

# *Setting and Implementing a Zero Deforestation Target*

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# SPEAKERS



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Public Policy Lead, U.S.,  
Tony's Chocolonely







# LAUNCH OF THREE CASE STUDIES



Traditional Medicinals®: Responsible Sourcing  
That Protects Forests And Promotes Biodiversity



Nature's Path Protects Forests And Biodiversity  
Through Stringent Certifications And Sourcing  
Requirements

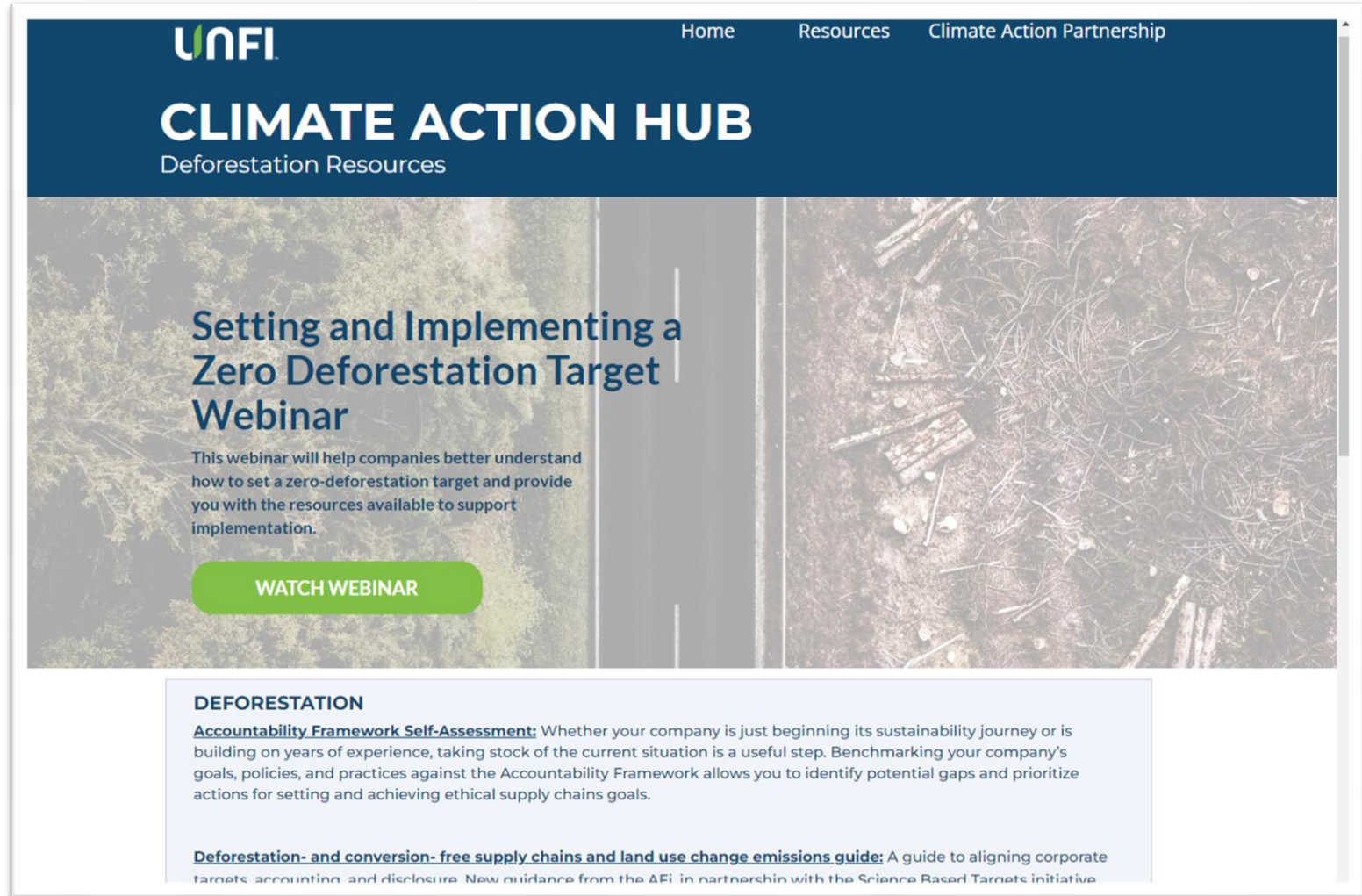


Traceability and monitoring systems help  
Tony's Choclonely achieve and  
demonstrate zero deforestation



