



Company Assessment Methodology 2019

How are the 350 companies in the Forest 500 assessed?

About the Forest 500:

Forest 500, a Global Canopy project, identifies and ranks the most influential companies and financial institutions in the race towards a deforestation-free global economy.

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About Global Canopy:

Global Canopy is an innovative environmental organisation that targets the market forces destroying tropical forests. Since 2001, we have been testing new approaches to tackling deforestation, and guiding companies, investors and governments worldwide to think differently about our planet's forests. See: www.globalcanopy.org

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COMPANY ASSESSMENTS

The Forest 500 company assessment methodology is used to annually rank the 350 companies that have the greatest influence within global forest risk commodity (FRC) supply chains. Each year, the below indicators are used to track the progress of commitments towards addressing potential deforestation in palm oil, soy, beef, leather, timber, and pulp and paper supply chains, as relevant to each company's operations. For further explanation as to how companies are selected, and identified as 'powerbrokers' please see the Forest 500 Selection Methodology^a.

Companies are assessed against the information which has been made publicly available on their websites, or through reporting portals such as CDP Forests and certification schemes^b. In all cases only sources published publicly by the company itself are accepted. Wherever possible companies are assessed in their native language to allow for subjectivities in language.

This methodology was created in 2014 and has been reviewed annually by Global Canopy and external experts working on these issues, to ensure that it continues to reflect best practice in company action on deforestation. Scores are automatically calculated according to how answers are categorised by the assessor as per the methodology in this document.

Companies are assessed against four categories. The **overall approach** of each company is assessed, then for each commodity the **commitment strength** including scope and ambition is scored. The **transparency** of each company in **reporting** progress against commodity commitment **implementation** is scored. Finally, important **social considerations** applicable more broadly to each company's operations are assessed. Companies are scored out of 100 points, with the following point breakdown forming each score:

COMMITMENT AREA	MAXIMUM POINTS
1. Overall approach	14
2. Commitment Strength	36
3. Reporting and Implementation	34
4. Social Considerations	16
TOTAL	100

Companies receive both a Total Score and a Commodity Score for the commodities they are assessed for. The Commodity score is made up of the answers to sections 2-4 for a specific commodity and thus sections 2-4 are repeated for the number of commodities a company is assessed for. To calculate the total score for a company, a company's commodity scores (for sections 2-4) are averaged across all commodities they are assessed for – allowing us to gauge the level of ambition and progress across a company's entire operations.

^a For further details, see the Forest 500 Selection Methodology available here: <https://forest500.org/about/how-do-we-rank-500>

^b Only accepted for indicators 4.1, 4.2, and 4.9

Changes since last year

This year, the methodology was updated to better align with the guidance of the Accountability Framework^c, a set of norms and guidance on ethical supply chains developed by a coalition of civil society partners. Three new indicators were added (4.3, 6.1, 6.2) and two indicators were updated (4.4, 5.3), see the table below for details.

NUMBER	ORIGINAL INDICATOR	CHANGE TO INDICATOR	NEW INDICATOR (if appropriate)
	NEW INDICATOR		6.1 Target to reduce GHG emissions from land use change in their operations/supply chain
	NEW INDICATOR		6.2 Total amount of GHG emissions in metric tons of CO ₂ -equivalent, arising from land use change (including deforestation, conversion, and draining of peatland or wetlands)
	NEW INDICATOR		4.3 The company specifies a cut-off date beyond which deforestation or conversion would not be accepted.
4.4	The company monitors and verifies compliance in their supply chain	Extra answer option to distinguish between companies that regularly monitor compliance, and those that do not specify timelines.	4.4 The company monitors and verifies compliance in their supply chain
5.3	Commitment that addresses gender equality issues in relation to suppliers	Extra answer options to distinguish between companies that commit to addressing gender-related discrimination only, and those that go further to improve equality and supply chain inclusion.	5.3 Commitment that addresses gender equality issues in relation to suppliers

