

COLLECTIVE ACTION: CORPORATE ENGAGEMENT IN LANDSCAPE AND JURISDICTIONAL APPROACHES

Findings from 2020 and 2021 CDP data



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To read company responses in full, please go to <https://www.cdp.net/en/responses>

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FOREWORD



Thomas Maddox
Global Director –
Forests and Land

Had society been graded on its response to the various environmental and social challenges faced over the past decade, ‘could do better’ would have been a generous verdict. Responses to climate change are still nowhere near what we need to meet the Paris Agreement targets.

The Aichi global biodiversity targets for 2020 were nearly all missed. The New York Declaration on Forests goals on reducing deforestation were not just missed – deforestation actually increased. We are getting better at recognizing what needs to be done and understanding the consequences of failure to do so, but we are still yet to succeed in translating these into change on the ground. The new decade represents an opportunity for change. The pandemic is both a reminder of how quickly change can occur and an opportunity to build back better.

The limitations of individual actions to drive real change are a key barrier to success. Many companies are ostensibly doing the right thing, yet their actions continue to fail to translate into real change on the ground. The need for collaborative, holistic and aligned approaches at a landscape level to address both environmental and social goals has been discussed for well over a decade. But the implementation of such approaches has been gathering particular momentum in the last couple of years. For example, the Consumer Goods Forum now identifies landscape approaches as a solution to the challenges of meeting deforestation targets, while the LEAF coalition identifies landscape and jurisdictional approaches as a solution to many of the challenges of implementing REDD+.

The CDP disclosure platform enables organizations to understand where they stand on their journey towards sustainability. The resulting data enable investors, buyers, and policy makers to integrate corporate environmental performance into their decision-making processes. In 2021 over 14,000 companies, cities, states, and regions disclosed their environmental performance to CDP. But the disclosure process is constantly evolving. Working out how best to use disclosure to incentivize, support and report on efforts to employ landscape approaches is a key focus for CDP. This report outlines the progress being made in this area. The results show that a selection of trailblazing companies and governments are now successfully working together to drive real change for climate, for forests and for people. The results should motivate others to follow suit, with CDP ready to help guide investors, companies, and governments on this journey and to enable them to report and track their progress.

A handwritten signature in black ink, appearing to read 'T. Maddox', written over a horizontal line.

Thomas Maddox
Global Director –
Forests and Land

ABOUT THIS REPORT

The findings in this report are part of CDP's project on 'Enabling Jurisdictional Approaches to Halt Deforestation' funded by the Walmart Foundation¹. The objective of this report is to discuss the status of corporate engagement with landscape and jurisdictional approaches (LA/JA) based on data from CDP, and the lessons learned from collaborations with key partners and stakeholders.

The report examines the extent to which LA/JA are being used as well as CDP's current disclosure findings and our future approach. We also look at the benefits and challenges of LA/JA and some successful examples from corporate operations in Brazil and Indonesia.

The methodology of this report includes semi-structured interviews with nine companies (a total of 29 individual interviews were conducted) that represent significant sectors of trading, processing, consumer goods, and retail. These companies were involved in the Technical Working Group (TWG) for LA/JA that CDP established as part of developing a new set of questions for the 2022 CDP Forests questionnaire. The companies of the TWG are: Amaggi, Asia Pulp and Paper, Bunge, Cargill, Carrefour, Golden Agri-Resources, Marfrig, PepsiCo, and Unilever. The report highlights key findings from the TWG interviews on the benefits and challenges of corporate sector engagement on LA/JA with a specific focus on Brazil and Indonesia.

The most recent findings on corporate engagement with LA/JA is presented based on the combined 2020 and 2021 responses to the CDP Forests² questionnaire for companies. The report covers the development of a new set of questions LA/JA within the CDP 2022 Forests questionnaire. To create the new set of questions, CDP worked closely with eight key organizations, including the International Social and Environmental Accreditation and Labelling (ISEAL) Alliance, to align various definitions and metrics and to provide companies with a clear path to support and invest in credible initiatives.

LA/JA is an evolving topic, therefore working with this approach should include continuous learning and adaptive management. Consequently, the results and lessons learnt from LA/JA implementation will shape future evolutions of the CDP framework for LA/JA.

