Company Training & Learning Webinar Series

Overview of the Accountability Framework

September 30, 2020
Today’s webinar

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Rainforest Alliance
Today’s webinar

1. About the Accountability Framework initiative (AFi)
2. Using the Framework to drive progress
3. Getting started with the Framework
4. Q&A and discussion
About the Accountability Framework initiative (AFi)
Ethical supply chains are no longer optional...

Investors are calling for it
- Larry Fink’s CEO Letter, Blackrock, 2020
- Investors Call on Mandatory Human Rights Due Diligence, 2020

Buyers are calling for it
- Consumer Goods Forum, Forest Positive Coalition of Action, 2020
- Global Platform for Sustainable Natural Rubber, 2020

Governments are poised to require it
- EU legislative proposal for mandatory due diligence by 2021
- UK Global Resources Initiative recommendation to consider due diligence

www.accountability-framework.org
...creating a mandate for:

1. Stronger & wider-reaching commitments
2. More effective implementation
3. Greater transparency and accountability
Status: some bright spots but many gaps

- **almost 50%** of companies operating in forest risk supply chains have no commitment to address deforestation\(^a\)
- **48%** of companies with commitments do not report against them\(^b\)
- **+44%** change in tropical primary forest loss from 2013-2018\(^c\)

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\(^a\) Supply Change & Ceres. Targeting Zero Deforestation: Company Progress on Commitments That Count, 2019
\(^b\) NYDF 5 Year Assessment Report, 2019
\(^c\) Forest 500 Annual Report, 2019.
A collaborative effort to accelerate progress and improve accountability for ethical supply chains in agriculture and forestry

The Framework: A common roadmap

The AFi Coalition
Scope of the Accountability Framework

Topical scope

- Halt deforestation
- Protect other natural ecosystems
- Respect human rights
- Support producer and community livelihoods

Supply Chains

- Palm Oil
- Soy
- Cattle
- Pulp/paper/timber
- Cocoa
- Rubber
- Other commodities (coffee, etc.)

Geographies

- South America
- Southeast Asia
- West/Central Africa
- Other producing regions

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Respect human rights
Support producer and community livelihoods
Protect other natural ecosystems
Halt deforestation
Contents of the Accountability Framework

1. Protection of forests and other natural ecosystems
2. Respect for human rights
3. Specification of commitments
4. Company systems and processes to drive effective implementation
5. Supply chain assessment and traceability
6. Managing for supply chain compliance
7. Land acquisition, land use planning, and site development
8. Land management and long-term protection
9. Access to remedy and environmental restoration
10. Collaboration for landscape and sectoral sustainability
11. Monitoring and verification
12. Reporting, disclosure, and claims

Key:
- Set and strengthen goals
- Implement ethical supply chains
- Report progress
A unique coalition to support progress at scale

Steering Group:

Backbone Team:

Supporting Partners:

Regional Teams & Partners: SE Asia; West & Central Africa; Colombia; Brazil/Paraguay/Argentina

Consensus Capacity Coordination
Using the Framework to drive progress
Why are companies using the Framework?

- Meet expectations of buyers, investors, and stakeholders
- Manage global supply chains under a common, harmonized approach
- Access consensus-based information on best practices & resources
- Clarify reporting requirements to credibly demonstrate progress
- Get credit for good work!
As companies, we all want rules of the game. We all want to know what we can report against transparently to demonstrate to stakeholders that we’re really making these efforts in our supply chains. The Accountability Framework allows us to do that in a really clear and detailed way.

Rachael Sherman
Director Global Sustainability
McDonald’s Corporation
The Accountability Framework can help everyone to speak the same language, making it faster and easier for all of us to deliver on commitments.

Michel Santos
Director, Global Sustainability
Bunge
The AFi set the bar for the level of accountability that environmental NGOs expect from forest product companies. This has helped make the case for a more detailed assessment of paper mills, through direct visits, in potentially high-risk areas.

Neil Everett
Director
Carnstone
Consumer Goods Forum
Forest Positive Coalition of Action

CGF Forest Positive Coalition of Action
Palm Oil Roadmap: Version 1.0
September 2020

https://www.theconsumergoodsforum.com/environmental-sustainability/forest-positive/
Greater alignment, less noise & faster progress

Standards & guidelines
Implementation systems
Monitoring & reporting
Assessments & scorecards
Responsible finance
Examples of aligned initiatives

Responsible investment
- Ceres
- PRI

Certification
- ISCC
- ASC
- FSC

Other implementation protocols
- HCV Resource Network
- HCSA

Reporting, monitoring and assessment
- SPOTT
- Forest 500
- Global Forest Watch
- Trace

Industry and sectoral initiatives
- New York Declaration on Forests
- Global Platform
- United Nations Human Rights
- Ginger Ginseng Sustainable Non-Renewable Resources (GPSNR)
Informing policy development

**Importing country policy**
- UK Global Resources Initiative
- EU Due Diligence Process
- US deforestation bill

**Producing country policy**
- Ghana
- Liberia
- Cameroon
- Colombia
- Jurisdictional initiatives (e.g., in Indonesia)
Science-Based Targets & the AFi