^c <https://accountability-framework.org/>

OVERALL APPROACH

NUMBER	INDICATOR	POINTS
1.1	Company-wide commitment to achieve deforestation-free and/or conversion-free production and/or procurement for all high risk commodity supply chains	Total points available: 6
Guidance	<p><i>The commitment must be company-wide (i.e. must be at the parent company level and apply to all operations and sourcing/production) and apply to at least all high risk commodities that a company produces and/or procures, namely soy, palm oil, beef, leather, timber, and pulp and paper.</i></p> <p><i>Conversion-free is understood as no conversion of natural ecosystems anywhere (also referred to as zero/zero gross conversion), deforestation-free is understood as no loss of natural forests anywhere (also referred to as zero/zero gross deforestation), while zero net deforestation is understood as a commitment to offset forest loss through forest restoration.</i></p> <p><i>To score points the company must commit to one of these approaches and cannot aim to ‘reduce deforestation’ through these means.</i></p> <p><i>Where companies are members of the Consumer Goods Forum or signatories to the New York Declaration on Forests, a commitment to address forest loss related to the company's own operations and supply chains must be stated to score points here. Some interpretation has been required where companies have not used the terms ‘zero’ or ‘zero net’ in their commitments; for example, commitments to ‘eliminate’ deforestation are interpreted as deforestation-free.</i></p>	
Answer options	Conversion-free commitment or a zero deforestation/deforestation-free commitment that explicitly includes all other natural ecosystems	6
	Zero deforestation/Deforestation-free commitment or, for timber, pulp & paper companies only, commitment to well implemented harvest and no deforestation of HCV & HCS areas	4
	Zero net deforestation or, for soy, palm oil, leather and beef companies only, no deforestation of HCV and HCS forests	2
	Commodity-specific commitment - commitment that does not apply to all of the commodities the company is exposed to	0
	No overarching deforestation commitment	0

1.2	Signatory to or member of voluntary initiatives seeking to end or reduce soft commodity driven deforestation	Total points available: 1
Guidance	<p><i>Companies are signatories to or active members of one or more voluntary initiatives that seek to end or reduce soft commodity deforestation.</i></p> <p><i>Including: Consumer Goods Forum Deforestation resolution (being a member of the CGF is not sufficient), New York Declaration on Forests, Soy Moratorium, Cerrado Manifesto Statement of Support, G4 Cattle Agreement, Tropical Forest Alliance 2020 partner, Global Agribusiness Alliance, Palm Oil Innovation Group, World Business Council for Sustainable Development Forest Solutions Group, UN Global Compact, WWF Global Forest & Trade Network, High Conservation Value Resource Network, Natural Capital Coalition, or similar initiatives focused on ending or reducing soft commodity driven deforestation in relation to high risk commodities (soy, palm oil, beef, leather, timber, and pulp and paper).</i></p> <p><i>Other initiatives than listed can be accepted as long as they are "seeking to end or reduce soft commodity driven deforestation".</i></p>	
Answer options	Yes	1
	No	0
1.3	Awareness of the importance of protecting forest ecosystems	Total points available: 1
Guidance	<p><i>The company shows an understanding of the services forests provide and risks associated with forest conversion, including, but not limited to, for communities, livelihoods, resource and land rights, ecosystems, climate regulation, water security, health security, biodiversity, and/or habitats. Use of the term 'high conservation value forest' is accepted as it implies an understanding of the importance of forests. Awareness is demonstrated through statements in company communications (e.g. company web pages, annual reports, policy documents).</i></p>	
Answer options	Yes	1
	No	0

GREENHOUSE GAS EMISSIONS

NUMBER	INDICATOR	POINTS
6.1	Target to reduce GHG emissions from land use change in their operations/supply chain	Total points available: 3
Guidance	<i>For producers, this indicator applies directly to their operations. For operators at later supply chain stages, this is related to commodity sourcing. Companies are not awarded points where a commitment is associated with only one concession or area; is project-specific or refers to a philanthropic community initiative; or references human rights without any further indication of a process to address these rights.</i>	
Answer options	Yes	3
	No	0
6.2	Total amount of GHG emissions in metric tons of CO ₂ -equivalent, arising from land use change (including deforestation, conversion, and draining of peatland or wetlands)	Total points available: 3
Guidance	<i>For producers: this reporting related to a company's own operations (direct; Scope 1), For buyers: this reporting should relate to land use change in their commodity supply chains (indirect; Scope 3).</i>	
Answer options	Yes	3
	No	0

COMMODITY COMMITMENTS

Companies are only assessed for their commitments for the commodities relevant to their operations.

