Deforestation Free Business Toolkit

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About Deforestation Free Nation

The Earth's tropical forests are crucial in our fight against climate change and nature loss.

Over 50 per cent of all land-based plants and animals live in tropical forests[1] and the International Panel on Climate Change (IPCC) has made it clear that if we do not end deforestation and habitat conversion it will be impossible for us to limit global warming to 1.5 degrees, as outlined in the Paris Agreement.[2,3]

Tropical forests are also vitally important for the Indigenous Peoples who call them home and have protected them for thousands of years, but are now facing increasing threats to their lands and communities.

Forests are our frontline against climate change and biodiversity loss, and urgent action needs to be taken to halt deforestation and habitat conversion.

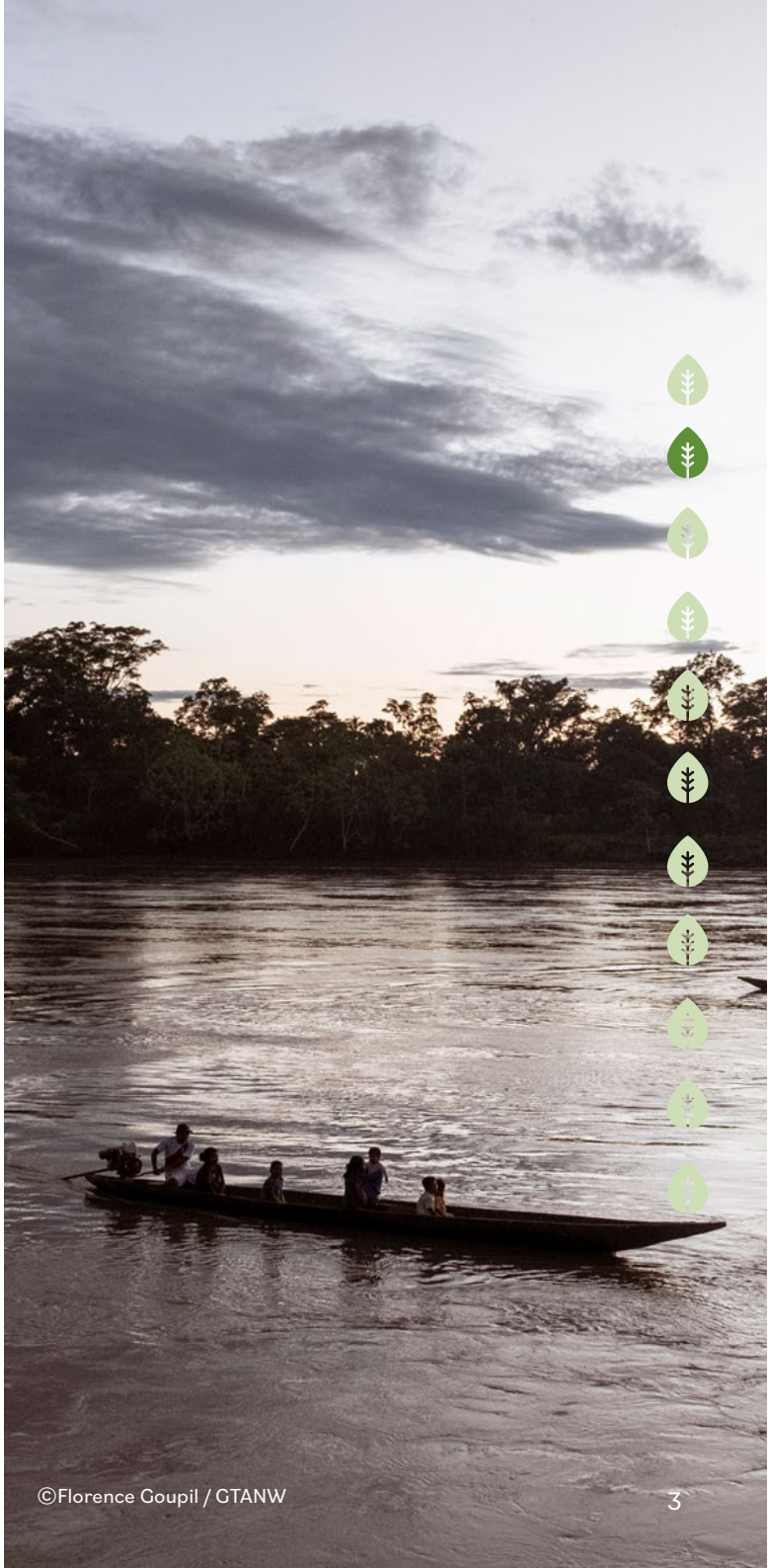
We all have a role to play.

The **Deforestation Free Nation (DFN)** campaign aims to help Wales tackle the climate and nature crises by promoting deforestation free behaviours at home in Wales and supporting communities, especially Indigenous Peoples, on the frontline of deforestation and climate change overseas.

DFN advocates for sustainable and ethical sourcing of forest-risk commodities, such as beef from South America, soy and palm oil, and reducing consumption of unsustainably produced forest-risk commodities, which drive tropical deforestation, habitat conversion and negative social impacts.

We work with Indigenous and local communities overseas and people across Wales, including Welsh Government, public bodies, schools, businesses, voluntary sector organisations, community groups and consumers to help Wales eliminate its overseas deforestation footprint.

View references 1-3



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About this toolkit

This Deforestation Free Business (DFB) Toolkit has been designed by Size of Wales to help businesses ensure that the products, commodities and services they buy, produce or invest in, are not causing tropical deforestation, habitat destruction and social impacts overseas.

Seventy-three per cent of all tropical deforestation[4] is caused by the production of just a handful of agricultural products – products we buy, use and consume in Wales every day, including beef, soy (mainly consumed through animals reared on soy-based feeds), palm oil, coffee, cacao, timber, paper and pulp. Wales imports significant quantities of these commodities, which are linked to deforestation, land conversion and social impacts, such as child and forced labour or the abuse of Indigenous Peoples' rights.[5]

Furthermore, many of our financial investments, such as pensions, are tied to environmentally damaging activities, including deforestation and habitat conversion. According to a pensions report from Global Canopy, for the average UK pension, £2 of every £10 saved is invested in businesses with a high-risk of deforestation.[6] This is having devastating consequences for Indigenous Peoples, biodiversity, climate, and the health of tropical forests.

Due to a number of factors, including traceability and varying international laws and standards, it is very difficult to completely remove the risk of imported deforestation. However, through the measures laid out in this toolkit, Welsh businesses can support Wales' journey to becoming a globally responsible, Deforestation Free Nation. This would not only help to future-proof the longevity of businesses in Wales, but they will be playing their part in helping to tackle the climate and nature crises, promoting local employment and prosperity, supporting Indigenous Peoples and forest communities, and reducing the risk of future pandemics.

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Wales' global forest footprint

Wales' global forest footprint

At the 2021 United Nations Climate Change Conference (COP26) in Glasgow, Size of Wales published a report, *Wales and Global Responsibility*, in partnership with WWF Cymru and RSPB Cymru, which showed for the first time Wales' land footprint overseas for the main forest-risk commodities.

Read the report here

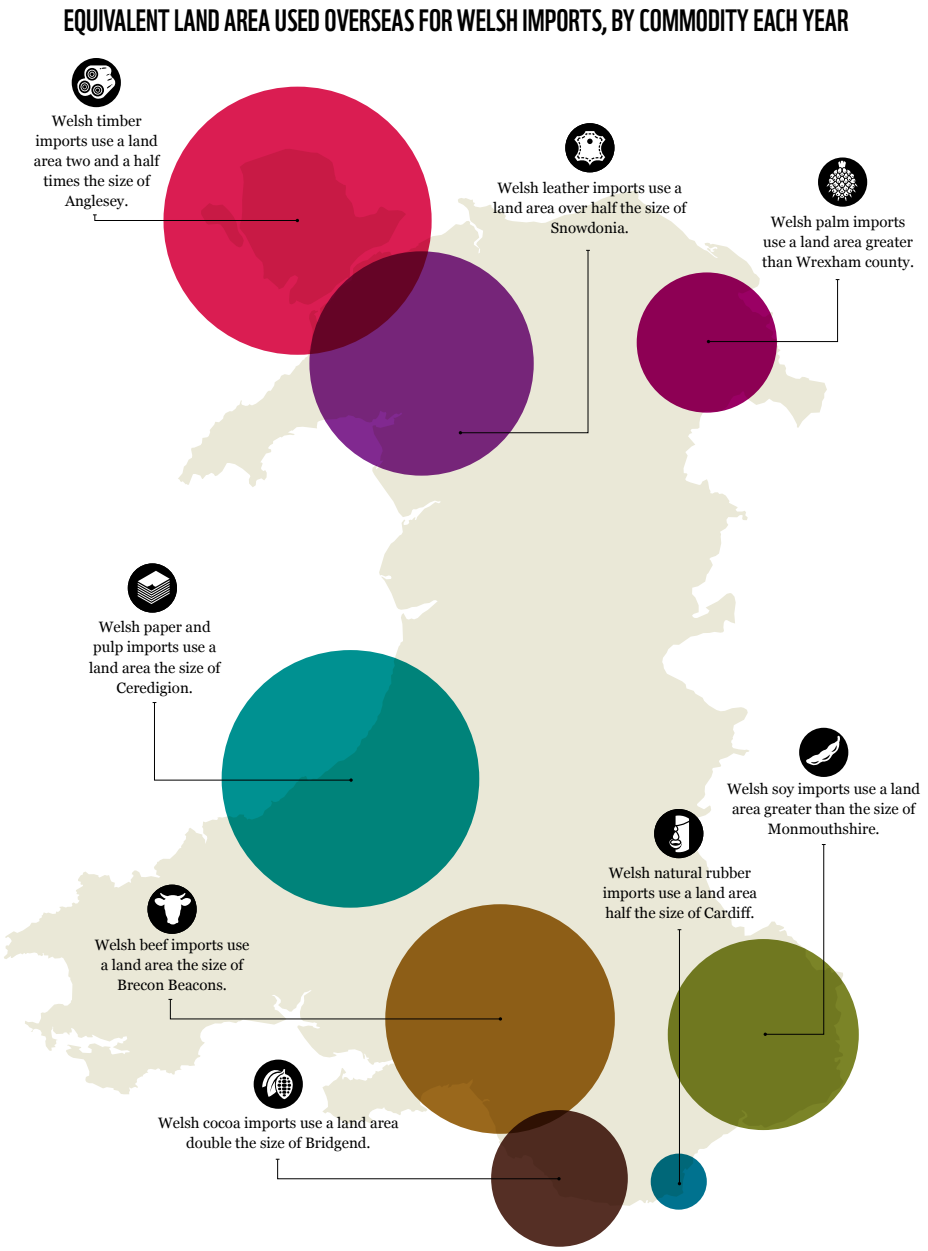


Fig 1.

Image showing Wales' land footprint for the main forest-risk commodities, Wales and Global Responsibility report, 2021.

We found that:

Click here to find out more about Wales' forest footprint

An area equivalent to **40 percent the size of Wales** is required to grow Welsh imports of cocoa, palm, beef, leather, natural rubber, soy, timber, paper and pulp **every year**.

Welsh livestock consumes:

Nearly

80%

of Welsh soy imports

Over

50%

of Welsh palm oil imports

30%

Thirty percent of these imports come from countries classed as **high or very high-risk** for deforestation, habitat conversion and social issues, such as the abuse of Indigenous Peoples' rights or child labour.