## Climate Action Hub Highlights

- Resources for any businesses (including retailers!) regardless of where they are in climate journey
- Case studies and resources to inspire bold action and emissions reduction
- Access to resources and tools to help on the journey, including industry-leading guides
- Supplier recognition for best practices and climate impact



More information at: <https://discover.unfi.com/climateactionhub/>

# Climate Impacts of Deforestation



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# About Quantis





# How we work

## Who

We partner with leading global organizations in key consumer goods sectors who are serious about reducing their environmental impact.

## How

Our unique approach combines deep sustainability expertise with strategic business knowledge to help your company align within planetary boundaries.

## What

We enable sustainable business transformation, helping you build resilience, unlock innovation and optimize your performance.



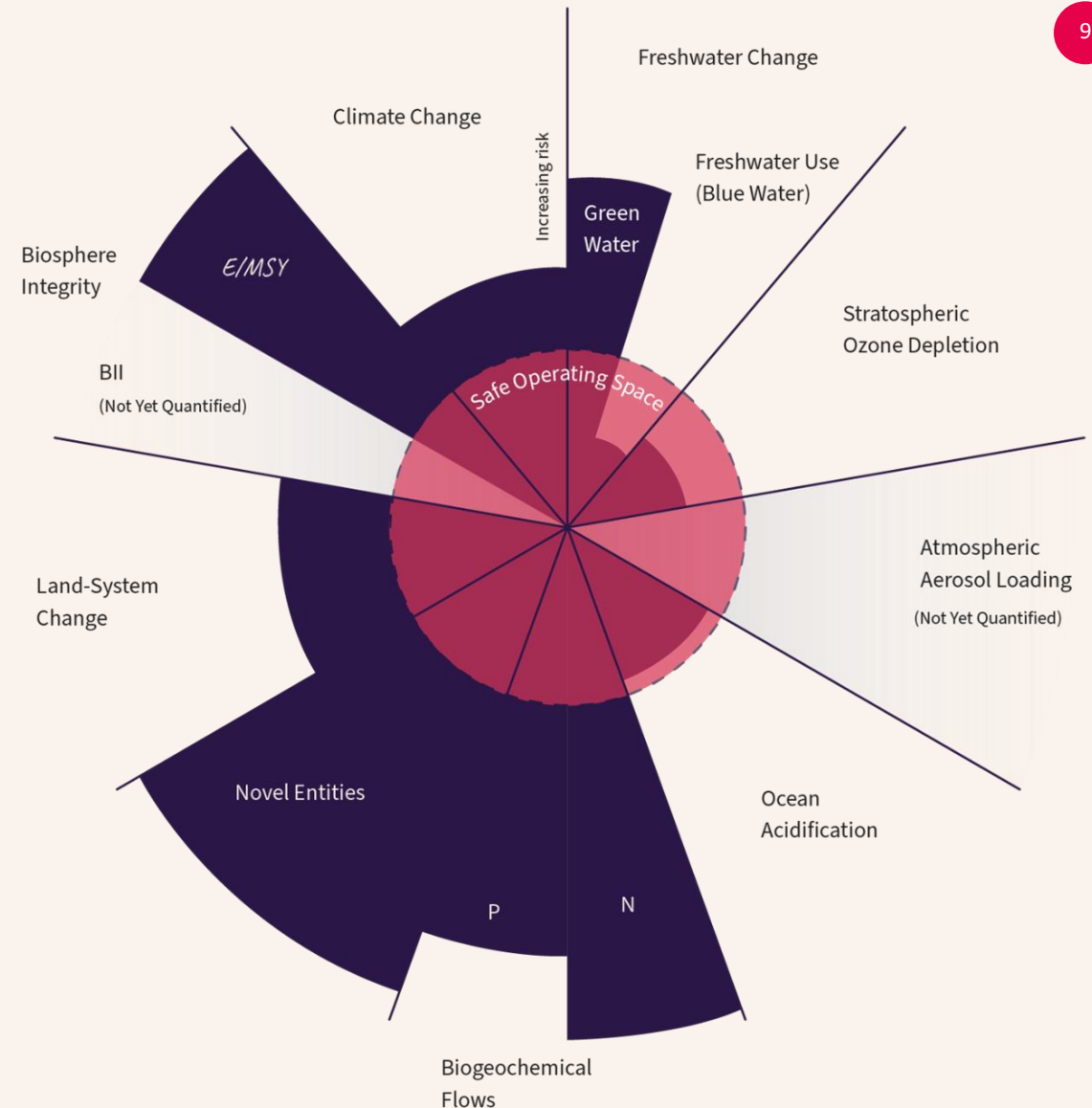


# Aligning business with planetary boundaries

Scientific models such as the Planetary Boundaries define the operating spaces within which we must stay to maintain life as we know it on our planet.

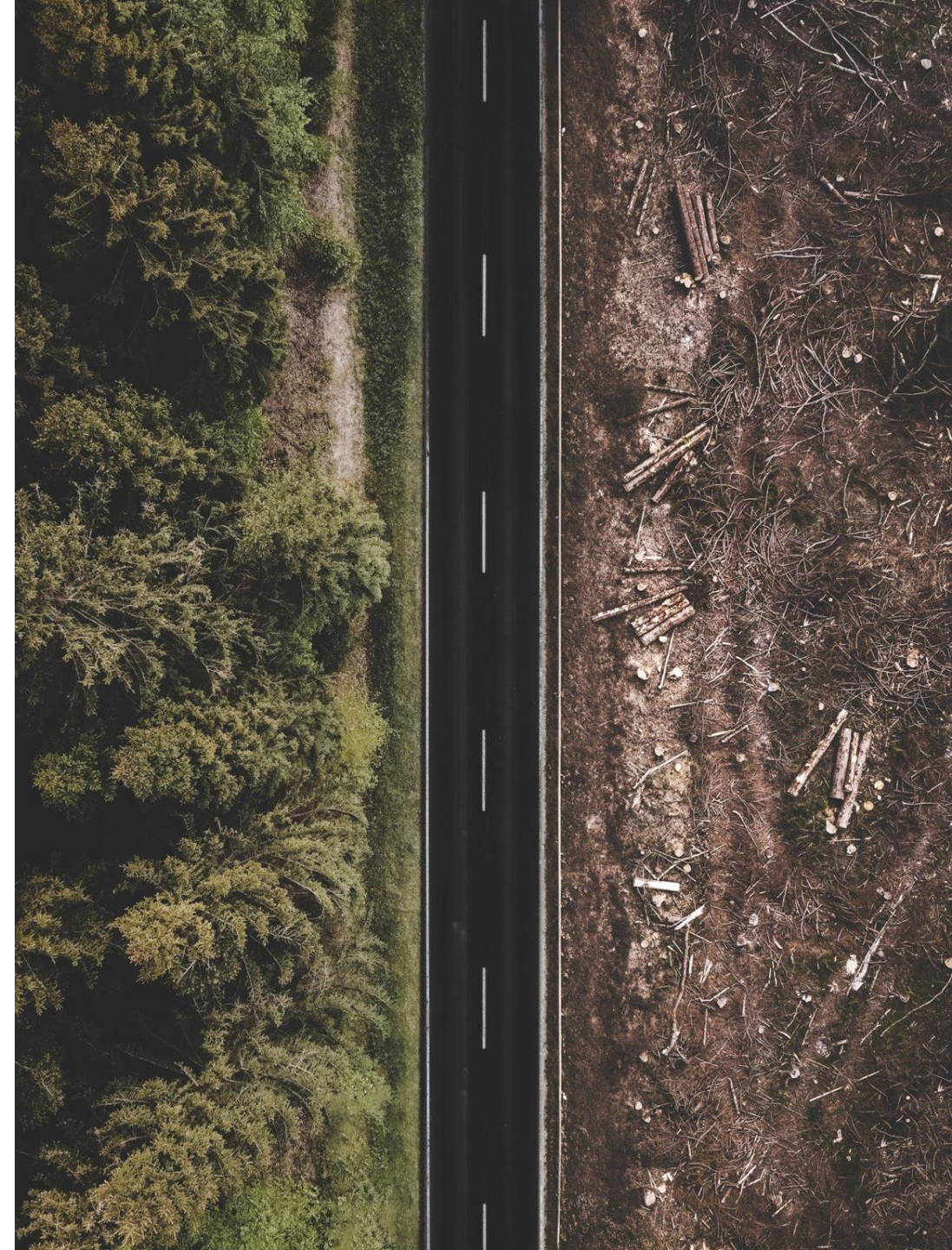
We have already crossed the line on many boundaries.