For each commodity, indicators 2.1 to 5.4 are repeated to assess the content of commodity specific commitments for palm oil, soy, leather, beef, timber, pulp and paper. Indicators 3.1 to 4.2 are repeated further to be collected for all commitments, where there may be multiple commitments for each commodity.

Commodity Assessment

Companies are assessed for the commodities relevant to the supply chain(s) for which they were identified as a powerbroker during the selection process plus other high forest risk commodities that the company produces, processes, or uses. In some cases, companies have not been assessed for commodity commitments for which they only use very minor volumes. For example, cosmetics companies have not been assessed for soy procurement commitments as even though they use soy derivatives, their use comprises too small a proportion of their total forest risk commodity usage to warrant consideration in their role as a powerbroker of zero deforestation within this supply chain. Equally, while all companies are exposed to paper usage through their daily office operations, individually these companies are not powerbrokers in terms of paper consumption globally and have not, therefore, been assessed for office paper usage.

Additional Indicators

For palm oil and pulp & paper, an additional, more specific question (Indicator 2.2) is included where certain issues are at the forefront of the sustainability debate. Palm oil companies are assessed for whether they have a commitment to protect peatlands, and pulp and paper companies are assessed for whether they have a commitment to reduce the amount of virgin wood fibre in their paper and board materials.

Indicators 3.1 to 3.6 and 4.1 to 4.2 are assessed against all individual commitments in Section 2 (Indicators 2.1 to 2.3). Since there is no additional indicator (2.2) for timber, beef, leather and soy, scores for Indicators 3.1 - 4.2 are higher per commitment to obtain the same maximum score.

For example, when a company is assessed for palm oil or pulp & paper, Indicator 3.1 is worth 1 point per commitment assessed under Indicators 2.1, 2.2 and 2.3). Whereas when a company is assessed for timber, beef, leather, or soy, each commitment for Indicators 2.1 and 2.3 score 1.5 points for Indicator 3.1, so that the total maximum score possible for Indicator 3.1 is the same across commodities. For the commitment indicators themselves (2.1 and 2.3) the extra 4 points are divided between 2.1 and 2.3 but in such a way that the ratio between them is maintained (because 2.1 is worth more than 2.3), so for timber, beef, leather and soy the total number of points available for 2.1 is 10.67 and for 2.3 is 5.33.

Subsidiaries

Where commitments appear on a subsidiary company's website and the subsidiary covers the company's relevant operations, the commitment has also been interpreted as applying to all operations. Where commitments appear on a subsidiary company's website, and the subsidiary is not the parent company's only operations in that commodity, then the commitment does not apply to all company operations.

Retailers

Retailers are assessed for private label products rather than the products sold by the company but are owned and branded by a third party. Retailers are included in the Forest 500 due to market share of own brand banner sales, while third party producers of products are assessed as manufacturers if the company does not directly retail its own goods.

Credible Certification Schemes

Indicator 2.1 refers to the use of 'credible' certification schemes. For the purpose of this assessment, credible schemes are defined as multi-stakeholder certification schemes that include civil society in decision-making and exclude the production of commodities from intact forest landscapes, high conservation value areas, primary forests, tropical natural forests, or similar. Global schemes considered credible are FSC, PEFC, RTRS, RSPO, and Rainforest Alliance.

NUMBER	INDICATOR	POINTS
2.1	Company has a commitment to exclude production or procurement of products originating from natural forests, other natural ecosystems, and/or high conservation value areas, OR a commitment to produce and/or procure sustainably produced commodities	Total points available: 8
Guidance	<p><i>The commitment states that the company will not source from one or more of the above landscape definitions. Commitments that state the company will or plans to only source commodities whose production is certified by a credible certification scheme that protects one or more of these landscape types are accepted. Companies relying on several certification schemes must state a preference for one that is credible.</i></p> <p><i>Commitments are categorised into:</i></p> <ul style="list-style-type: none"> - <i>Conversion-free commitment/Zero conversion: commitment to commodity production or sourcing that prevents clearing or conversion of any native vegetation, beyond just forests.</i> - <i>Forest-related commitment, subcategorised into:</i> <ul style="list-style-type: none"> o <i>NDPE commitment</i> o <i>Zero deforestation commitment</i> o <i>Zero net deforestation commitment</i> o <i>Commitment to the protection of priority forest types (Primary/natural/intact forests or high conservation value forests)</i> o <i>Commitment to credible certification schemes that protect one of more of the priority forest types. (see notes on commodity commitments page 6 for accepted schemes)</i> - <i>Sustainability commitment: commitments to produce or procure ‘sustainably’ or ‘responsibly’ produced commodities. Or commitment to certification that is not listed as credible under this methodology.</i> <p><i>Commitments under this indicator are classified under these categories to enable differentiation among companies on the level of ambition of commitments falling under this indicator. If a company has multiple commitments under this indicator, only the strongest commitment is scored, the list above indicates the order of strength considered for this methodology.</i></p>	
Answer options	Conversion-free commitment	8
	Forest-related commitment	6
	Sustainability commitment	2
	No commitment to sustainable sourcing of the commodity	0