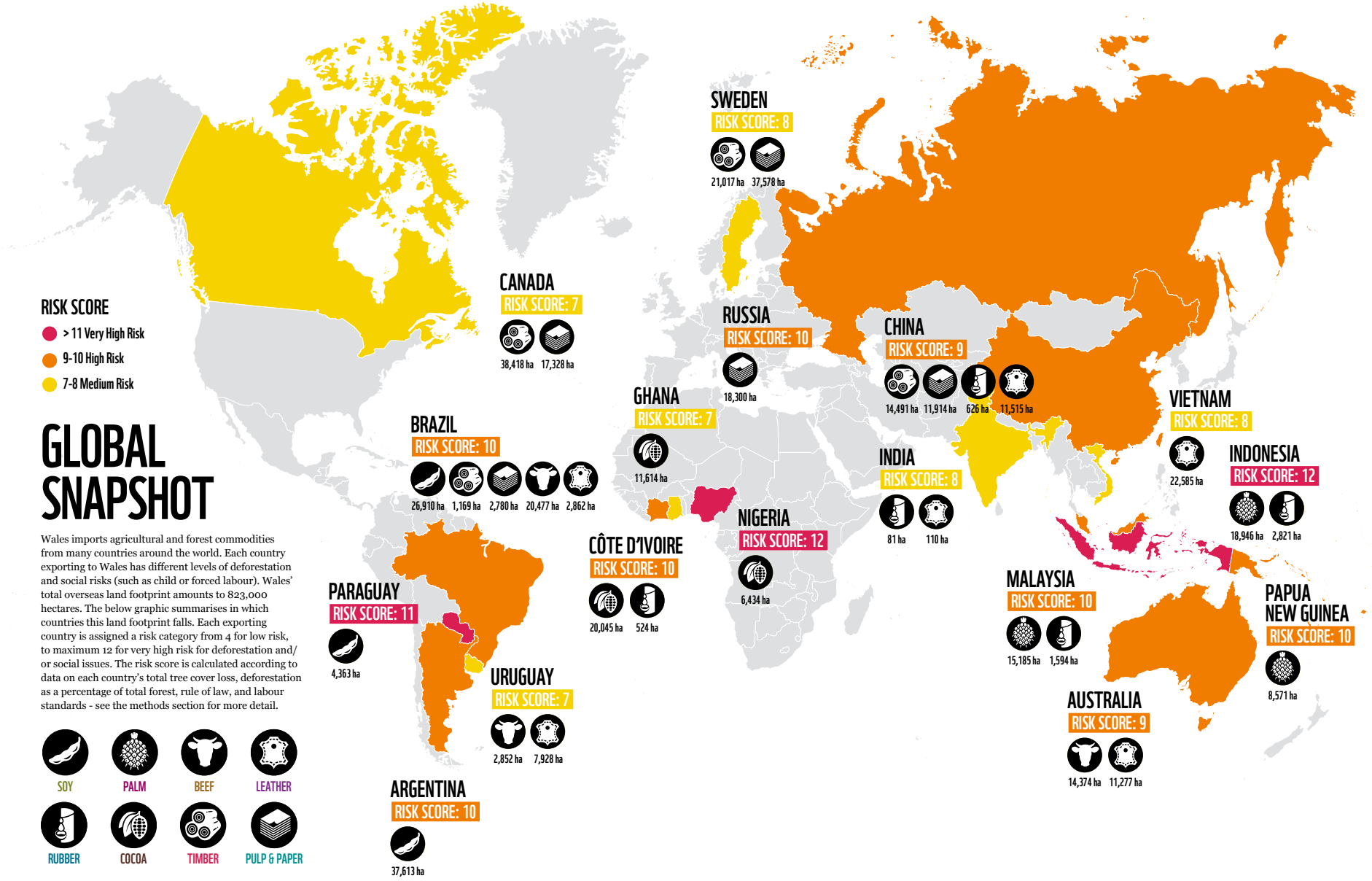
Wales consumes more corned beef compared to the UK average meaning Wales has a higher proportion of its beef land footprint in Brazil.

Wales also consumes more cocoa products per capita than the rest of the UK.[7]

View reference 7

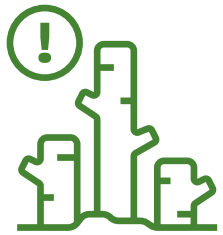
Fig 2.

Infographic showing the global risk levels of forest-risk commodities, Wales and Global Responsibility report, 2021.



Why businesses should act

Why businesses should act



Public demand

87%

of the public want action on deforestation.

Alongside increasing civic and political mobilisation to combat climate change, public demand for sustainable goods and services is growing. For example, sales of sustainable food products are increasing fourfold compared to the market average and, according to a YouGov poll, 87 per cent of Europeans want new laws to ensure that the food they eat and products they buy do not drive global deforestation and habitat loss.[8,9]

In the same survey, 93 per cent of UK respondents said they care about forests and 66 per cent think that the UK government is not doing enough to stop deforestation.

Clear and strong commitments to sustainability and supply chain transparency can bolster this consumer demand, demonstrating to your suppliers, customers, communities and stakeholders that your company is committed to acting on climate, nature and social issues.

Employee engagement and retention

Reflecting the mood of our time, it is unsurprising that sustainability commitments play an increasing role in employee engagement and retention. Various studies indicate this pattern, with one suggesting that over 70 per cent of millenials are more likely to choose to work for a company that has strong social and environmental values and ethics. These commitments also influence the time and effort people invest in their work and the length of time they choose to stay with a company.[10,11]

Future-proofing and mitigating against the impacts of climate change

Taking every step to ensure your supply chains, investments and/or purchases are free from deforestation, land conversion and associated impacts, you will be:

- Taking action to reduce global heating and mitigating against the worst effects of climate change.
- Supporting communities on the frontline of climate change and deforestation by increasing their resilience to climate impacts through fair and sustainable trade.

View references 8-11

Protecting business interests

Table 1

Classification of biodiversity-related financial risk. Source: adapted from BaFin (2019)[12]

Classification of biodiversity-related financial risk:

	Credit	Market risk	Operational Risk
Transitional risk	Investee suffers substantial losses due to sanctions, damages or increased taxes stemming from its negative impact on biodiversity	Long-term price increases as a result of biodiversity change	Image loss resulting from failure to switch to biodiversity management
Physical risk	Revaluation of debtservicing capacity and collateral	Rating downgrades and share price losses after biodiversity loss	Biodiversity loss affects balance sheet
Litigation risk	• Litigation as pertaining to biodiversity loss and breach of the underlying legal frameworks • New regulatory rules impose limitations on investing in activities with an impact on • Damages due to false reporting of biodiversity risks • Damages due to greenwashing		
Systemic risk	Economy can no longer be insured at reasonable cost	Market-threatening effects from biodiversity loss in an entire region	Reputational losses for entire industries/ entire markets

- **Reducing physical risk.** This refers to the physical impact of climate change that could affect an organisation's ability to carry out its function, e.g. a singular event, such as flooding, or incremental changes, such as temperature or sea level rise.[13]
- **Reducing transition risk.** This refers to the potential financial impacts if an organisation fails to adapt to changes during the transition to a lower-carbon global economy.
- **Reducing reputational risk.** Organisations are increasingly exposed to reputational risks arising from problems in their supply chain. By ensuring sustainable sourcing of goods, organisations will be safeguarding their future and reputation.

View references 12-13

Where we are now

Where we are now

We are facing a climate and nature crisis. Despite irrefutable evidence that human-made emissions are heating our planet and destabilising our climate, global greenhouse gas (GHG) emissions continue to rise.

Fast and deep cuts to global emissions are needed, with trees and forests being an essential part of the solution. However, forest loss is increasing annually. In 2021 alone, we lost 25.3 million hectares (Mha) of tree cover, up from 13.4 Mha in 2001.[14] This includes 11.1 million hectares of tree cover loss in the tropics.[15] Globally, deforestation is estimated to account for 10-15 per cent of GHG emissions.[16]

In 2018, the Intergovernmental Panel on Climate Change (IPCC) made it clear that in order to limit global warming to 1.5°C above pre-industrial levels we must stop and reverse global deforestation.[17] We have a limited time to act, if we are to mitigate the worst effects of climate change and avoid runaway tipping points,[18] which could see biodiverse forest ecosystems, such as the Amazon biome, converting into savannahs. Due to deforestation and forest degradation, the Brazilian Amazon is already a net emitter of carbon,[19] which means we can no longer rely on it to help draw down the carbon generated by human activity.

We must act now.

View references 14-19

The importance of tropical forests

The importance of tropical forests

Climate regulation

Protecting existing tropical forests is essential to tackling the climate crisis. Half of all carbon stored in the Earth's forests is found in tropical regions.[20] This is due in part to the dense, hardwood trees that grow in tropical forests and the continuous levels of sunshine all year round, meaning twelve months of growth, photosynthesis and carbon sequestration. Trees store carbon both above ground in their wood, bark and leaves, and below ground in their roots, trapping carbon deep in the soil. On the forest floor, leaf litter, seeds, berries and twigs also decompose, transferring carbon and micronutrients into the soil.

When we burn down a forest, we not only release this stored up carbon into the atmosphere, adding to existing human-made emissions from food waste, industry and transport for example, but we also remove the Earth's ability to draw down the carbon we emit from these other sources.

For every tree lost, we increase atmospheric CO_2 concentrations that drive climate change and reduce the Earth's ability to counter emissions.

Another function of tropical forests is that they create cloud cover, which reflects solar radiation back into space helping to keep the Earth's temperature regulated. In contrast, deforested land absorbs more solar radiation, which increases global temperatures.

Biodiversity

The protection of tropical forests is not just important in our fight against climate change, but it is crucial to reversing the trend of catastrophic nature loss.

> Tropical forests account for just 6 per cent of landmass coverage on earth, but hold over 50 per cent of terrestrial plants and animal species.[21]

This rich flora and fauna form a complex ecosystem, with soils, fungi, plants and animals helping to deliver a huge range of ecosystem services. This includes regulating services, from flood and drought prevention to air and water purification e.g. Brazil's Atlantic Forest provides over 60 per cent of the population's supply of drinking water,[22] and provisional services, such as shelter, food and medicine. Not to mention cultural services, such as spiritual enrichment, awe and inspiration.

Today, many species are under threat from deforestation, including orangutans in Borneo and the Sumatran tiger in Indonesia. As well as the countless microorganisms and fungi found in healthy forest soils that support a flourishing ecosystem capable of sustaining life.

View references 20-22

Indigenous Peoples and Forest Communities

Research widely recognises that Indigenous Peoples and local forest communities play essential roles as guardians of the Earth's forests.[23,24,25] Indigenous communities have been safeguarding biodiverse forest habitats for thousands of years, stewarding and respecting the land, rivers, plants and animals.

> In fact, forests protected by indigenous communities store more carbon and contain more biodiversity than those unprotected.[26]

Nevertheless, Indigenous Peoples are risking their lives to protect their forests, livelihoods and cultures from the impacts of deforestation driven by the global demand for products such as beef, soy, palm oil and timber. Protecting Indigenous Peoples and forest communities, through measures such as fair and sustainable trade, is not only just and ethical in terms of human rights, but it is essential to help preserve and protect the biosphere upon which all life on Earth depends.

