20}\) Commonly accepted definitions generally include, but are not limited to, those provided for in the Convention concerning Indigenous and Tribal Peoples in Independent Countries (ILO Convention No. 169), the 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 system:

Governance, monitoring, or enforcement initiatives implemented by a sub-national jurisdiction to help address social and environmental challenges (e.g., deforestation, ecosystem conversion, and negative impacts to human rights) and/or increase social and environmental benefits (e.g., farmer livelihoods, smallholder inclusion, and sustainable forest management).

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.\(^{21}\)

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.**\(^{22}\)

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.\(^{23}\)

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.\(^{24}\)
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).25

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 aspects of a company’s social and environmental commitments or obligations.

- **Low risk is defined per context and risk topic (e.g., aspect of a company’s social and environmental commitments or 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.

Metric:
An objective and verifiable measure used to assess conditions, actions, outcomes, or trends (e.g., 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.**

Minimal level (of deforestation or conversion):

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:**
  
  + Not exceed cumulative thresholds that are small both in absolute terms (e.g., no more than a few hectares) and relative to the area in question (e.g., 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.
  
  + Not result in the loss of important biological, social, or cultural values, for instance as defined by the High Conservation Value framework.
  
  + 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 (e.g., as specified in Core Principle 7).
  
  + If not planned in advance (e.g., 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:
  a) Largely “pristine” natural ecosystems that have not been subject to major human impacts in recent history
  b) 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
  c) 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
  d) Natural ecosystems that have been partially degraded by anthropogenic or natural causes (e.g., 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:
  a) Primary forests that have not been subject to major human impacts in recent history
  b) 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
c) **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

d) **Forests that have been partially degraded** by anthropogenic or natural causes (e.g., 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, Conversion, and Protection of Ecosystems](#) for further discussion of boundary cases.
- For the purpose of corporate no-deforestation commitments, 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 (e.g., 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** (synonym: conversion-free):

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 [of deforestation or conversion]).*

**No-deforestation** (synonym: deforestation-free):

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 AFI recognises the High Carbon Stock Approach (HCSA) as a practical tool to implement no-deforestation in the tropics, in contexts where the tool has been validated.*
- *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 [of deforestation or conversion]).*

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26 For more information on the present application of this tool—including the contexts in which it is being applied, trialed, and prepared for trailing—see the HCSA application and trials dashboard ([http://highcarbonstock.org/further-resources/hcsa-application-and-trials-dashboard](http://highcarbonstock.org/further-resources/hcsa-application-and-trials-dashboard)) and the 2018 advice note on application in different contexts ([http://highcarbonstock.org/wp-content/uploads/2018/10/AdviceNote18-1-EC-Membership-Global-Requirements-070918.pdf](http://highcarbonstock.org/wp-content/uploads/2018/10/AdviceNote18-1-EC-Membership-Global-Requirements-070918.pdf)).
Non-compliance:

The state of not complying with or fulfilling (or only partially complying with or fulfilling) a given law, standard, commitment, or target. In the context of the Accountability Framework, non-fulfilment of voluntary commitments, non-compliance with applicable law, and adverse impacts to internationally recognised human rights are all considered instances of non-compliance.

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 (e.g., at business unit or supply chain level), with reference to these same place-based social and environmental results.

Oversight:

The act of overseeing an assurance provider’s (e.g., verification entity) work to ensure the quality and legitimacy of the verification process.

Performance (related term: performance monitoring):

Quantitative or qualitative measures of social and environmental conditions or outcomes related to a stated goal or target (such as a company commitment).

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 farm, estate, plantation, or ranch used to produce agricultural products, or of a forest that is managed at least in part for the harvest of forest products. This includes smallholders, producer groups, and production systems owned or managed by communities.
Production unit:

A discrete land area on which a producer cultivates crops, manages timber, or raises livestock.

Progress (related term: progress monitoring):

Advancement towards fulfilling environmental and social commitments. ‘Progress’ is a general term that can refer to actions and/or improvements in performance that demonstrate—or serve as credible proxies for—positive change towards fulfilling commitments.

Remediation and 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.27

Reporting:

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

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

Restoration (in relation to environmental harms):

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

- The term “restoration” is also used in the context of remediation of human rights harms, for which restoration may come in many forms (e.g., restoration of benefits, employment, or access to lands). See the Operational Guidance on Remediation and Access to Remedy.

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27 Adapted from the UN Guiding Principles Reporting Framework
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.