2.2 Commodity-specific questions	Pulp and paper: Commitment to reduce the amount of virgin wood fibre content used for paper and board materials Palm oil: Commitment to exclude products originating from new developments of palm oil on high carbon stock (HCS) areas and/or peatlands of any depth	Total points available: 4
Guidance	<p><i>Pulp and paper: The commitment states the company will reduce the volume of virgin wood fibre used in paper and packaging products through usage of recycled content, efficient use leading to a reduction of material inputs, or use of alternative fibres that consider full life cycle, biodiversity, and food security impacts.</i></p> <p><i>Palm oil: The commitment states the company will not source palm oil produced on high carbon stock (HCS) land and/or peatlands of any depth (i.e. setting no limit on depth). A commitment to RSPO certification is considered as a commitment for this indicator, due to the NDPE requirement introduced in October 2018.</i></p>	
Answer options	Yes	4
	No	0
2.3	Commitment to develop and implement supply chain traceability systems	Total points available: 4
Guidance	<p><i>Traceability is an important tool for companies to ensure compliance of their supply chains with their commitments.</i></p> <p><i>'Full traceability' varies for companies at different stages in the supply chain. For producers, processors, and traders, it is defined as the ability to follow a product back to production level (i.e. farm, estate, plantation, ranch or forest management unit). For manufacturers and retailers, it is defined as tracing supplies upstream to a level where they are able to ascertain compliance or detect non-compliance with their sourcing commitments.</i></p> <p><i>To be awarded full points, companies must have a commitment to develop a company-specific system to achieve full traceability or, as a minimum, full traceability for all high risk tropical forest regions as defined by the company (due to the unique footprint of each company's operations). Manufacturers and retailers that commit to establishing traceability to at least first importer without specifying additional compliance assurances (as described above) are awarded half points.</i></p> <p><i>Companies must be committing to implement their own traceability system; they cannot score for use of a certification schemes chain of custody system or for asking their suppliers to implement a system.</i></p>	
Answer options	Full traceability: <ul style="list-style-type: none"> - For all companies: traceability all the way to production level. - For manufacturers and retailers only: Back to first importer or processing facility, and a statement that they check these suppliers for compliance 	4
	For manufacturers and retailers only, back to first importer or processing facility without additional compliance assurances	2
	No commitment to traceability, or traceability to other levels	0

Note: Indicators 2.1 and 2.3 are weighted higher for timber, soy, beef and leather for a total of 16 points across this category since we do not have a commodity-specific indicator (2.2) for these commodities.

COMMITMENT SCOPE & AMBITION

Indicators 3.1-3.6 are repeated for individual commodity commitments assessed in Section 2. Points are then scaled to share the maximum score across all of the commitments in Section 2.

NUMBER	INDICATOR	POINTS
3.1	Commitments apply to all sourcing regions	Total points available: 3
Guidance	<p><i>Where commitments are included on the parent company's website and do not specifically exclude any sourcing regions, the commitment is assumed to apply to all sourcing regions. Where commitments appear on a subsidiary company's website and the subsidiary covers the company's relevant operations, the commitment has also been interpreted as applying to all sourcing regions.</i></p> <p><i>Commitments that only apply to products from specific ecosystems or regions, for example the Amazon, to 'rainforests', or to 'high risk areas', are considered not to apply to all sourcing regions.</i></p>	
Answer options	Yes	3
	No	0
3.2	Commitments apply to all company operations	Total points available: 3
Guidance	<p><i>Where commitments are included on the parent company's website and do not specifically exclude any operations, the commitment is assumed to apply to all operations. Where commitments appear on a subsidiary company's website and the subsidiary covers the company's relevant operations, the commitment has also been interpreted as applying to all operations. Where commitments appear on a subsidiary company's website and the subsidiary is not the parent company's only operations in that commodity then the commitment does not apply to all operations.</i></p>	
Answer options	Yes	3
	No	0
3.3	Commitments apply to all direct third-party suppliers of the company	Total points available: 3
Guidance	<p><i>This indicator refers to sourcing for the company's own operations and private label brands, but excludes products sold by the company that are owned and branded by third parties. Direct suppliers refer to Tier 1 level suppliers (sell products direct to the company).</i></p>	
Answer options	Yes	3
	No	0