Health

Medicine

Twenty-five per cent of Western medicines come from plants found in tropical forests, including 75 per cent of plants identified as having anti-cancer characteristics,[27] such as the Madagascan periwinkle (Catharanthus roseus). This plant has helped to increase the chance of surviving childhood leukaemia from 10 per cent to 90 per cent.[28] Currently, the Madagascan periwinkle is under threat from deforestation in its native habitat. The rich biodiversity being lost through deforestation and habitat conversion means that many plants, which may hold the key to tackling current and future diseases, will simply be lost. [29]

Zoonotic disease

The COVID-19 pandemic has put our complex relationship with nature in the spotlight – including the role that deforestation and habitat loss play in relation to zoonotic disease. Seventy-five per cent of emerging infectious diseases are zoonotic[30] – spread from animals to humans – with rising rates of deforestation leading to more frequent interactions between humans and wildlife, particularly through agricultural activity.

In fact, since the 1940s, nearly 50 per cent of the zoonoses that have emerged are linked to agriculture,[31] including the deadly Ebola and Nipah viruses.[32,33]

While increasing rates of deforestation and land conversion increase the risk of sparking further pandemics, protecting tropical forests reduces this risk by providing a buffer between humans and livestock, and wildlife.

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Deforestation Free Business - guides and templates

Deforestation Free Business - guides and templates

a. Reducing consumption, sustainable sourcing and ethical certifications

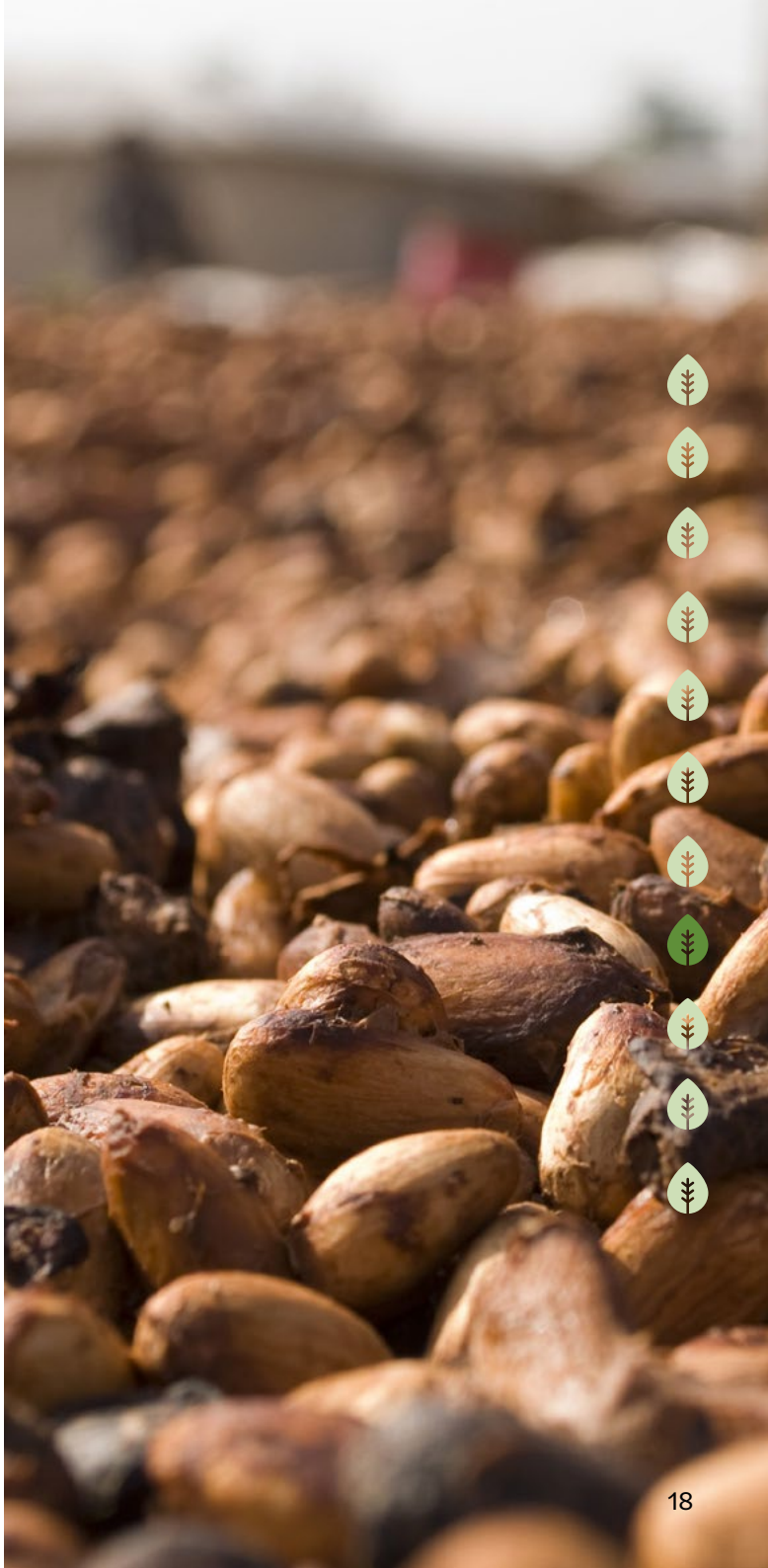
While sustainable sourcing is an essential component of deforestation free behaviour, it is but one tool in a suite of measures. To reduce deforestation and land conversion risk as much as possible, business practices should be considered holistically, including measures to reduce consumption, such as reuse and circularity, and ethical banking and investments.

With the transition to a lower-carbon economy and upcoming due diligence legislation on forest-risk commodities at UK and EU level, many companies will come under increasing pressure to provide evidence that the commodities they buy or produce do not drive deforestation and habitat destruction overseas.

Therefore, along with measures to reduce consumption, such as applying the Reduce, Reuse, Recycle hierarchy to your purchasing decisions, ethical certifications can be used to guide your decision-making on forest-risk commodities, helping to relieve pressure on forests, people and ecosystems.

Global supply chains are complex and as an end consumer or producer, it can be very difficult to know every link in the chain. Ethical certifications can help remove some of that opacity.

While currently, there is no certification scheme that can 100 per cent guarantee zero deforestation, ethical certifications can help with traceability and offer greater social and environmental protections, e.g., Fairtrade not only ensures fair pay, terms and conditions for farmers and workers in the global south, but it also promotes local sustainability and includes a no-deforestation criterion.



Supply chain transparency - soy

Soy often has a complex supply chain, meaning that tracing soy from farm to fork is a difficult task, especially for downstream companies and organisations (see Fig.5). Furthermore, currently no internationally agreed definition of sustainably sourced soy exists.[34] The Roundtable on Responsible Soy (RTRS) is one certification scheme whose criteria includes zero deforestation and land conversion. However, unlike the RSPO logo, the RTRS logo is much less likely to be seen on packaging in the UK.[35]

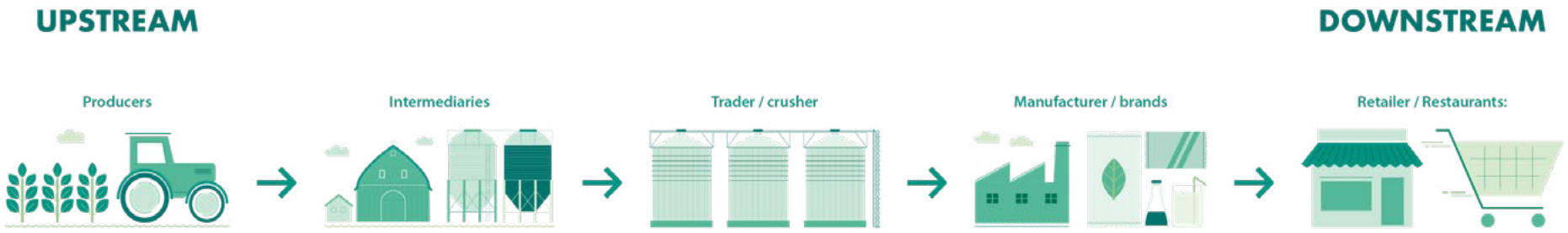
> Although 80 per cent of Welsh soy imports are used to make animal feed which is fed to livestock here in Wales, many people are unaware of the link between deforestation-risk soy and animal products.

Choosing certified organic or grass-fed meat, eggs and dairy can help remove or significantly reduce the risk of deforestation and land conversion, e.g. the Pasture for Life standard prohibits soy-based feeds[36] and under the Soil Association Organic standard, if farmers cannot source 100 per cent organic feed, pigs and poultry may be fed up to 5 per cent non-organic protein.[37]

See our at-a-glance guide on ethical certifications to see the main eco-labels whose standards and criteria help to reduce deforestation, habitat loss and social impacts.

Fig 5.

Soy supply chain, image credit The Soy Toolkit, Proforest[38]



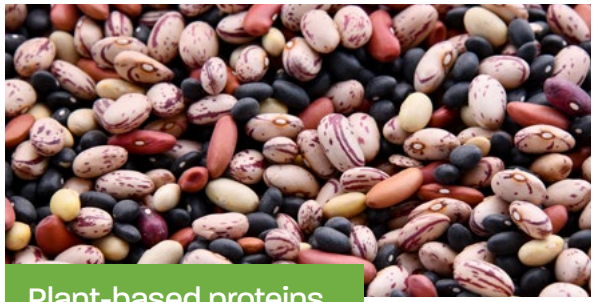
View references 34-38

b. Holistic measures to reduce deforestation-risk

This section signposts ethical certifications for each forest-risk commodity and proposes supporting strategies, such as ethical banking and investments, that will help reduce deforestation, habitat conversion and social impacts.

There are several ethical certifications that support traceability and promote greater social and environmental standards, while at the same time increasing the demand for ethically sourced products. When using certifications, it is still essential to carry out due diligence checks.

Prior to and during the procurement process, preference should be given to ethically sourced and certified products, e.g. through initial supplier engagement and ongoing relationship management, and by giving a greater weighting to ethically certified products in your scoring criteria.



Plant-based proteins

Increase plant-based proteins and include a diverse variety of fruit, vegetables, nuts and seeds.

High-protein pulses, such as beans, chickpeas, lentils and peas and protein alternatives, such as organic tofu and tempeh (made from organic soybeans), are high in protein, calcium, iron and fibre, making them an ideal addition to any diet.

Increase the amount of local, seasonal and sustainably sourced ingredients.

Seasonal and locally grown produce not only supports local growers and farmers, but helps to reduce the travel miles associated with imported produce and the energy required to grow out of season.

Just as plant diversity is good for nature's ecosystems, a diverse variety of plants is essential to support a healthy gut microbiome – our body's very own ecosystem.[39] Research suggests we should be eating at least 30 different plants a week.[40]

Meat, dairy and eggs

(Includes imported beef from South America and embedded soy and palm oil used in animal feed)

Serve less, but better quality meat and dairy products, such as locally sourced certified organic or 100 per cent grass-fed animal products. Certifications include:

- Soil Association Organic, which guarantees nature friendly farming methods.
- Pasture for Life, which guarantees 100 per cent grass fed beef, lamb and dairy products.

Avoid procuring imported, processed beef from South America, such as corned beef and burgers. Processed beef imports are associated with a high risk of deforestation and/or social issues.

View references 39-40

Fish and seafood

Only purchase/serve fish and seafood that has been sourced sustainably. This includes:

Wild caught fish and seafood products certified by the Marine Stewardship Council (MSC) – this eliminates the need for animal feed made from soy and palm oil, as well as helping to reduce pressure on fish stocks and marine environments.