**Biodiversity, climate, land + agriculture, water and plastic pollution:** Our 5 environmental expertise areas work with clients to measure your contributions and own limits, set reduction goals and chart a roadmap to get business in-line with the planet's limits:



# Climate Impacts of Deforestation

- ✓ Forests are a critical carbon sink, with tropical forests holding seven times the amount of CO<sub>2</sub> emitted by human activities each year
- ✓ Deforestation accounts for **~10% of global emissions**
- ✓ Deforestation incurs impacts beyond climate, including biodiversity loss, disruption of the water cycle, decreased precipitation, and soil erosion





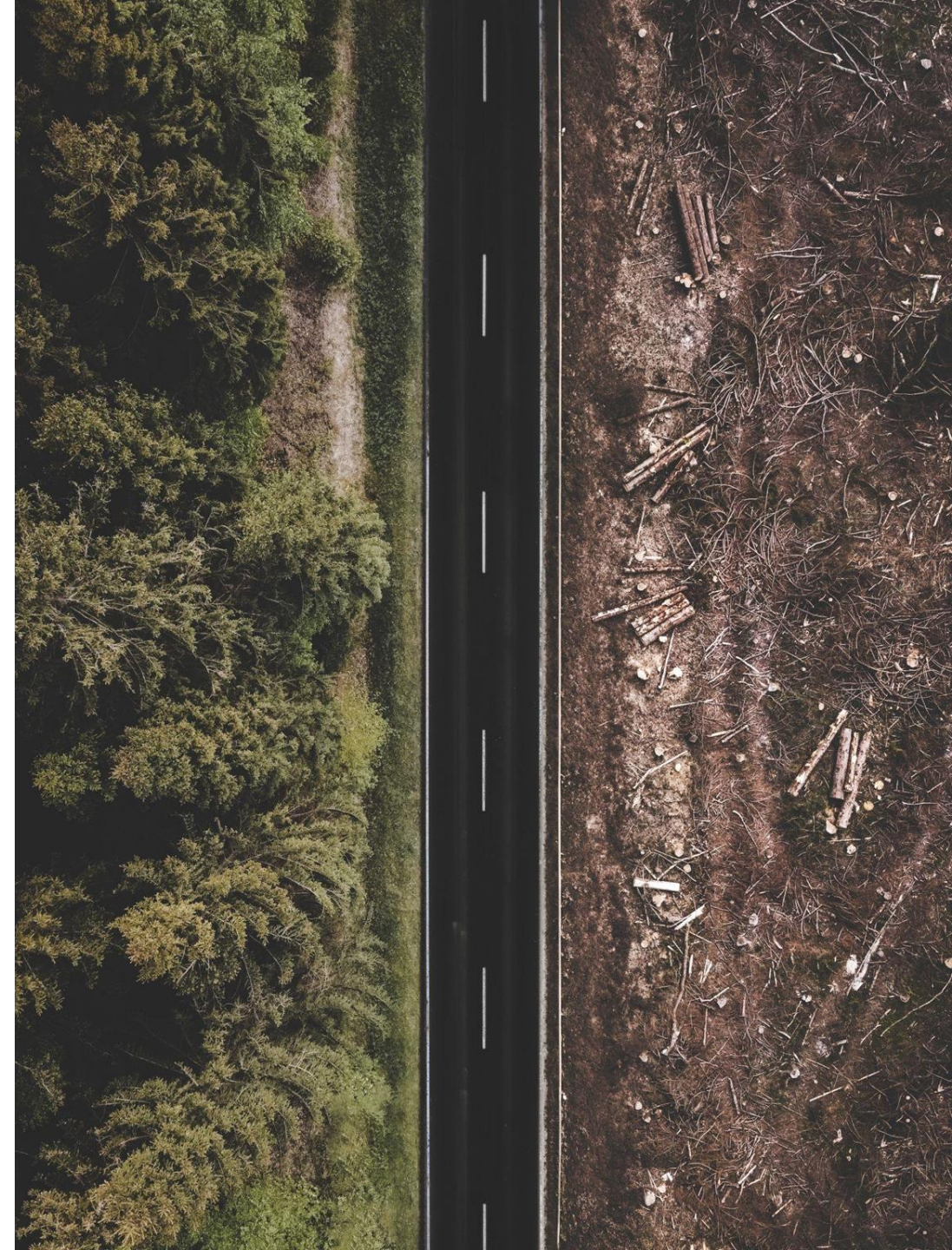
# Deforestation Definition

Forest definition and classification sets the context for no deforestation commitments.

**Forest:** Land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 percent. It does not include land that is predominantly under agricultural or other land use.

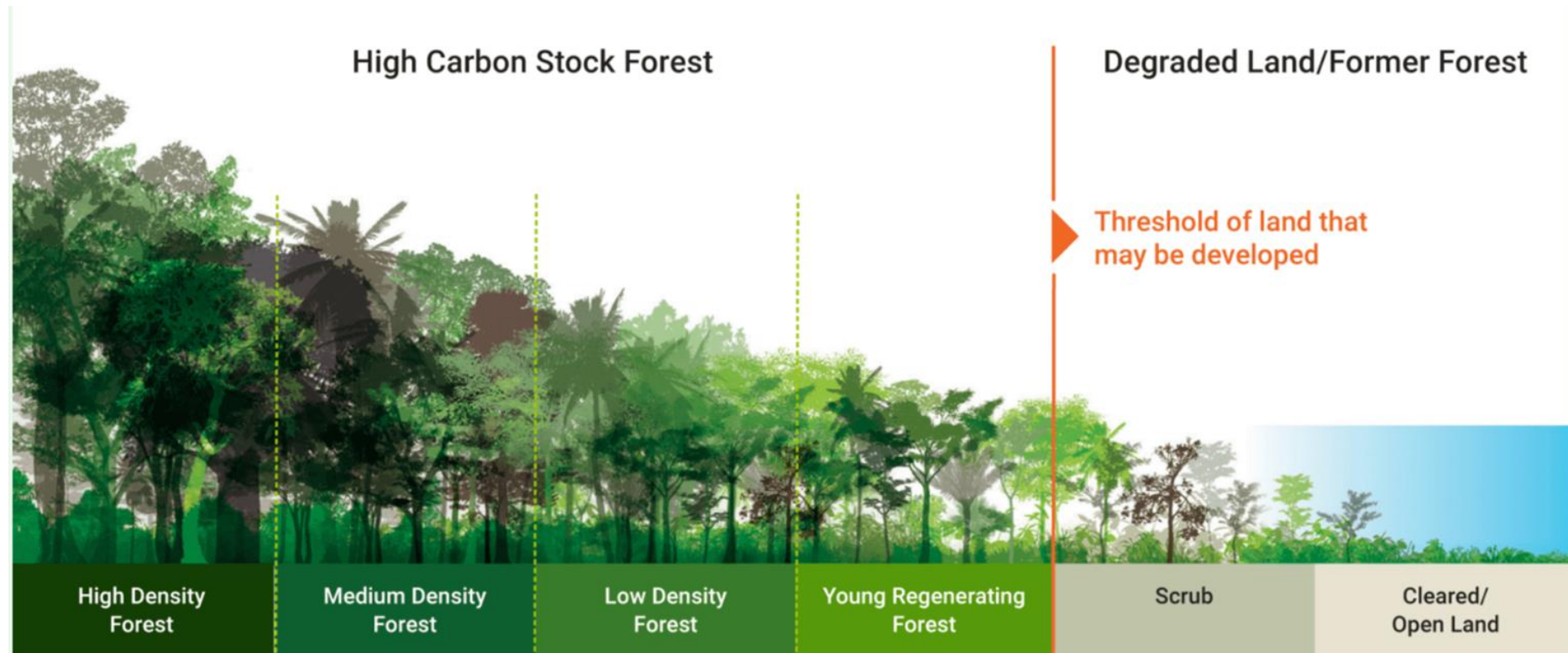
**Deforestation:** Loss of natural forest as a result of: i) conversion to agriculture or other nonforest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation. Loss of natural forest that meets this definition is considered to be deforestation regardless of whether or not it is legal.