“For land use change targets, specifically deforestation and conversion, we signpost to the Accountability Framework Initiative.”
Getting started with the Framework
Get started using the Framework

**Learn**
- Read the Core Principles, definitions, and guidance
- Review the AFi’s topical briefings
- See how others are using the Framework
- Learn about using the Framework along with related initiatives

**Apply**
- Assess your company’s current level of alignment with the Framework
- Use the AFi’s “how-to” guides

**Engage**
- Work with your service provider or NGO partners to apply the Framework
- Contact the AFi team for individualized support

www.accountability-framework.org
1. Tool for Assessing Company Commitments and Policies

The Accountability Framework’s Core Principles 1-3 define the elements of strong company policies to address deforestation, conversion of other natural ecosystems, and human rights abuses in agricultural and forestry supply chains. This section itemizes the elements of these Core Principles to help companies assess the alignment of their policies with the Framework. It can also be used as a reference to guide the establishment of new policies. Assessment should follow the three steps below:

**Step 1: Define the assessment scope**

To ensure clarity in how the assessment is conducted and interpreted, the assessment scope should be clearly defined at the outset. It is helpful to specify both the scope of any existing company commitments/policies and the scope of the assessment; if different. All elements in the assessment should then be evaluated with respect to the assessment scope specified here.

<table>
<thead>
<tr>
<th>Aspect of scope</th>
<th>Scope of company commitment(s)</th>
<th>Scope of this assessment</th>
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</thead>
<tbody>
<tr>
<td>Commodities included</td>
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<td>Company activities included (e.g., production, sourcing, and/or financing – state “all” or specify which are covered vs. excluded)</td>
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<td><img src="image4" alt="" /></td>
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<td>Locations of production, sourcing, or financing included (e.g., countries of origin – state “all” or specify which are covered vs. excluded)</td>
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<td><img src="image6" alt="" /></td>
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<td>Types of suppliers included (e.g., own production, direct suppliers, indirect suppliers, smallholder suppliers – state “all” or specify which are covered vs. excluded)</td>
<td><img src="image7" alt="" /></td>
<td><img src="image8" alt="" /></td>
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<tr>
<td>Business units or affiliates (state “all” or specify which are covered vs. excluded)</td>
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<td><img src="image10" alt="" /></td>
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<td>Please specify any other exclusions:</td>
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User guide: How to write a strong policy

Annex 1: Sample company-wide “umbrella” policy

This annex provides a sample of a company-wide policy on deforestation, conversion, and human rights that aligns with the Accountability Framework and is based on the policy-setting process outlined in this guide. The sample policy itself is in the left column while the right column contains explanatory notes.

**AmazingCompany’s Ethical Supply Chain Policy**

Protection of forests and other natural ecosystems is critical for maintaining biodiversity, combating climate change, and sustaining livelihoods. The raw materials that AmazingCompany sources – including palm oil, soy, and cocoa – can pose risks for deforestation and human rights violations. As part of our overall sustainability goals, AmazingCompany is committed to eliminating deforestation and ecosystem conversion from our supply chains and to safeguarding human rights across all our operations and suppliers. This policy outlines our commitment to achieve ethical supply chains across all our production and sourcing.

This policy aligns with the principles and guidelines laid out in the UN Global Compact, the UN Guiding Principles for Business and Human Rights, the International Bill on Human Rights, and the ILO fundamental conventions. The policy also follows the Accountability Framework and incorporates many of its terms and definitions to help clarify the intentions of these commitments and promote alignment in sustainability practices across the sectors where we operate.

**Scope**

The provisions in this policy apply to:

- all commodities that AmazingCompany produces or sources that pose a material risk for deforestation, conversion, or human rights violations, namely palm oil, soy, and cocoa
- all AmazingCompany operations globally, including those of our subsidiaries, mills, and plantations we own or manage

This introduction frames the policy in its context according to Step 2.

This paragraph cites the key external norms that the policy aligns with or incorporates.

This section specifies the scope of the policy according to Step 3. Since AmazingCompany has also developed specific policies for each of its commodities and for workers’ rights, this...
Q&A and discussion
Join the rest of the webinar series!

### Company Training and Learning
Webinar Series

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 30th:</td>
<td>Overview of the Accountability Framework</td>
</tr>
<tr>
<td>October 21st:</td>
<td>Improve your company’s sustainability ratings</td>
</tr>
<tr>
<td>November (date tba):</td>
<td>Reporting on forest-risk commodities</td>
</tr>
<tr>
<td>December (date tba):</td>
<td>Using the Framework in tandem with certification and other tools</td>
</tr>
<tr>
<td>January (date tba):</td>
<td>Responsible supply chain management</td>
</tr>
</tbody>
</table>

FOR MORE INFORMATION VISIT: [ACCOUNTABILITY-FRAMEWORK.ORG/EVENTS](http://ACCOUNTABILITY-FRAMEWORK.ORG/EVENTS)