Farmed fish and seafood products certified by the Aquaculture Stewardship Council (ASC) – to achieve certified status farmers must be able to demonstrate that feed ingredients, including soy and palm oil, come from sustainable sources. Additionally, the ASC shrimp standard means that farms built after 1999 cannot be situated in mangrove ecosystems and other natural wetlands.

For inspiration, see Sustain's case study Sustainable Fish City Cardiff

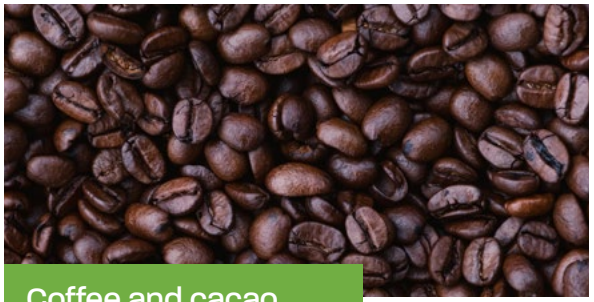
Palm Oil

Reduce consumption / procurement of ultra-processed foods, as these are likely to contain unsustainably sourced palm oil.

Only purchase products containing palm oil that has been physically certified by the Roundtable on Sustainable Palm Oil (RSPO), i.e. from either Identity Preserved or Segregated supply chains.

(See page 31 for the different types of RSPO certification).

Click here for a shopping list of common food brands that contain palm oil from RSPO physically certified supply chains.

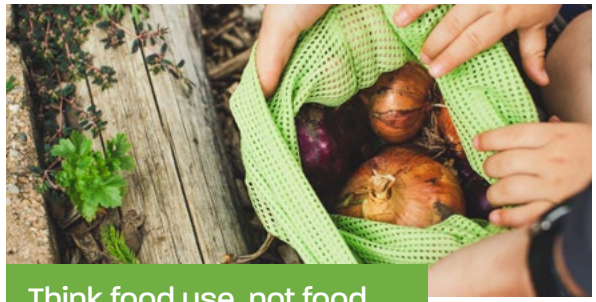


Coffee and cacao

Only purchase Fairtrade coffee, cocoa and chocolate products.

Fairtrade not only ensures fair prices and decent working conditions for farmers and workers in the Global South, but it also ensures local sustainability and environmental protection. Through training, farmers are supported to switch to more environmentally friendly practices, such as encouraging wildlife to help control pests and diseases. Since 2019, Fairtrade has included a no-deforestation criterion.

Find out more about how Fairtrade benefits people and the environment here.



Think food use, not food waste: Reduce, Reuse, Redistribute, Recycle

Food waste from households and businesses in the UK has a combined total of 9.5 million tonnes (Mt) every year, producing more than 25 Mt of GHG emissions. Furthermore, 70 per cent of this wasted food could actually be eaten.[41]

Food production uses vast amounts of resources, including land, water and energy. Therefore, reducing food waste can not only help reduce emissions, but it can also protect forests and ecosystems by reducing the demand for forest-risk commodities that will ultimately be wasted.

Food service and hospitality businesses can reduce food waste by:

- Ensuring good practice is embedded in kitchens, such as inventory control and menu planning.
- Training staff how to reduce food waste, such as advice on food production, presentation and serving methods e.g. knowledge and handling of raw products.
- Calculating a food waste baseline in order to target interventions.
- Signing up to Guardians of Grub to help your business reduce food waste and save money.
- Offering 'doggy bags' for customers to take home their leftovers.
  * Example - Zero Waste Scotland's Good to Go initiative supported restaurants to end the stigma around asking for doggy bags to help reduce food waste. The 8-week trial saw food waste drop by an average of 42 per cent per participating restaurant and 92 per cent of diners surveyed who took food home ate it.[42]
- Selling on surplus food, e.g. the food waste app Too Good to Go enables your business to sell surplus food to customers, helping to prevent food waste and recouping sunk costs.
- Donating surplus food e.g.with the organisation Fare Share
- Turning food waste into animal feed, like in this Welsh example of circularity, where waste hops from a brewery are used as supplementary feed for livestock.

Other sectors/Everyone else:

- Improving food storage facilities in communal kitchens, staff canteens and food preparation areas.
- Organising a staff Lunch and Learn or awareness raising on the impact of food waste, e.g. taking part in Food Waste Action Week.
- Ensuring food composting/recycling facilities are available to all staff.

View references 41-42

Timber, paper and pulp products

Firstly, reduce consumption of timber, paper and pulp products by taking a circular economy / Reduce, Reuse, Recycle approach.

A linear economy is one that takes, makes and produces waste. A circular economy is one that reuses, recycles, repairs and remanufactures existing products, materials and components.

Circular models have been around for a long time, e.g. second-hand clothing, furniture refurbishment and bottle return schemes, and now many businesses are adopting this approach to help reduce carbon emissions and preserve valuable and finite resources.

Inspiring examples include Public Health Wales in Cardiff and Triton Cafe, London.

Ensure any new timber, paper and pulp products are either from recycled sources or certified by the Forest Stewardship Council (FSC).

The FSC prohibits deforestation, forest degradation and illegal logging in certified areas, and includes social standards, such as identifying and upholding the rights of Indigenous Peoples.

The FSC also certifies recycled forest products, as well as textiles (e.g. fabrics made from wood pulp), rubber, bamboo and cork.

Ethical banking and investments

Between 2013 and 2019, global financial institutions provided $44 billion worth of financing to companies driving tropical deforestation and habitat conversion.[43]

Switch to an ethical bank, insurer, or pension pot to make sure your business is not financing destructive industries, such as intensive beef, soy and palm production.

Simply switching to an ethical pension provider is '21x more powerful' at reducing your carbon footprint than the combined impacts of avoiding flying, giving up meat, and switching to green energy.[44]

For more information on ethical finance options see:

www.ethicalconsumer.org

View reference 43-44

c. Assessing risk and current practice (questionnaire)

This section has been designed to help you:

Identify any forest-risk commodities you may be purchasing as a business and whether any of these have an ethical certification.

Take stock of any policies that support sustainable sourcing and identify areas for change.

Please answer the following questions:

1. **Does your organisation purchase food and refreshments in any capacity e.g., ingredients for on-site food production, external catering services or staffroom supplies?**

A **Yes** – Due to the saturation of forest risk commodities in global food systems, much of the food we consume comes with a risk of tropical deforestation, land conversion and/or social impacts. Associated risks and impacts can be reduced through sustainable sourcing.

B **No** - your deforestation risk profile may be low in terms of food products, but consider offering training on forest-risk food commodities for staff development, e.g. a talk from Size of Wales during Learning at Work Week.

2. **Does your organisation purchase any wood, paper or pulp products? This may include items of furniture, paper, card, packaging, toilet paper and tissues, or wood pulp based fabrics e.g. rayon and viscose.**

A **Yes** – All wood, paper and pulp products should be sourced sustainably to ensure responsible management of forests and FSC certified i.e. no deforestation, forest degradation or illegal logging.

B **No** – Please move to the next question

3. **Does your organisation purchase any cosmetic or cleaning products for use in its premises, e.g. detergent, washing-up liquid, handwash, soap or shampoo?**

A **Yes** – around 70 per cent of cosmetics and household detergents contain ingredients derived from palm oil. Unless these carry an RSPO certification, they may contain unsustainably sourced palm oil derivatives.

B **No** – Please move to the next question

4. **Do any of the aforementioned products carry an ethical certification? If so, please list which in the audit template, along with the level of certification (if known) e.g. RSPO Identity Preserved Certified Sustainable Palm Oil. Please note, the certification must be relevant to the product itself, not just the supplier. ***

5. **Is your existing employee pension with an ethical provider?**

A **Yes** – Please move to the next question

B **No -** many pension funds are linked to deforestation, habitat conversion and human rights abuses. Call on your pension provider to commit to removing deforestation and habitat conversion from its investment portfolios and/or consider switching to an ethical provider.

6. **Do you carry out due diligence on suppliers and companies whose services or goods you procure? (Due diligence is the process of checks and measures performed by an organisation to ensure it has done all it can to reduce the risk of deforestation and land conversion in its supply chains.)**

7. **Does your organisation have existing policies and processes that support sustainable sourcing, including no-deforestation and no-land conversion commitments?**

A **Yes** – go to question 8

B **No**– go to question 9

8. **If yes, which mechanisms exist to enable these policies at different stages of procurement/purchasing. Consider:**

A Are they integrated into the contract process?

B Are staff members responsible for procurement and purchasing empowered to make ethical decisions?

9. **If no, does your organisation have a cut-off date for the purchase of unsustainable forest-risk commodities? If not, prioritise:**

A Making a public commitment to phase out products containing unsustainable forest-risk commodities by a certain date, e.g. a date by when you will source only RSPO physically certified palm oil or Fairtrade products.

B Creating a new policy (or updating existing policies) that support reducing consumption and sustainable sourcing of forest-risk commodities.

* Some companies achieve ethical certification for the products they manufacture, but this does not necessarily apply to every product they sell. Due diligence should be carried out to ensure that any certifications apply to the products themselves and not just the supplier.

d. Due diligence / Supplier engagement

This section aims to help you exercise due diligence as a business, and guide your conversations with suppliers, whether at the start of a new contractual relationship or during. It provides a series of questions to help you identify:

- The measures taken by suppliers to ensure sustainable sourcing, such as no deforestation and land conversion commitments and policies to prevent social issues. (p.28)

- Whether products supplied to your organisation are sustainably sourced.(p.29)

For any downstream company, knowing each step in the supply chain can be challenging for many reasons, e.g. the lack of transparency and traceability of certain products. There is also a knowledge gap between behaviours here in Wales and their impacts overseas - many suppliers may be unaware of the potential link to tropical deforestation and land conversion embedded within the products or ingredients they use or supply.

The questions on pages 28 – 30 can be used to support your due diligence practice and begin meaningful conversations with your suppliers on the issue of forest-risk commodities.

You can use the forest-risk commodity audit template provided with this toolkit to help you identify risk products and services you may be purchasing or utilising as a business. Supporting templates are also available to download from sizeofwales.org.uk.

Refer to Table 2 on the following page to identify the risk rating associated with different forest-risk commodities and their countries of origin.

Completely removing the risk of deforestation is not something that can happen immediately, due to both the complexity of our globalised system and the availability of ethically certified products, e.g. currently, only 19.5 per cent of palm oil produced globally is certified sustainable.[45]

With the forthcoming UK and EU legislation on deforestation, and increasing pressure to decarbonise goods and services, engaging with suppliers early on will help them prepare for and adapt to these changes.

