Company Training & Learning Webinar Series

Responsible Supply Chain Management: Best Practices

Today’s speakers:

- Sarah Lake
  - Vice President and Global Director for Latin America
  - Mighty Earth
- Leah Samberg
  - Scientist, Rainforest Alliance
  - AFi Backbone Team
- Shawn MacDonald
  - CEO
  - Verité
- Justin Dupré-Harbord
  - Senior Project Manager
  - Proforest
- Nadine Syarief (Moderator)
  - AFi Southeast Asia Manager
  - AFi Backbone Team
Accountability Framework

Delivering on ethical supply chain commitments

A collaborative effort to make ethical supply chains the “new normal”
The scope of the Accountability Framework initiative: Ethical supply chains in agriculture & forestry

**Topical scope**
- Deforestation
- Conversion of other natural ecosystems
- Respect for human rights

**Commodity scope**
All commodities posing risks for deforestation, conversion, and human rights violations, including:
- soy
- beef
- palm oil
- pulp/timber
- cocoa
- rubber

**Geographic scope**
Global
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

Set and strengthen goals
Implement ethical supply chains
Report progress
Core Principle 5: Supply chain assessment & traceability

Origins of supply chain materials are known or controlled to a sufficient extent to ascertain compliance with commitments.

If risk assessment is used, it follows good practice, including:

- Comprehensive scope
- Clearly defined metrics
- Commonly accepted tools and data
- Documentation of the risk assessment process
Core Principle 5: Supply chain assessment & traceability

Origins of supply chain materials are known or controlled to a sufficient extent to ascertain compliance with commitments.

How much traceability is enough?

To ensure products in a supply chain are free of deforestation, ecosystem conversion, & human rights abuses, companies need to know how these materials were produced.

• Primary processors and first intermediary traders know the origin of raw materials
• Downstream intermediaries, manufacturers and retailers trace supplies upstream until they are able to verify compliance
Core Principle 5: Supply chain assessment & traceability

Origins of supply chain materials are known or controlled to a sufficient extent to ascertain compliance with commitments

Four approaches to traceability that allow buyers to assess performance at the production level:

1. Trace back to the production units of origin
2. Trace to a low-risk jurisdiction
3. Trace back to a supplier that has a control system that ensures supplies are traced to origin
4. Use certification that is aligned with the Framework and links product volumes to production units
Core Principle 6: Managing for supply chain compliance

Companies manage their entire supply chain to fulfill commitments, identify non-compliance, and resolve any such issues expeditiously and effectively.

Supplier Engagement

• Buyers communicate to suppliers that they will accept only materials that comply with company commitments
• Buyers engage with direct suppliers to ensure that they source from indirect suppliers that comply with the company’s commitments
• Buyers that maintain long-term buying relationships with suppliers support them to fulfil commitments; prioritizes smallholders and others who may require more assistance
Core Principle 6: Managing for supply chain compliance

Companies manage their entire supply chain to fulfill commitments, identify non-compliance, and resolve any such issues expeditiously and effectively.

Management of non-compliance

- Buyers manage non-compliance to resolve issues quickly without enabling further non-compliance
- Prioritize solutions that drive improvement by retaining & engaging non-compliant suppliers in time-bound improvement process to achieve compliance
- In some cases, suspension or exclusion may be appropriate, depending on:
  - severity of non-compliance
  - supplier’s degree of culpability
  - supplier’s commitment & capability to resolve outstanding issues
Core Principle 11: Monitoring and Verification

Regular monitoring is conducted relative to time-bound targets. M&V for commodity buyers assesses performance across the supplier portfolio.

- **Monitoring of the supply base**: For companies that own or have control over the production unit being monitored or are able to achieve this level of visibility.
- **Monitoring of sourcing or jurisdiction areas**: When sourcing from low-risk areas and/or without traceability to the production unit.
- **Monitoring of suppliers’ management and control systems**: Buyers may monitor compliance at the supplier level, assessing implementation of suppliers’ control systems as a proxy for monitoring performance and outcomes at the supply base level.
Get oriented

- Learn about the AFi and the Framework
  Learn More

- See how the Framework is relevant to your organization
  Learn More

- Apply the Framework
  Learn More

- Access the full Framework
  Learn More

- Learn about key topics addressed in the Framework
  Learn More

Get in touch

Fill out this form and one of our team members will be in touch to help you get started with the Framework.

Name *

Email *

Organization

Title/Role

Interested in *

- Applying the Framework (company)
- Applying the Framework (other organization)
- Joining or collaborating with the AFi coalition
- Other
Resources

User tools

• Self-assessment tool
• Sample supplier code
• Guidance on using certification to fulfil ethical supply chains
• Case studies on supply chain management (*forthcoming*)
• More how-to guides in the works!
Join the rest of the webinar series!

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For more information visit: accountability-framework.org/events