3.4	Commitments apply to all indirect third party suppliers of the company	Total points available: 3
	<i>Indirect suppliers refer to Tier 2 and higher suppliers (do not directly sell to the company but rather to the company's suppliers). Commitments that require a standard to be met throughout a supply chain should be interpreted as applying to all indirect suppliers.</i>	
Answer options	Yes	3
	No	0
3.5	Target date for full implementation of company commitment	Total points available: 4
Guidance	<i>The target date refers to the date by which the company plans to achieve its commitment. Commitments with no date target date are awarded no points. Commitments that are already achieved (fully implemented) are considered 'current'. If multiple milestones are quoted, the deadline for the most ambitious goal is scored. Commitments that have begun to be implemented but have not achieved the goal are not Current and should either specify the deadline or be awarded no points.</i>	
Answer options	Current/2019/Pre-2019	4
	2020	3.5
	2021	3
	2022	2.5
	2023	2
	2024	1.5
	2025	1
	2026	0.5
	2027 or beyond	0
	No target date	0

3.6	Commodity commitments include quantifiable targets	Total points available: 4
Guidance	<p><i>Commitments are assessed for whether they include time-bound and measurable targets, allowing progress towards implementation to be tracked.</i></p> <p><i>Since commitments must be time-bound to score here, commitments which have no target date under 3.5 cannot score for this indicator. To be quantifiable the goals should be clear in either the amount of the commodity production/sourcing it applies to, or, it can apply to all of the production/sourcing as this can be interpreted as 100%, and therefore quantifiable.</i></p>	
Answer options	Yes	4
	No	0

REPORTING, MONITORING AND IMPLEMENTATION

Indicators 4.1 and 4.2 are repeated for individual commodity commitments assessed in Section 2. Points are then scaled to share the maximum score across all of the commitments in Section 2.

NUMBER	INDICATOR	MAX. POINTS
4.1	Progress on commitment implementation is reported	Total points available: 6
Guidance	<p><i>Reporting can be available on the company's own site or via external portals such as CDP^d. To be awarded points, companies must have reported on their own website within the last two years (2017-2019) or in at least one of the last two reporting periods for RSPO^e (2017 and/or 2018), RTRS^f (2017 and/or 2018) and CDP (2017 and/or 2018; 2019 if the report has already been released).</i></p> <p><i>Qualitative reporting on implementation is accepted as well as quantitative reporting on progress.</i></p>	
Answer options	Yes	6
	No	0
4.2	Progress on commitment implementation is independently verified	Total points available: 4
Guidance	<p><i>Progress towards meeting commitments is assessed and documented through verification processes that are conducted following norms of good practice for credibility, rigor and independence. This can be completed through existing control systems (e.g. credible certification schemes) or through other credible third-party verification processes e.g. auditing and verification of a company's reporting.</i></p>	
Answer options	Yes	4
	No	0

^d CDP. 2017. CDP Forests. Search and view forest responses. [Online] Available from: <https://www.cdp.net/en/forests#a8888e63070314c2285625253a462815>

^e RSPO. 2017. Roundtable on Sustainable Palm Oil. [Online] Available from: <http://rspo.org/acop>

^f RTRS. 2017. Round Table for Responsible Soy. [Online] Available from: <http://www.responsiblesoy.org/about-rtrs/members/>

Indicators 4.3 to 4.8 are only assessed once per commodity. Indicators 4.3 and 4.4 can only be scored if the company has a commitment in section 2.1, otherwise there is no commitment for monitoring or engagement to be related to.