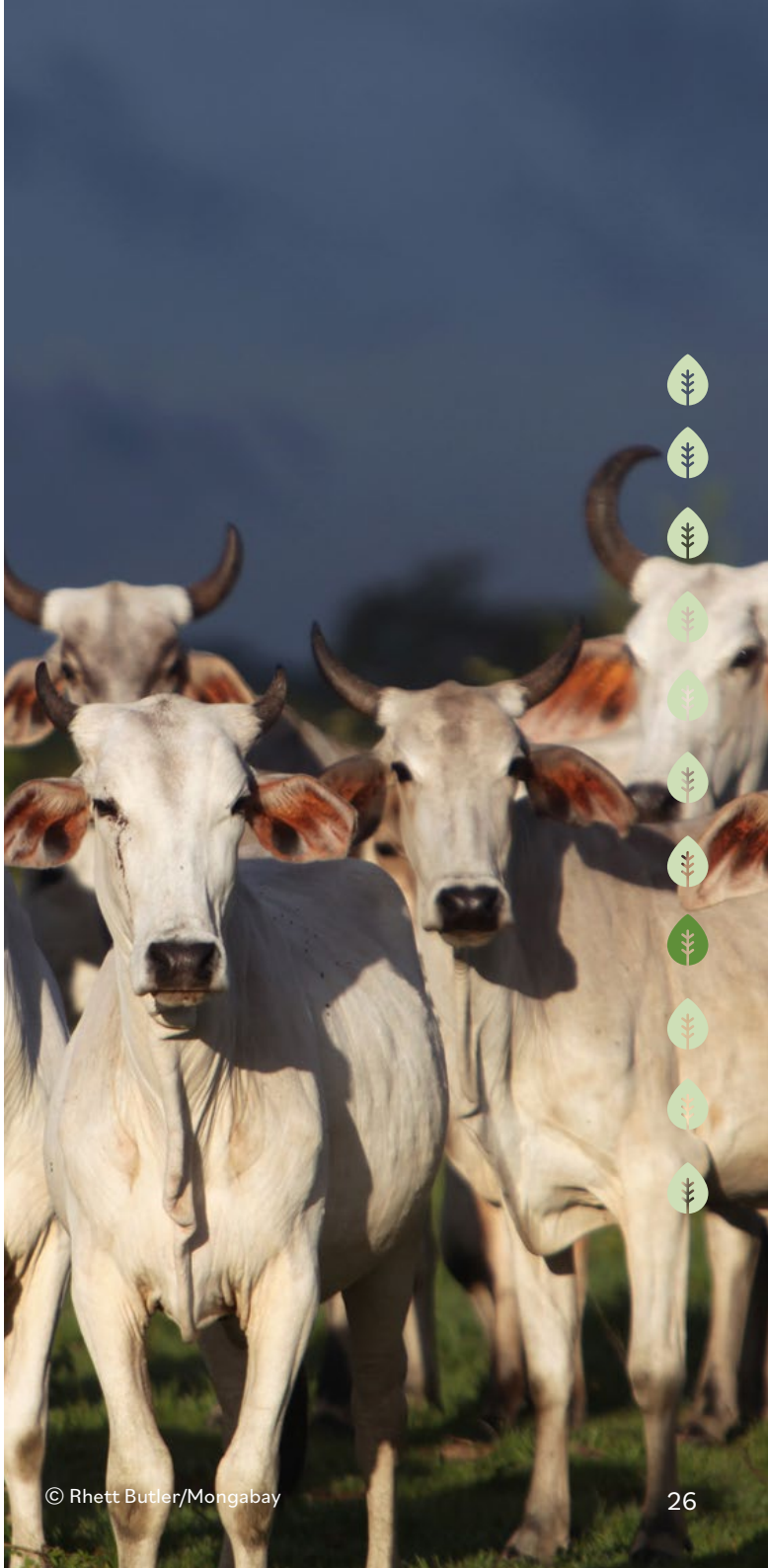


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Table 2

Deforestation risk by country and commodity

			Commodity					
COUNTRY	**Rating**	**Risk**	**Soy**	**Palm oil**	**Beef**	**Timer**	**Pulp and Paper**	**Cacao**
Argentina	**High**	10						
Australia	**High**	9						
Brazil*	**High**	10						
Canada	**Medium**	7						
Cote D'Ivoire	**High**	10						
China	**High**	9						
Ghana	**Medium**	7						
Indonesia	**Very high**	12						
Malaysia	**High**	10						
Nigeria	**Very high**	12						
Paraguay	**Very high**	11						
Papua New Guinea	**High**	10						
Russia	**High**	10						
Sweden	**Medium**	8						
Uruguay	**Medium**	7						

*Note on Brazil: data used to estimate these risk ratings come from the period 2011-2018, prior to the Presidency of Bolsonaro (2019-2022). During the Bolsonaro Presidency, Brazil experienced high levels of deforestation, land conversion and social issues, especially the abuse of Indigenous Peoples' rights. Therefore the risk rating is likely to be considered very high risk. It is hoped that under Lula's Presidency (2023 onwards), levels of deforestation and human rights abuses will fall.

>11	**Very high risk**
9-10	**High risk**
7-8	**Medium**

About the company / supplier:

1. Does the supplier have a public commitment to source sustainably, including no-deforestation and no-land conversion commitments?

2. If not, does the supplier have a time-bound commitment for when they will stop sourcing unsustainable forest-risk commodities, e.g. a cut-off date for the use of unsustainable palm oil?

3. Does the supplier have policies that support the protection of biodiversity and ecosystems?

4. Does the supplier have policies and commitments in place to tackle and prevent social issues arising in its supply chains? For example, an anti-slavery statement, a public commitment to protect workers' rights or a policy on Free, Prior and Informed Consent (FPIC) relating to activities operating on Indigenous lands.

5. Does the supplier exercise due diligence when sourcing products and ingredients, including assessing the risk of deforestation and land conversion in its supply chains?

6. Does the supplier know the country or region of origin of forest risk commodities used in its products? (See Table 2. Deforestation risk by country and commodity).

7. Does the supplier have full traceability of its forest-risk supply chains? For example, supply chain maps used in its operations, concession permits or documentation of Free, Prior and Informed Consent, or lack thereof by local/indigenous communities.

About the products:

1. Does the supplier provide any of the following products and/or embedded ingredients to your business? This can be through procurement of either goods or services, such as catering or cleaning services:

   - Imported beef, e.g. corned beef and burgers.
   - Chicken, lamb, pork, beef, eggs, dairy and farmed fish (forest-risk commodity - embedded soy and palm oil used in animal feed)
   - Soy food products
   - Chocolate and cocoa
   - Coffee
   - Timber, paper or wood pulp
   - Palm oil and/or palm oil derivatives:
     i. Any processed foods, but particularly, confectionery, baked goods, spreads, margarines and ready meals
     ii. Cosmetics, e.g. shampoo, shower gel and hand wash
     iii. Cleaning products, e.g. detergent and washing up liquid

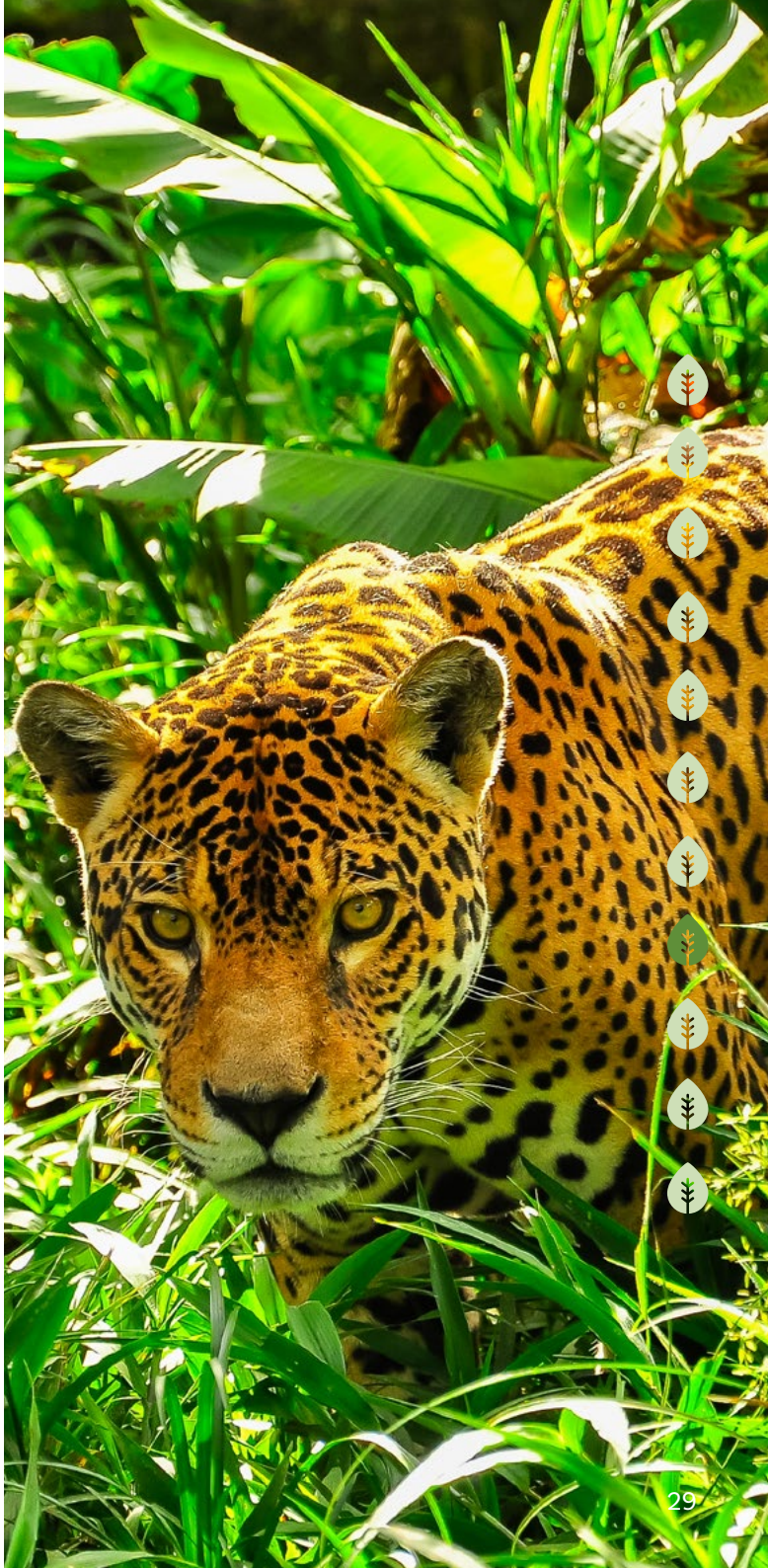
2. Do any of these products carry an ethical certification? Is this visible on the packaging?

3. If a product contains palm oil, is this RSPO certified? If so, what is the level of RSPO certification? (See table 3, overleaf)

4. Do any of the products or ingredients come from countries or regions classed as high-risk for tropical deforestation and/or land conversion? (See p27 for risk ratings)

5. If there is no evidence of ethical certifications for the products currently supplied to your business, does the supplier have alternative products that are sustainably sourced or identified as being from low-deforestation risk countries or regions? (See p27 for risk ratings and for products containing RSPO physically certified palm oil, see Chester Zoo's certified brands list).

6. Are there opportunities for the company to shorten its supply chain, e.g. local sourcing?



There are four levels of RSPO certification. However, only two of these are physically certified and ensure traceability:

Table 3

Types of RSPO certification

Preferable RSPO level, assures traceability	Cannot assure traceability
IP (Identity Preserved) - the CSPO is uniquely identifiable to a single RSPO certified mill and its certified supply base.	MB (Mass Balance) - CSPO is mixed with conventional palm oil and monitored administratively.
SG (Segregated) - CSPO is kept separate throughout the supply chain. Palm oil comes exclusively from a certified source.	BC (Book and Claim) means the supply chain is not monitored for the presence of sustainable palm oil. Manufacturers and retailers can buy credits from RSPO-certified growers, crushers and independent smallholders, whilst continuing to source unsustainable palm oil.