Deforestation is a type of land use conversion or change therefore under a comprehensive assessment, impacts associated with all land use conversions (e.g. grassland, wetland, etc.) should be considered.





# Using HCSA to Understand Deforestation vs. Forest Degradation





# High Deforestation Risk Commodities

**Agriculture** is responsible for at least 80% of tropical deforestation

Most of the tropical deforestation occurring today can be traced to just four globally traded commodities: **beef, soybeans, palm oil, and wood products**.



Deforestation in the planet's largest areas of tropical forest have different drivers:

- **Amazon basin in South America:** beef cattle pasture and soybean cultivation
- **Southeast Asia:** palm oil plantation and peatland drainage
- **Congo Basin in Central Africa:** timber harvest and agricultural cultivation
- **Western Africa:** cocoa production expansion in Ghana and Côte d'Ivoire

**Which sectors are linked to deforestation?**

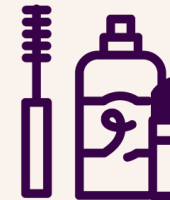
**Food + Beverage**



**Fashion + Sporting Goods**



**Cosmetics + Personal Care**



**+ All sectors utilising forestry-driven packaging**

## Increasing Pressure to Address Deforestation from Climate-Related Frameworks & Regulations

### REGULATION

Legally-binding local or national regulations, such as the [EU Deforestation Regulation](#) and [New York Deforestation Regulation](#) aimed at halting deforestation by placing strict requirements before commodities and products can be put on market

### COMMITMENT

Forest-related commitments under climate target setting frameworks, such as the no deforestation commitment requirement under [SBTi FLAG](#)