1. More information about the project 'Enabling Jurisdictional Approaches to halt deforestation': <https://cdn.cdp.net/cdp-production/comfy/cms/files/files/000/005/174/original/Enabling-Jurisdictional-Approaches-Fact-Sheet.pdf>

2. CDP Forests questionnaire focuses on how organizations produce, source and use four key forest risk commodities: timber, cattle products, so, and palm oil. The questionnaire additionally allows disclosure by companies producing, sourcing or using cocoa, coffee and rubber. For more information visit <https://guidance.cdp.net/en/guidance?cid=14&ctype=theme&idtype=ThemeID&incchild=1µsite=0&otype=Questionnaire&page=1&tags=TAG-598%2CTAG-609%2CTAG-599>

KEY TAKEAWAYS



LA/JA are holistic and integrated management frameworks gaining momentum due to their capacity to coordinate sustainable land use goals over a specific sub-national area or in the landscape area.



LA/JA create an opportunity to tackle complex socio-environmental issues collaboratively and scale-up company supply chain commitments with the common goals of a landscape/jurisdiction.



The number of companies disclosing their engagement in LA/JA through CDP is increasing - by more than 70% (from 27 to 47) from the 2020 to 2021 disclosure cycle. However, understanding and clear engagement in LA/JA remain low and highly focused in a few geographic areas.



Companies that engage in LA/JA for their high priority sourcing regions can minimize their risk, achieve their sustainability goals and build resilient outcomes.



Successful LA/JA depends on multiple factors; key challenges to overcome include: a need for a long-term commitment from stakeholders to work together towards the collective goal, a lack of information available, the need of funding and the need for monitoring/reporting frameworks to generate market signals necessary to incentivise large-scale investments.



It is necessary to develop clear guidance for companies specific contribution/ attribution claims, to support the business case for investment in LA/JA.

EXECUTIVE SUMMARY

The report is divided into four sections.

▼ Section 1

Highlighting the importance of LA/JA in the corporate sector. At the heart of successful LA/JA implementation is collective action. Companies are encouraged to join efforts, invest, and align their strategies to the common goals of a landscape/jurisdiction. Collective action for LA/JA can provide long-term collective benefits, drive impacts at scale, and build resilient ecosystems, communities, and businesses. This is because there is an emerging consensus that private sector ambitions can only succeed within the context of balancing social, economic, and environmental goals set at the sub-national/landscape level through multi-stakeholder and collective action. LA/JA are holistic management frameworks rapidly gaining momentum due to their capacity to coordinate sustainable land-use activities over a specific sub-national area or at the landscape level. The objective of LA/JA is to balance and harmonize different and sometimes conflicting land-use demands employing a long-term, nature-based, and multi-stakeholder collaborative plan appropriate to each local landscape, often with leadership from the government.

▼ Section 2

Exploring CDP's data from 2020 and 2021 disclosures on LA/JA and presenting the new set of questions that will feature in 2022 Forests questionnaire. In general, the data shows an increase of companies interested, investing and engaging in LA/JA, particularly in their operating or sourcing areas. Based on CDP data, in 2020, 27 companies reported engagement in LA/JA, and in 2021, the number increased to 47 companies. However, in 2020 only half of these companies showed clear engagement on the collective goals and a robust understanding of what is LA/JA as opposed to other initiatives. Increase corporate awareness on LA/JA is needed. In 2022, the Forests questionnaire will introduce detailed information with important elements of LA/JA that will help companies in reporting their progress and commitment. Companies will be asked to describe: their approach to prioritizing or choosing a landscape/jurisdiction to engage with, their type of engagement (convener, partner, supporter or funder), the goals they are supporting with the LA/JA initiative, the variety of actions taken, and their approach to reporting progress based on collective monitoring.

▼ Section 3

Focusing on the benefits and challenges of LA/JA and presenting specific examples of corporate engagement. The benefits from LA/JA depend on the period and level of collaboration among the multiple stakeholders in the landscape. If successful collective action is in place, LA/JA can potentially provide multiple and collective long-term benefits. Companies engaging in LA/JA can identify potential supply chain risks and scale-up traceability, monitoring and verification efforts. In addition, LA/JA can provide partnership opportunities, build more resilient outcomes and contribute to achieving corporate sustainability goals. The potential benefits and opportunities of corporate engagement in LA/JA come with some challenges, including understanding, designing, defining, implementing and monitoring LA/JA.