Forest-risk commodity - Soy (in animal products) and Beef

© Rhett Butler/Mongabay

Welsh soy imports use a land area larger than Monmouthshire every year, generating **1.1 million tonnes of greenhouse gas emissions** (GHGs).

The hidden soy in our food: **80-90% of imported soy is used to feed livestock**, including poultry, pigs, sheep and farmed fish.

The Welsh poultry industry consumes nearly half of Wales' imported soy feed for livestock.

Welsh beef imports from countries such as Argentina, Brazil and Paraguay, use **136,300 hectares of land every year** - this is equivalent to the size of the Brecon Beacons.

Wales has a larger land footprint in Brazil than the rest of the UK. This is because Wales consumes more corned beef, which nearly always comes from Brazil.

Social impacts

The Guarani Indigenous Peoples live in Brazil, Paraguay, Argentina and Bolivia. They have lost 95 per cent of their ancestral lands due to intensive agriculture, including soy and beef production.

Forest-friendly actions:

- Eat/purchase less, but better quality animal products, e.g. locally sourced, ethically certified meat, dairy, eggs, fish and seafood. Certifications include:

- Increase the availability and variety of vegetable proteins, e.g. beans, chickpeas, lentils and peas

- Speak to your supplier about their sustainable sourcing policies - see our Supplier Engagement Questionnaire to help guide your conversations

- Make a public commitment to reduce your company's forest footprint through ethical and sustainable sourcing.

- Think food use, not food waste. Food production uses vast amounts of resources, including land, water and energy. Reducing food waste can help reduce your impact on forests and other fragile ecosystems.

Forest-risk commodity - Palm oil ⓘ

Welsh palm oil imports use **50,600 hectares** of land overseas every year.

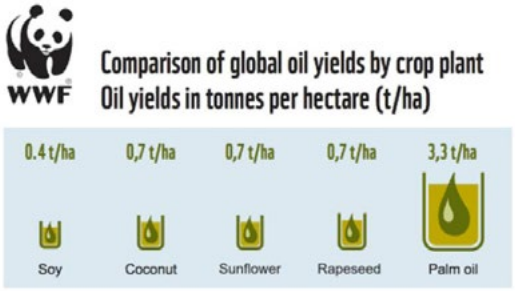
85 per cent of these imports are grown in countries with a high or very-high risk of deforestation, including Indonesia and Malaysia, where species such as the orangutan are under threat.

Palm oil can be found in **over 50 percent** of packaged food products in our supermarkets, and around **70 percent** of cosmetic and household detergents. It has over 200 names, making it very difficult to spot.

Palm oil is Wales' **highest risk** forest commodity

Why is palm oil in everything & should I boycott it?

Palm oil has a long shelf life and neutral flavour and aroma, making it an ideal ingredient in many food preparations. It is also a highly productive crop, using much less land to produce the same amount



Oil crop comparison from WWF[i]

of oil compared to other oil crops. (See above) Therefore, if we switched to an alternative oil crop this would cause much more deforestation and habitat destruction. That is why it is essential to source certified sustainable palm oil (CSPO), while reducing consumption of palm oil overall, e.g. by reducing consumption of ultra-processed foods. This not only has health benefits for us humans, but will also help to reduce pressure on fragile ecosystems.

Size of Wales does not support a blanket boycott on palm oil, as this would mean less demand for companies to switch to sustainable production, allowing unsustainable practices to continue unchecked. Many larger global markets are not calling for sustainable production, so we need to be part of the solution. By increasing the demand for CSPO, rather than just conventional palm oil, we can help provide the incentive for companies to raise production standards in favour of forests, people and biodiversity.

Forest-friendly actions:

- Eat/purchase less ultra-processed foods, such as ready meals, baked goods and confectionery.
- Only purchase food, cleaning and cosmetic products containing palm oil certified by the Roundtable on Sustainable Palm Oil (RSPO):
  * Ideally, this should be physically certified, which means the palm oil can be traced back to a unique, identifiable mill. This certified palm oil is labelled as either: Identity Preserved (IP) or Segregated (SE)
  * The other 2 types of RSPO certification - Mass Balance (MS) and Book and Claim (BC) are not consistent with a deforestation free approach.* (See our Ethical Certification Guide for notes on palm oil)
- If you use a catering company or food supplier, speak to them about sourcing RSPO certified palm oil.
- Think food use, not food waste. Food production uses vast amounts of resources, including land, water and energy. Reducing food waste can help reduce your impact on forests and other fragile ecosystems.

RSPO logos: Left - shows the logo for physically certified traceable CSPO. Right - CSPO is mixed with conventional palm oil.

i - https://www.wwf.org.uk/updates/8-things-know-about-palm-oil

Forest-risk commodity - Cocoa and Coffee ⓘ

© Jenipher's Coffi - Harvested coffee cherrries

Welsh **cocoa imports require an area of land the size of Wrexham** county every year.

Fifty-five per cent of these imports are grown in countries that are high or very high-risk for deforestation and social issues, such as child labour.

Welsh consumption of chocolate is **slightly higher per capita** than the rest of the UK.

Global coffee production is growing by **2 per cent year on year**. Most of this coffee is grown on land that was previously primary forest.

Monocrop coffee plantations are responsible for deforestation, soil erosion and water pollution.

Shade-grown coffee - the regenerative way to grow coffee

The increasing global demand for coffee is driving deforestation and land conversion, as producers clear more land in order to grow coffee in full sun.

However, coffee can be grown using agroforestry principles i.e. with trees, which helps to protect the soil and microorganisms, while providing shade for the coffee plants. Shade-growing slows down the process of transpiration - where water evaporates from leaves, stems and flowers - which in turn helps to increase yield.

Shade-grown coffee also provides habitats for birds and insects who in turn help to control pests that eat the coffee plants, meaning fewer pesticides are required compared to sun-grown coffee. (Read more about shade-grown coffee in the inspiring case study Coffee Growing on Mount Elgon, Uganda).

Forest-friendly actions:

- Promote the use of Fairtrade coffee in your workplace.
- Ensure catered events only use/provide Fairtrade coffee and cocoa, e.g. for use in desserts and confectionery e.g. biscuits.
- Food and hospitality businesses should ensure all coffee and cocoa products and ingredients are Fairtrade.

Fairtrade

Fairtrade not only ensures fair prices and decent working conditions for farmers and workers in the Global South, but it also ensures local sustainability and environmental protection. (See our Certification Guide to find out more.)

Fairtrade also includes a no-deforestation criterion.

Forest-risk commodity - Timber, paper and pulp

Welsh imports of timber, paper and pulp have the largest land footprint of all of Wales' forest-risk commodity imports.

Generally, these are grown in North America and European countries at lower-risk of deforestation and social issues. However...

Welsh timber imports use a land area **two and a half times the size of Anglesey** every year.

18 percent of Wales' timber imports come from countries that are high risk for deforestation and social issues, including Brazil.

The UK consumes **nearly twice as much paper as the global average** i.e., 145 tonnes compared to 55 tonnes per person.

Fabrics such as viscose and rayon are made from wood pulp, which is a **major driver of tropical deforestation**, especially in Indonesia.

Welsh paper and pulp imports use a **land area the size of Ceredigion every year**.

Forest-friendly actions:

- Reduce, Reuse, Recycle:
  - Reduce the amount of new wood, paper and pulp products you purchase as a business.
  - Reuse - for example, second-hand, refurbished or recycled furniture. Recycle items you no longer use.
  - Use recycled paper products - this not only protects forests, but reduces the amount of water and energy required to produce paper from virgin pulp.
- Buy wood, paper and pulp products certified by the Forest Stewardship Council (FSC).
- Recycled or FSC certified office products might include:
  - Furniture
  - Printer paper
  - Packaging for postal and courier deliveries e.g. Kraft paper
  - Card
  - Toilet roll and tissues
- Ensure any items of clothing or fabrics you purchase as business are responsibly sourced, e.g. certified eco-responsible viscose, FSC certified textiles and Fairtrade cotton.

Forest-risk finances - banking, pensions and investments

Forest-risk Finances

Many of our financial investments, such as pensions, are tied to environmentally damaging activities, including deforestation and habitat conversion.

According to a pensions report from Global Canopy, for the average UK pension, £2 of every £10 saved is invested in businesses with a high-risk of deforestation.[i] This is having devastating consequences for Indigenous Peoples, biodiversity, climate, and the health of tropical forests.

£2 of every £10 saved is invested in businesses with a high-risk of deforestation

Ethical banking and investments

Between 2013 and 2019, global financial institutions provided $44 billion worth of financing to companies driving tropical deforestation and habitat conversion.[ii]

Switch to an ethical bank, insurer, or pension pot to make sure your business is not financing destructive industries, such as intensive beef, soy and palm production.

Simply switching to an ethical pension provider is '21x more powerful' at reducing your carbon footprint than the combined impacts of avoiding flying, giving up meat, and switching to green energy.[iii]

For more information on ethical finance, visit www.ethicalconsumer.org/money-finance

> Simply switching to an ethical pension provider is '21x more powerful' at reducing your carbon footprint than the combined impacts of avoiding flying, giving up meat, and switching to green energy.[iii]

i. globalcanopy.org/insights/explainer/how-are-pensions-and-deforestation-linked
ii. www.globalwitness.org/en/campaigns/forests/money-to-burn-how-iconic-banks-and-investors-fund-the-destruction-of-the-worlds-largest-rainforests
iii. globalcanopy.org/insights/explainer/how-are-pensions-and-deforestation-linked

Ethical Certification Guide

Pastures for Life

- Animals are grazed on 100% pasture
- Supports animal health and welfare
- Supports biodiversity and healthy soils
- Prohibits soy-based feeds

Certified Grassfed (A Greener World)

- Animals are grazed on 100% pasture
- Supports animal health and welfare
- Supports biodiversity
- Prohibits soy-based feeds

Soil Association Organic

- Improved natural soil health and fertility
- Increases carbon storage in soil
- Supports wildlife and biodiversity
- Significantly reduces the risk of deforestation

Forest Stewardship Council

- Prohibits deforestation, forest degradation and illegal logging
- Promotes social and economic well-being e.g. workers and communities
- Requires that the rights of Indigenous Peoples are identified and upheld

Aquaculture Stewardship Council (ASC)

- Feed ingredients, including soy and palm oil, must come from sustainable sources
- Shrimp farms built after 1999 cannot be situated in mangrove ecosystems and other natural wetlands

Marine Stewardship Council

- Wild caught fish and seafood products (removes the need for external feed inputs)
- Reduces pressure on fish stocks and marine environments

Fairtrade

- Increased standards of living with fair prices, decent working conditions and access to basic services
- Environmental protection and climate change adaptation
- Supports gender equality
- Includes a no-deforestation criterion

Roundtable on Sustainable Palm Oil (RSPO)

- No new planting on peatlands after 2018
- No further deforestation or burning of land
- The protection of rare, threatened or endangered (RTE) species
- Reducing pollution and GHG emissions

RSPO Certified

This label is used on products that contain palm oil physically certified by the RSPO. In this case, the supply chain model is either:

- Identity preserved; or
- Segregated

RSPO Mixed

This label is used on products containing a mix of certified and conventional palm oil. This supply chain model is known as ‘Mass Balance’.*

Notes on palm oil

*Currently there is not enough certified sustainable palm oil (CSPO) produced globally to meet demand. Therefore, the Mixed/Mass Balance certification can be used to support suppliers and producers to start moving towards sourcing only CSPO, while increasing demand for sustainable production. However, it is essential for companies and organisations working towards becoming deforestation free, to set targets to begin phasing out the use or consumption of conventional palm oil.