4.3	The company specifies a cut-off date beyond which deforestation or conversion would not be accepted.	Total points available: 2
Guidance	<i>This indicator is only scored if there is an existing commitment in Section 2. This indicator assesses whether a company specifies a cut-off date for deforestation or conversion in their supply chain. Clearance after the cut-off date would render a given area or production unit non-compliant with the company's commitment.</i>	
Answer options	Yes	2
	No	0
4.4	The company monitors and verifies compliance in their supply chain	Total points available: 4
Guidance	<i>This indicator is only scored if there is an existing commitment in Section 2. This indicator focuses on whether a company has a process to monitor and verify suppliers for compliance with their commitment in section 2 and therefore companies cannot score for monitoring suppliers against any other standard e.g. another code of conduct that cannot be related to their forest commitment. Monitoring can include satellite monitoring, on-the-ground patrols, and supplier audits, among others. Full points are awarded for time-specific monitoring statements which detail how frequently the process is conducted. Vague statements with no timings are scored half points.</i>	
Answer options	Time-specific monitoring statement	4
	Non-specific monitoring statement	2
	No monitoring	0
4.5	The company engages with non-compliant suppliers	Total points available: 4
Guidance	<i>This indicator is only scored if there is an existing commitment in Section 2. Engagement can include discussions with/exclusion of non-compliant suppliers or the implementation of support programmes to reduce the risk of non-compliance, with blacklisting seen as a last step following unsuccessful engagement efforts. Compliance here is compliance with the commitment in section 2 and companies cannot score for engaging suppliers on any other standard e.g. another code of conduct that cannot be related to their forest commitment. Companies must specify time-bound plans to exclude non-compliant suppliers when engagement is unsuccessful, otherwise they are awarded half points. Companies that blacklist non-compliant suppliers prior to engaging with them are also awarded half points as blacklisting is seen as a last step following unsuccessful engagement.</i>	
Answer options	Engage with suppliers with a time-bound threat of exclusion	4
	Engage with suppliers but with no time-bound threat of exclusion	2

	Blacklist non-compliant suppliers without engagement	2
	No engagement or exclusion	0
4.6	The company publicly reports their direct suppliers and/or sourcing regions	Total points available: 4
Guidance	<i>The company publicly discloses a list of their direct suppliers and/or the exact locations they source from (e.g. concession area maps). To be awarded points, companies must have disclosed their suppliers and/or sourcing locations within the last two years (2016-2018).</i>	
Answer options	Discloses both supplier list and detailed sourcing regions	4
	Discloses supplier list	4
	Discloses detailed sourcing regions	4
	No disclosure	0
4.7	The company has a grievance mechanism in place to identify and remedy adverse social and environmental impacts linked to their operations	Total points available: 4
Guidance	<i>Companies are assessed for whether they have a system in place to identify and resolve complaints and conflicts. Companies must have their own mechanism and cannot score here for a policy to require their suppliers to have a grievance mechanism. The mechanism should be open to everyone and allow issues in their supply chain to be reported (i.e. not a system for their employees to report issues on their direct operations).</i>	
Answer options	Yes	4
	No	0
4.8	The company reports on their participation in collaborative actions to advance sustainability in agriculture commodity production	Total points available: 2
Guidance	<i>The company reports on their active participation in collaborative activities to advance sustainable commodity production including but not limited to participation in industry schemes (e.g. Palm Oil Innovation Group, Global Agribusiness Alliance), NGO-private sector initiatives (e.g. Collaboration for Forests and Agriculture), jurisdictional approaches, and/or collaborations with local communities/governments. Any collaborative actions must have taken place between 2017 and 2019, and must be commodity specific.</i>	
Answer options	Yes	2
	No	0

4.9	The volume of commodity production or usage is reported	Total points available: 4
Guidance	<p><i>Reporting can be available on the company's own site or on external portals such as CDP or RSPO. To be awarded points, companies must have reported on their own website within the last two years (2017-2019) or in at least one of the last two reporting periods for RSPO (2017 and/or 2018), RTRS (2017 and/or 2018) and CDP (2017 and/or 2018; 2019 if the report has already been released).</i></p> <p><i>Full points are awarded where the company reports total volumes as well as proportions or volumes of commodities in compliance with their commitments. Half points are awarded where the company reports either only total volumes or only volumes of commodities in compliance with their commitments. Full points are awarded if a subsidiary that represents the company's major commodity use reports usage and the parent company itself does not.</i></p> <p><i>No points are awarded for reporting of partial operations i.e. less than all of a company's operations. Capacities are not the same as reporting the actual volume of commodity produced or used and are not accepted here.</i></p>	
Answer options	Full	4
	Partial	2
	No reporting	0

SOCIAL COMMITMENTS

Indicators 5.1-5.4 are only assessed once per commodity. Companies can score in this section even if they have no commodity-specific commitments.