Risk:

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

Risk assessment:

A systematic process of evaluating potential 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 the company commitments or applicable law related to the Accountability Framework’s scope, as well as 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 (e.g., legal risk, credit risk, reputation risk, and others). Risk of adverse social and environmental impacts, including non-compliance with company commitments, 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.28

Segregated certified material:

Certified raw material or derived product that originates entirely from certified sources and is kept separate from non-certified sources throughout the supply chain.

28 Source: ILO Constitution
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 and his or her family
- The farm or forest provides a primary source of income 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.

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 activities, investments, processes, procedures, methodologies, and activities that a buyer intends to implement to ensure that its suppliers comply with the buyer’s social and environmental commitments and obligations.

Supply-base:

The upstream origin of materials in supply chains. The supply-base includes: (i) production units; (ii) primary processing facilities and their associated supply sheds; and (iii) groups of production units and primary processing facilities located in close geographic proximity and under common or coordinated management.

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 temporarily 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 (e.g., 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.\(^{29}\)

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:
  
  a) planted on cleared land
  b) harvested regularly
  c) trees are of even ages
  d) 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 (e.g., rubber latex), or ecosystem services (e.g., soil stabilisation). Plantations dominated by agricultural species (e.g., 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, Conversion, and Protection of Ecosystems for more information on such cases.

Upstream:

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

Upstream company:

A company that buys directly from producers (such as traders and slaughterhouses).

\(^{29}\) Source: UNDP Social and Environmental Standards (SES) Standard 6: Indigenous Peoples
Verification:

Assessment and validation of compliance, performance, and/or actions relative to a stated commitment, standard, or target. Verification processes typically utilise monitoring data but may also include other sources of information and analysis. 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.\(^{30}\)
- **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.\(^{31}\)

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\(^{30}\) The concept of verification signifies that information is validated by persons other than those involved in the operation or entity being assessed. Thus, even in the case of first-party verification, a person or team separate from the operation or unit being assessed should be designated to carry out the verification. Data collection or assessment carried out by personnel involved in the operation or unit being assessed is generally considered to be monitoring but not verification.

\(^{31}\) Source: based on 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 would typically be assessed with reference to a given geographic area (e.g., 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.
Annex: Definitions by theme

Definitions related to deforestation, conversion, and protection of ecosystems

- Compensation (in relation to environmental harms)
- Conversion
- Cutoff date (related to no-deforestation and no-conversion commitments)
- Deforestation
- Degradation
- Forest
- Minimal level (of deforestation or conversion)
- Natural ecosystem
- Natural forest
- Net deforestation
- No-conversion (synonym: conversion-free)
- No-deforestation (synonym: deforestation-free)
- Restoration (in relation to environmental harms)
- Target date
- Tree plantation
- Zero net deforestation

Definitions related to indigenous peoples and local communities

- Cultural heritage
- Customary rights
- Customary rights to land, resources, and territory
- Food security
- Free, Prior and Informed Consent (FPIC)
- Indigenous peoples
- Legal personality
- Livelihoods
- Local community
- Traditional livelihoods

Definitions related to workers’ rights

- Abusive practices or undue disciplinary procedures
- Child
- Child labour
- Collective bargaining
- Debt bondage
- Discrimination
- Fair benefits
- Forced or compulsory labour
- Freedom of association
- Human trafficking
- Legal and decent working hours
- Living wage
- Safe and healthy workplaces
- Vulnerable workers

Definitions related to human rights

- Environmental and human rights defenders
- Grievance mechanism
- Remediation and remedy
### Definitions related to voluntary commitments and their legal and jurisdictional context

- Applicable law
- Commitment (synonym: company commitment)
- Jurisdictional system

### Definitions of different types of supply chain actors

- Buyer
- Company
- Corporate group
- Downstream
- Downstream company
- Manufacturer
- Primary processor
- Producer
- Retailer
- Smallholder
- Stakeholder
- Supplier
- Trader
- Upstream
- Upstream company

### Definitions related to supply chain management

- Control system
- Exclusion
- Gap assessment
- Identity preserved certified material
- Implementation plan (also referred to as an improvement plan, management plan, or corrective action plan)
- Production unit
- Segregated certified material
- Supplier engagement plan
- Supply-base
- Supply chain mapping
- Suspension
- Traceability

### Definitions related to the assessment of risks and results

- Actions
- Compliance (related term: compliance monitoring)
- Due diligence
- Low risk
- Non-compliance
- Outcome
- Performance (related term: performance monitoring)
- Progress (related term: progress monitoring)
- Risk
- Risk assessment

### Definitions related to monitoring, verification, reporting, and claims

- Assurance
- Audit/Auditing
- Claim
- Disclosure
- Metric
- Monitoring
- Oversight
- Reporting
- Verification