**Labelling is not always clear, so it can be very difficult for the end consumer to know what they are getting. Engaging with your suppliers and carrying out a palm oil audit are crucial steps in establishing your baseline and setting targets to source only RSPO certified CSPO.

Inspiration/ motivation

Stories from the frontline of deforestation

The Guarani People, Brazil

The Guarani are one of the most populous Indigenous Peoples of Brazil, whose ancestral territory is in Brazil's Atlantic Forest.[46] The Atlantic Forest contains about 5 per cent of the world's biodiversity in plant and animal species and is considered a priority region for environmental conservation – one of the five global hotspots.[47] The forest's rivers and springs are responsible for the vast majority of Brazil's freshwater supply, serving 130 million people.[48] However, the Atlantic Forest and the Indigenous people who inhabit this biome are threatened by the expansion of agribusiness in the region, especially soy monoculture. Historically, the forest used to cover 1.2 million km2 – about a quarter the size of the Amazon. Today, after centuries of deforestation, land-use change and urban expansion, less than 10 per cent of this precious habitat remains in protected areas and patches of fragmented forest,[49] often surrounded by mono-crop plantations.

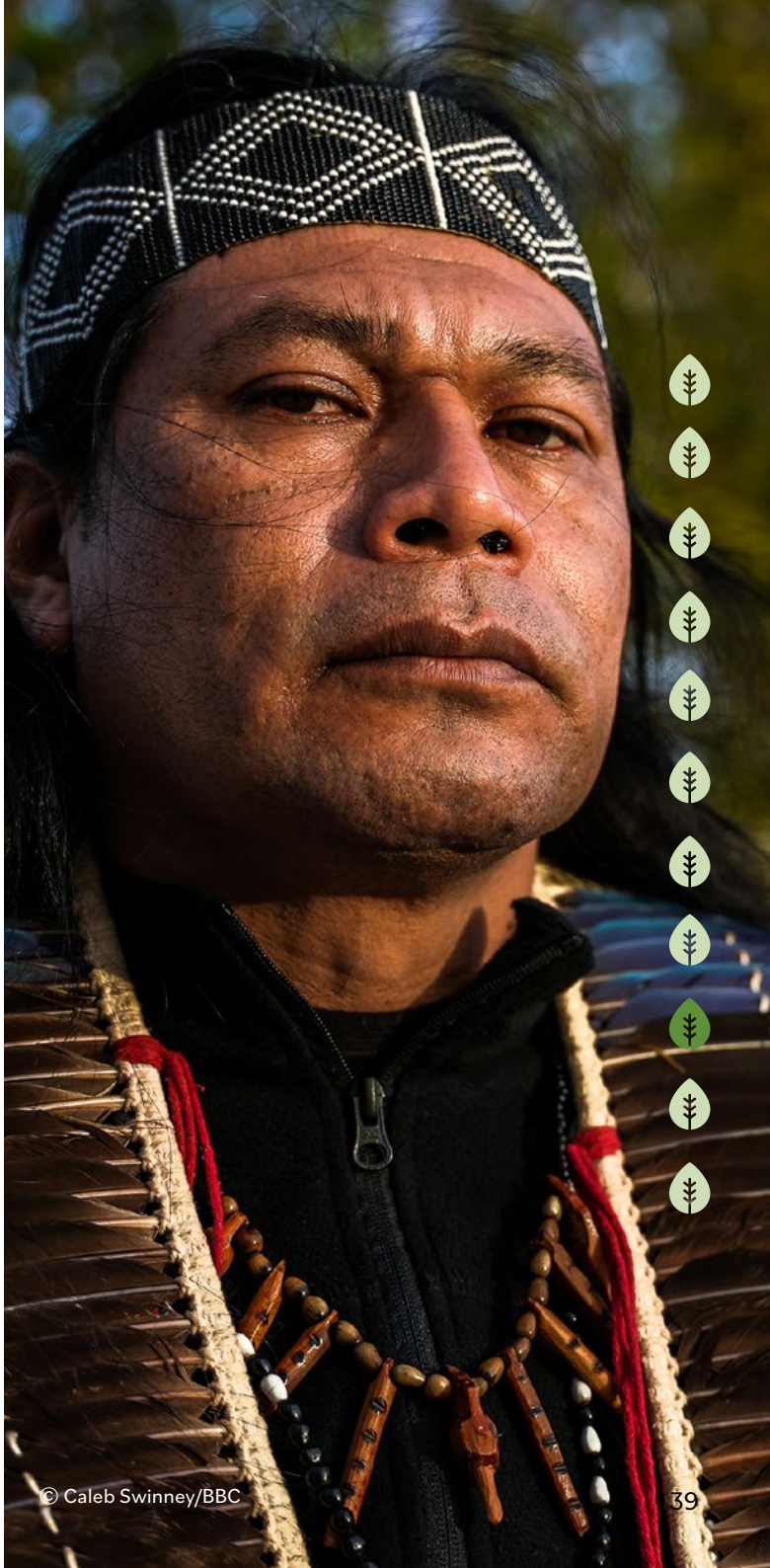
In Guarani culture, people's lives are intertwined and connected to the lives of all other beings in the forest. They don't see themselves as separate from nature. They feed, protect and respect the earth, plants, animals and insects, regarding their lives as equal and never seeking to gain power over nature, nor to exploit it.

> "To maintain, our nhandereko - our way of life - the forests and all their beings must also be kept alive."
>
> Indigenous leader, from the Commissao Guarani Yvyrupa

However, powerful economic forces are destroying and exploiting the forest for soy production. The Guarani fight to protect their lands and, as a result, they experience discrimination, abuse, threats and intimidation daily.[50]

Many have been murdered, and if their villages are close to soy plantations, they are routinely sprayed with pesticides, affecting the health of their children, plants and animals. Spiritual landmarks have been flooded and villages

View references 46-50



© Caleb Swinney/BBC

destroyed to grow crops such as soybeans, which are exported and used as animal feed.

> "In Brazil, the Indigenous peoples, the original peoples of this land, have always suffered a lot of violence. They lost their lands and were murdered because of colonization. And today, our rights are still being attacked. Our lands and our forests continue to be destroyed. And we even lost our lives because of very powerful economic interests."
>
> Indigenous leader, from the Commissao Guarani Yvyrupa

To protect their culture, existence, and as such, their forests, the Guarani people need the global support of governments, NGOs, businesses and civil society. The Guarani people call on people worldwide to support their struggle to protect forests and restore their ancestral lands - to listen to the voices of those who have a unique knowledge of how to care for forests. For businesses this means respecting internationally recognised human rights frameworks, such as the United Nations Declaration on the Rights of Indigenous Peoples. It means ensuring that the products and commodities they buy, such as soy, do not infringe upon these rights. For example, requiring suppliers to have full traceability of their forest-risk supply chains or documentation of Free, Prior and Informed Consent for commodities grown on Indigenous lands. It means doing all they can within their operations and procurement practice to reduce tropical deforestation and land conversion to protect Indigenous communities and tackle the climate and nature crises.

These are real ways to strengthen the protection of the place where we all live - the forests, the rivers. This fight is not just for the Guarani people, but for everyone. It is a fight for the good life, a fight for the life of the Planet.

© Carlos Penteado

Coffee growing on Mount Elgon, Uganda

This case study explains how a Fairtrade co-operative in Uganda is able to secure an income for its members and help them adapt to climate change, protect biodiversity and strengthen local and global food security.

The Mount Elgon Agroforestry Community Co-operative Enterprise (MEACCE) has a combined membership of 3,664 farmers. The beautiful Mt Elgon has a tropical climate, high altitude and volcanic soils. Many different plants thrive there and the conditions are ideal for coffee growing.

However, this rich and fertile landscape is under threat. In recent years, the region has been experiencing warming and dramatic changes in its weather patterns. Floods and mudslides arrive with ever more frequency, washing the precious soil away down the mountain. Coffee plants are very sensitive to even the slightest change in conditions.

MEACCE is also a big part of the Mbale Trees Programme, funded by Welsh Government and Size of Wales. The programme aims to support communities to plant 25 million trees across the region by 2025. Member farmers receive free trees to plant on their small holdings.

Planting trees for shade among coffee plants has improved the quality and the yield by an average of 150 per cent.

Whilst growing high quality coffee, farmers are able to take measures that protect their environment. Tree growing and agroforestry (growing crops with trees) has helped diversify income, conserve nature, increase forest cover and stabilise soils to minimise the threat of landslides. Fruit trees also provide food and additional income for farmers and their families.

Farmers have been selling their Fairtrade and organic certified coffee locally for years. However, a recent success means the coffee is also shipped to Wales and is available to buy at Fair Do's shop in Cardiff and online, via the Jenipher's Coffi website. Access to local and international markets, at Fairtrade prices, provides even greater financial resilience for farmers.

© Jenipher's Coffi - Jenipher with tree sapling

> "Climate change is affecting us every day, and it is making our work much harder. That's why we are part of the 25 million tree planting scheme as we want to make the region more resilient to flooding and mudslides and helping tackle climate change for all of us. Since being part of the scheme, we have also seen our coffee quality improve as the trees provide shade and offer some protection to the crops from the changing weather patterns".
>
> Jenipher, Wetaka Sambazi. Vice Chair of MEACCE