NUMBER	INDICATOR	POINTS
5.1	Commitment to ensure the principles of Free, Prior, and Informed Consent (FPIC) are applied for all new developments	Total points available: 4
Guidance	<p><i>For producers, this indicator applies directly to their operations. For operators at later supply chain stages, this is related to commodity sourcing. Use of the term FPIC in reference to indigenous people and/or local communities is required to score points under this indicator.</i></p> <p><i>Companies are not awarded points where a commitment is associated with only one concession or area; is project-specific or refers to a philanthropic community initiative; or references human rights without any further indication of a process to address these rights.</i></p>	
Answer options	Yes	4
	No	0
5.2	Commitment that addresses workers' rights in relation to suppliers	Total points available: 4
Guidance	<p><i>For producers, this should also apply to smallholders or contractors. Commitments should state the company will require that the standards laid out in the United Nations (UN) International Labor Organization conventions, UN Declaration of Human Rights or UN Guiding Principles on Business and Human Rights are upheld, or use similar language specifying the fundamental principles and rights at work. These include: freedom of association and recognition of collective bargaining; the elimination of forced labour; the abolition of child labour; and the elimination of discrimination. Companies must state all four fundamental principles or commit or explicitly state that they will operate in line with international standards containing all four principles to score points for this indicator. Where one subsidiary is responsible for the company's commodity-usage, the commitment may appear on the subsidiary's website rather than the parent company's website.</i></p>	
Answer options	Yes	4
	One or more of the four fundamental principles but not all	0
	No	0

5.3	Commitment that addresses gender equality issues in relation to suppliers	Total points available: 4
Guidance	<p><i>For producers, this indicator applies directly to their operations. For operators at later supply chain stages, this is related to commodity sourcing. Companies are not awarded points where a commitment is associated with only one concession or area; is project-specific or refers to a philanthropic community initiative; or references gender equality without any further indication of a commitment to address these issues.</i></p> <p><i>Commitments to address labour and worker's rights (with particular attention to sexual and gender-based harassment, equal pay and remuneration, and gender-based discrimination) are a minimum bar and score 1 point. Companies that address gender related labour rights and specifically refer to improving gender 'equality' score half points.</i></p> <p><i>Companies that commit to address the inclusion of women in their commodity supply chains score half points. This can include increasing sourcing of commodities from producers that are making an active effort to increase the participation of women in commodity supply chains, and addressing issues faced by women in agricultural supply chains including but not limited to securing land rights and increasing access to technology, financial services, training, and markets.</i></p> <p><i>To score full points for this indicator, the company must meet all of the above criteria.</i></p>	
Answer options	Commitment to address the inclusion of women and ensure equality in commodity supply chains	4
	Commitment to address the inclusion of women in commodity supply chains	2
	Commitment to ensure equality of women in the supply chain	2
	Commitment to address gender related labour rights including discrimination and harassment	1
	No commitment	0
5.4	Commitment to encourage the inclusion of small-scale farmers in agricultural supply chains	Total points available: 4
Guidance	<p><i>Companies can score points for this indicator regardless of if they have a commodity commitment assessed in Section 2, it is assessed once per commodity rather than being repeated for each commitment.</i></p> <p><i>Commitments should focus on encouraging and/or increasing small-scale farmer participation in commodity supply chains and/or increasing investments and/or capacity in improving the yields and livelihoods of small-scale farmers in regions companies source from. This can include increasing the number of small-scale farmers they source from and providing training, financial, and/or technical support to increase the productivity and quality of small-scale farmer commodity production, encourage product diversification, and/or facilitate greater market access from small-scale farmers they source from. Commitments can also focus on developing long-term stable business partnerships with small-scale farmers and developing fair and transparent contracts that do not exploit small-scale farmers.</i></p> <p><i>Companies are not awarded points where a commitment is associated with only one concession or area; is project-specific or refers to a philanthropic community initiative; or references to small-scale farmer support without any further indication of a commitment or process to address these issues.</i></p>	
Answer options	Yes	4
	No	0



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