### REPORTING

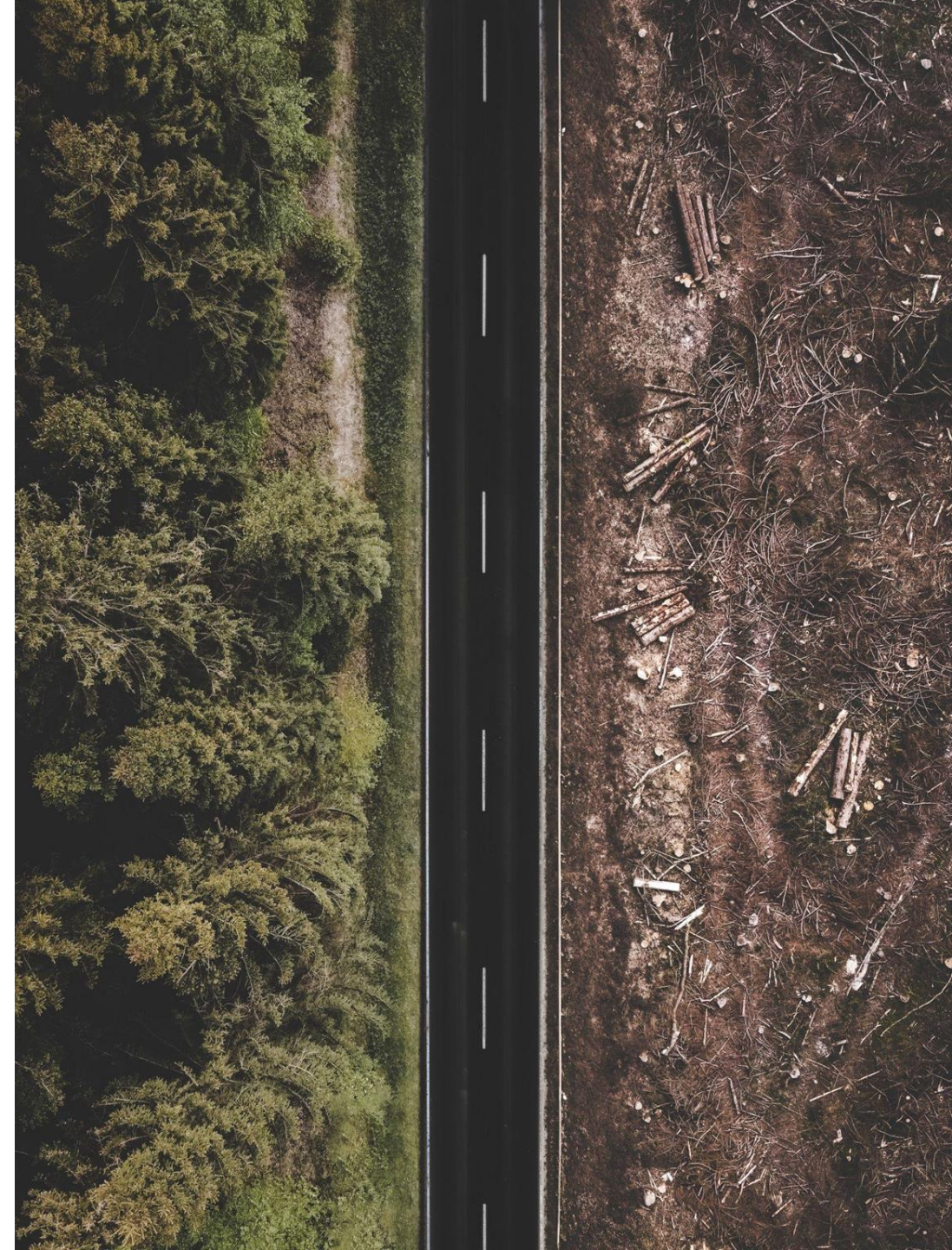
Driven by investor and customer demand, reporting frameworks such as [CDP Forests](#) that allow companies to measure and manage forest-related risks and opportunities, transparently report on progress, and publicly share forest-related commitments



# Deforestation Commitment Setting and Implementation

## Steps Companies Can Take to Address Deforestation

1. **Investigate and understand** deforestation risk within their value chain
2. **Set commitment** to address deforestation risk
3. Develop time-bound **implementation plans**
4. **Take action**
5. Enable **monitoring, verification, and reporting**





# #1

## Investigate & understand deforestation risk

### IDENTIFY DEFORESTATION RISK COMMODITIES

- + Commodity
- + Sourcing region
- + Supplier, including supplier-specific practices

### DETERMINE TRACEABILITY

- + Physical traceability, to the land management unit
- + Supply chain traceability or chain of custody



## #2

# Set commitments to address deforestation risk

## NO DEFORESTATION COMMITMENT OR CLAIM

- + Consider no conversion commitment or claim
- + Clearly state forest and deforestation definition
- + Define cut-off and target date
- + Determine scope of application (e.g. inclusive of all operations and suppliers, both indirect and direct)

For example, **SBTi FLAG** requires a **no deforestation commitment** and strongly recommends a conversion-free commitment with a cut-off date no later than 2020 using the following format:

*“[Company X] commits to no deforestation across its primary deforestation-linked commodities, with a target date of [no later than 2025].”*



# #3

## Develop time-bound implementation plans

### IMPLEMENTATION PLAN BEST PRACTICES

- + Clear priorities across identified deforestation risks
- + Commodity, region, and supplier specific
- + Time-bound
- + KPIs for measurable outcomes
- + Internal stakeholder engagement and governance structure

### SOURCING COMMITMENTS AND POLICIES

- + Set or review and revise group-level sourcing commitment



## #4

# Take action

### SUPPLIER ENGAGEMENT STRATEGY

- + Direct supply chain engagement
- + Sourcing region collaboration, such as jurisdictional or landscape level
- + Pre-competitive working groups at industry level

### INCREASE TRACEABILITY

### ADOPT CERTIFICATIONS

- + Consider relevance to and alignment of certifications with company's objectives (e.g. definition of deforestation)
- + Leverage opportunity to gain traceability and initiate supplier engagement



## #5

# Enable monitoring, verification, and reporting

## MONITORING & VERIFICATION

- + Satellite monitoring
- + On the ground auditors
- + Grievance mechanism in case of non-compliance

## COMMUNICATE ON EVOLVING COMMITMENTS

- + Set up or update communication strategy to inform suppliers about company's sourcing commitments & policies
- + Document and report on commitment progress
- + Revise strategy as potentially new deforestation and conversion risks arise



Turn your deforestation  
risk into a climate impact  
mitigation opportunity





↪ **crazy about chocolate,  
serious about people**

# About Tony's

Founded in 2005 to change the way chocolate companies do business and to end exploitation – both human and environmental – in the cocoa supply chain

- Founded by a Dutch investigative journalist – Tuen in Dutch, Tony in English.
- Began selling only in the Netherlands but now a global company operating in 30 countries.
- Roughly \$150 million in revenues – up from \$2 million ten years ago.
- Directly involved in efforts to get EU environmental due diligence regulations enacted.
- Involved in policy work in the U.S. and the U.K.



# To this day, cocoa supply chains remain some of the worst in the world.



## poverty

Extremely low cocoa prices lead to a farmer income of only approximately \$0.78 per day.



## illegal labour

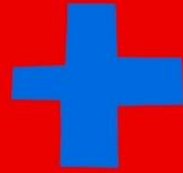
More than 1,56 million children work illegally and 30,000 people are victims of forced and illegal labour in Ghana and Côte d'Ivoire.



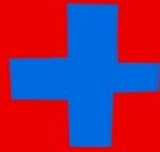
Ghana and Côte d'Ivoire are estimated to have lost 80-95% of their forests in the last 60 years. 1/3 of that is the result of cocoa production.



**TRACEABLE  
COCOA BEANS**



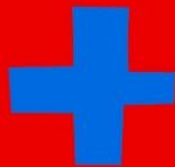
**A HIGHER  
PRICE**



**STRONG  
FARMERS**



**THE  
LONG-TERM**



**QUALITY AND  
PRODUCTIVITY**



# Core Principles of an Anti-Deforestation Effort

- Be Intentional – undertake this work because you want to, not because you are being forced to.
- Make it a campaign, not an initiative.
- Bake it into the DNA of the corporation.
- 360 degrees means 360 degrees.
- Own the cost, share the burden.

# “T’s”ing a Deforestation Campaign into Existence

- Technology – reliance on technology such as GPS Mapping is key.
- Training – Education and skill building goes hand in hand with technology.
- Traceability – Go with and know about the flow.
- Too Too – Too much is just right; think multi-level and multi-layer.
- Together – a myriad of stakeholders all need to work as one for success to be ensured.



# DISCUSSION



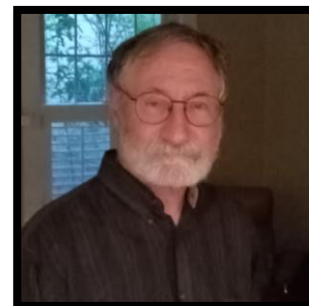
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