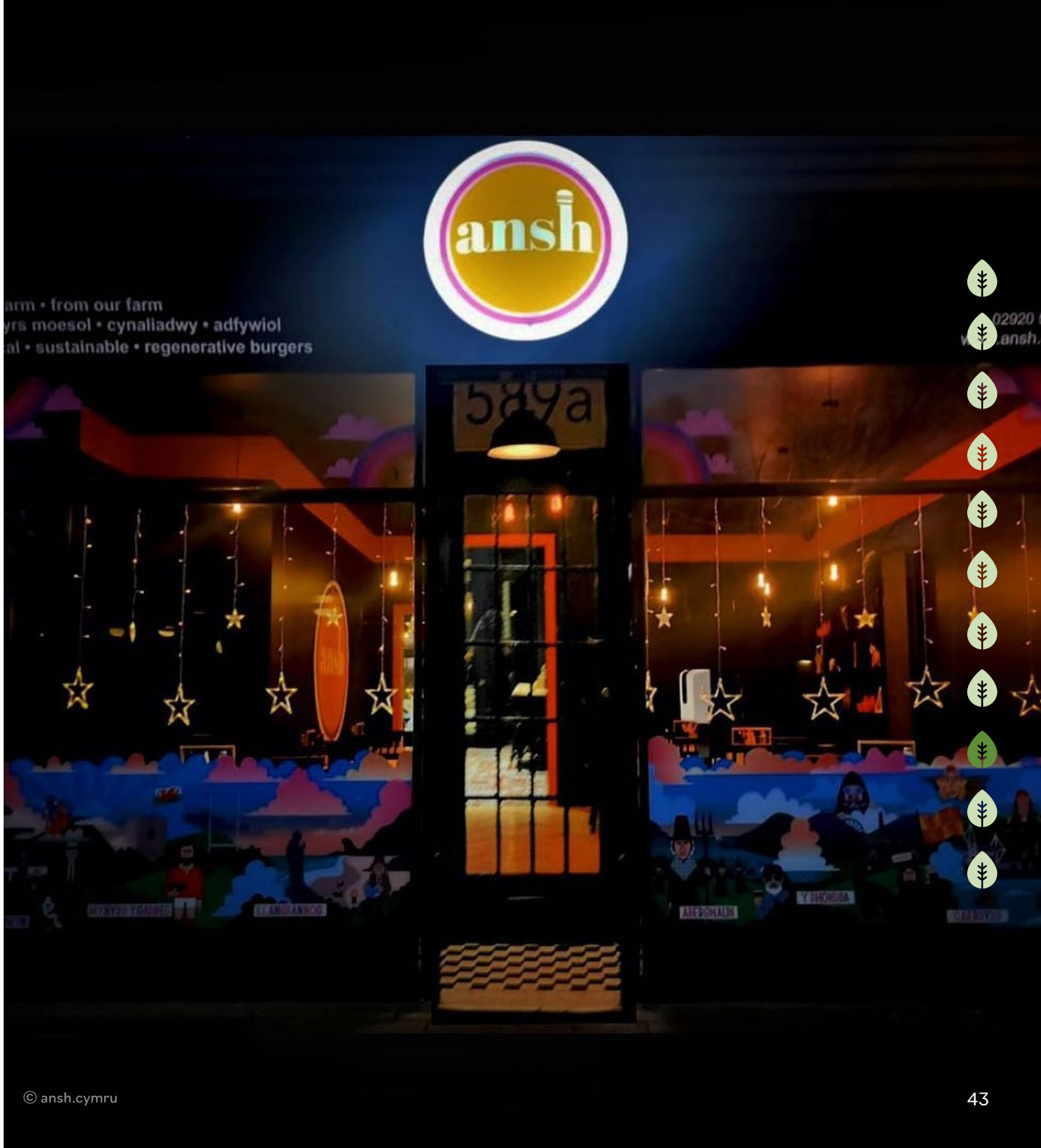
Ansh Restaurant, Cardiff

Read this inspiring case study of a Welsh food business partnership with a big focus on ethical and local sustainability.

Ansh restaurant in Cardiff operates a unique, local supply chain model that prioritises environmental sustainability and the highest animal welfare standards. It is a partnership between Sara and Aled, who run the restaurant, and Shaun from Oriel Jones Butchers, who supplies the restaurant with meat and dairy from his family farm, Llygadenwyn, situated at the foothills of the Cambrian mountains.

Ansh was born out of a shared passion for good food, sustainably and ethically produced, and while just at the start of their journey they have embedded sustainability from the outset and continue to make improvements.

Shaun is a fourth-generation farmer and has made a number of changes to his agricultural practice, including adopting nature and climate friendly, regenerative farming methods, such as no till agriculture and no fertiliser use. They have also reduced stock numbers on the farm, so they have less need to bring in external feed, such as soy and palm-based feeds. The animals graze mainly on pasture, and a partnership with local brewery Crafty Devil, sees waste hops used



as a nutritious, supplementary feed for the cattle. Currently, the farm is working towards a Pasture for Life certification and plans to grow feed crops to supplement the animals' diets through winter.

For Shaun, conventional farming meant doing the same thing year after year and getting either the same or worse results. However, by working with nature, by actively protecting and restoring the soils and ecosystem he can harness what nature provides. Shaun says that since introducing these changes the animals and biodiversity are thriving.

In the restaurant, lower stock numbers on the farm mean that sometimes certain ingredients are off the menu. However, the reasons for this are communicated to customers, so they understand why certain products are not available all the time, helping to draw attention to the over-availability of intensively-produced meat.

In addition to ethical meat and dairy products, Sara and Aled try to source sustainable ingredients where possible, e.g. the bread is locally sourced and does not contain palm oil, which is often linked to tropical deforestation. Back on the farm, Shaun has created space for biodiversity to thrive, planting nearly 6,500 native broadleaf trees, as well as protecting an area named Cefn Blaenau, which has been designated as a Site of Special Scientific Interest (SSSI) since 1989 for the rarity of its biodiversity and wildlife. This area is grazed with great care, with the cattle helping to control vegetation growth, which in turn creates the ideal environment for ground nesting birds. It is a vibrant example of how sustainable, regenerative agriculture can work in harmony with nature.

You can find out more about Ansh here.

Images © ansh.cymru

Co-op Case study

Climate change and biodiversity loss are real and life-threatening. They already affect the foods we rely on, the ecosystems on which all life depends and the people who produce or consume food.

The food industry plays a key part in shaping how the planet and the people that live on it are sustained. Collectively we are facing huge challenges and the future of food globally is at risk if we don't act together to drive positive change.

Our Future of Food ambition was launched in September 2018, setting out our ethical and sustainability commitments to 2030. It inspires our colleagues, customers, members and suppliers to take action together towards securing a healthy and sustainable future.

We have built on this in 2021 with our comprehensive Ten-Point Climate Plan to address our impacts across our business and beyond. We are committed to reduce our total emissions in line with the science and get to net zero by 2040. While we are working to reduce emissions, we will offset the emissions from both our products and operations. The plan sets out targets, endorsed by the Science Based Targets Initiative, in line with the carbon reduction that is required to cap global temperature increases and meet the goals of the Paris Agreement.

We recognise that climate change will disproportionately affect people and communities around the world. Many of the world's farmers and workers live in poverty, and yet these same people are on the front line of climate change, with their lives and livelihoods affected today by a more volatile climate.

We support a fair transition for farmers, producers and communities in the UK and beyond.[AP(P4] [EP(P5] [AP(P6] This means taking responsibility for our emissions wherever they occur, by working with our producers to reduce carbon impacts in the countries we source from. It also means giving extra support to those in the Global South who are least able to bear the cost of change.

We work hard to make sure the ingredients we use in our products are sourced as sustainably as possible, protecting people and the planet. We've worked with stakeholders to identify our 30 key ingredients – allowing us to focus actions on those with the greatest sourcing risks. In our own-brand products we use certifications to[AP(P7] [EP(P8] [EP(P9] ensure that minimum standards are met in core forest risk supply chains:

- **100 per cent palm oil covered by Roundtable on Sustainable Palm Oil (RSPO) with over 95 per cent physically certified**
- **At least 95 per cent of pulp and paper FSC or Recycled**, with the remaining 5per centPEFC (Programme for the Endorsement of Forest Certification)[EP10]
- **100 per cent cocoa** (including used as an ingredient) Fairtrade with over 90 per cent physically certified
- **100 per cent of our fresh beef and beef as an ingredient is British Red Tractor**, our canned beef is European
- **100 per cent of our coffee is Fairtrade**. Where coffee is used as an ingredient, Fairtrade producers benefit
- **100 per cent of our soy footprint is covered by Round Table on Responsible Soy (RTRS) through credits, to support responsible soy production**. Under our soy commitment we're also working with our suppliers to make sure that 100 per cent of the soy in our supply chain is deforestation free and sustainably sourced by 2025.
- **100 per cent of our bagged sugar is Fairtrade certified**, and where it's used as an ingredient in chocolate
- **The rubber in our rubber gloves benefits smallholders in Sri Lanka through an arrangement with Traidcraft**

We support the use of credible certifications as a route for business to provide important support and positive market signals to farmers who are producing sustainably. However, we recognise that certification alone is not enough to drive the scale and speed of change required, and without greater collective action we will not tackle deforestation. We play an active role in cross-industry groups to drive change on a larger scale, and partner with Chester Zoo to support reforestation in Borneo as part of our restorative approach.

Finally, we know the nature of the challenge demands meaningful legislation. We are calling for the forthcoming Environment Bill to deliver robust legislation to protect natural forests from the threat of deforestation. There needs to be a level playing field, so all businesses conduct meaningful due diligence when sourcing at-risk forest commodities: this is critical given that global deforestation is one of the primary contributors to climate change.

Marks and Spencer

Through its commitment to end deforestation, M&S has been working with its suppliers for over a decade, focusing on products containing soy and palm oil, textiles made from wood pulp and other wood and paper products.

So far, it has achieved 100% of RSPO certified sustainable palm oil. According to M&S' WWF palm oil scorecard 2021, just under 75 per cent of this is segregated, meaning it can be traced back to identifiable mills, and from the 1st October 2020, soya feed has been eliminated from the production of all of its milk.

M&S' approach to zero deforestation includes:

- Putting in place clear requirements for its suppliers
- Using ethical certifications
- Focusing on collaboration – working with NGOs and the wider industry in groups such as the UK Round Table on Responsible Soy (RTRS) and the Consumer Goods Forum
- Exploring alternatives, such as non-soy-based animal feed and clothing fibres made from recycled textiles and agricultural waste
- Working with suppliers and others to help increase the availability of deforestation-free soy
- Working with others to improve standards and transparency

Size of Wales is keen to hear from Welsh businesses who are looking to reduce their tropical forest footprint and associated impacts. Please get in touch if you are interested in using this toolkit or need any additional support or advice. We are also keen to receive feedback on this first iteration. If you have any suggestions, then please get in touch with Angie Kirby at: angie@sizeofwales.org.uk

Glossary

Glossary of terms

Biodiversity
The richness and variety of life on Earth; biological diversity.

Carbon sequestration
This refers to biological, chemical or physical processes that remove and store carbon dioxide from the atmosphere, e.g. photosynthesis.

Circularity/circular economy
A linear economy operates a 'take-make-waste' model - taking natural materials, making products from them and then disposing of them. In contrast, a circular economy operates from cradle-to-cradle, keeping resources and materials in circulation for as long as possible and making new products out of them. Circularity is based on three principles: eliminate waste and pollution, circulate products and materials (at their highest value) and regenerate natural systems.[51]

Due diligence
A process of checks and measures performed by an organisation to ensure it has done all it can to reduce the risk of deforestation and land conversion in its supply chains.

Ecosystem
An ecosystem refers to the interaction of living and non-living things within a natural environment, an ecological system.

Ecosystem services
This refers to the life-sustaining benefits we receive from healthy functioning ecosystems, e.g. clean air and water, food and medicine.

Forest degradation
This refers to the process in which forest health is degraded by a negative factor or factors, e.g. illegal logging, agriculture, climate impacts, forest fires and disease. Degraded forests can no longer function well and are less capable of sustaining life e.g. through the provision of ecosystem services or as habitats for wildlife.

Greenhouse gases (GHGs)
When in check, greenhouse gases help to keep the Earth's temperature regulated by trapping heat from the sun i.e. the greenhouse effect. Without this, the Earth's temperature would be around 33°C cooler and life as we know it would not exist. However, when GHG levels accumulate in the atmosphere, e.g. as a result of increasing levels of human made carbon emissions, the Earth's temperature increases as more and more of the sun's radiation is trapped at the Earth's surface. GHG gases include water vapour, carbon dioxide, methane and nitrous oxide.

Land conversion, land use change
This describes the process in which the natural environment is transformed by human activity, such as clearing forests in order to grow crops or graze cattle.

Monocrop
The practice of growing a single crop species or cultivar on the same area of land, without crop rotation. Soy and palm oil are often grown in monocrop plantations.

Tipping point
This refers to a threshold in one of Earth's systems that, if crossed, would lead to large and potentially irreversible changes. Climate scientists have identified nine tipping points in the Earth's system, including Amazon rainforest dieback, Greenland ice sheet disintegration, coral reef die-off and Atlantic meridional overturning circulation breakdown.[52]

View references 51-52

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