▼ Section 4

Providing recommendations that support corporate engagement on LA/JA. Some companies are starting to look beyond their supply chain and collaborate with local stakeholders to improve socio-environmental performance across regional and landscape boundaries. Incorporating jurisdictional and landscape-scale engagement into the sustainable corporate strategy can contribute to the scaling up of sustainable sourcing commitments. Several frameworks are evolving to measure landscape-level performance and guide corporate action on LA/JA. Companies and other stakeholders can use the ISEAL guidance to ensure credible monitoring of LA/JA and the new set of questions from CDP to facilitate the disclosure of business practices that show landscape/jurisdictional-scale impacts.



SECTION 1

BACKGROUND

LANDSCAPE AND JURISDICTIONAL APPROACHES

According to the 5-Year Assessment Report of the New York Declaration of Forests (NYDF), in the last three years, the number of companies making commitments to reduce or eliminate deforestation in their supply chains has stalled. This is an alarming problem, not only because it shows a decline in sustainable corporate commitments, but more importantly because companies have failed to meet the commitments they've made.

Between 2019 and 2020, primary rainforest destruction increased by

12%

with the key drivers being **agricultural commodity production** (cattle ranching, large-scale agriculture, and smallholder farming).

The NYDF report shows that achieving commitments made to zero loss of natural forests by 2030 will require a change in thinking based on prioritizing forests and their benefits and protecting remaining forests. Deforestation rates continue to rise. Between 2019 and 2020, primary rainforest destruction increased by 12%³, with the key drivers being agricultural commodity production (cattle ranching, large-scale agriculture, and smallholder farming)⁴. Given the need to eliminate deforestation in value chains and commodity production, new proposals have been sought to maximize sustainable corporate impact and align the goals of different sectors and stakeholders. Increased corporate awareness of the risk of deforestation in their commodity supply chains is needed. Only a minority of companies (20%) disclosing through CDP's Forests

questionnaire in 2020 conducted a comprehensive risk assessment⁵ and visibility on the origin of commodities was also low. Only one in five companies could trace more than 90% of one commodity to a municipality or equivalent level while just 10% had at least 90% of one commodity certified in a no-deforestation compliant certification.

With LA/JA, there is an opportunity to bridge the need of companies to meet their global supply chain sustainable sourcing targets while aligning their goals with the local landscape needs for more resilient outcomes at landscape level. Companies can align their sourcing strategies with the collective goals of the landscape they are engaged with and ensure they have a framework in place to monitor progress and encourage collective buy-in from key stakeholders.

3. World Resources Institute. (2020). Forest Pulse: The Latest on the World's Forest. How much forest was lost in 2020? The Latest Analysis on Global Forests & Tree Cover Loss | Global Forest Review (wri.org).

4. Pacheco, P., Mo, K., Dudley, N., Shapiro, A., Aguilar-Amuchastegui, N., Ling, P.Y., Anderson, C. and Marx, A. Deforestation fronts: Drivers and responses in a changing world. WWF, Gland, Switzerland. WWF (2021) Deforestation_fronts_-_drivers_and_responses_in_a_changing_world_-_full_report_(1).pdf (rackcdn.com).

5. A risk assessment with full coverage of relevant operations and risks beyond six years considered and availability of forest risk commodities, quality of forest risk commodities, impact of activity on the status of ecosystems and habitats, social impacts, local communities included in the assessment.



What are landscape and jurisdictional approaches?

Landscape Approaches

involve a collaboration of stakeholders within a landscape to advance shared sustainability goals and reconcile and optimize multiple social, economic, and environmental objectives across multiple economic sectors and land uses. They are implemented through processes of integrated landscape management, convening diverse stakeholders to develop and implement land-use plans, policies, investments and other interventions.

Jurisdictional Approaches

are a type of landscape approach to advance shared sustainability goals where the landscape is defined by administrative boundaries of subnational governments and the approach is implemented with a high level of government involvement.

LA/JA provide a complementary management framework that can deliver multiple benefits including making more resilient corporate sustainability ambitions. This encouraging framework is starting to be recognized by major corporations and trade associations such as the Consumer Goods Forum Forest Positive Coalition and the Soft Commodities

Forum. As a result, they have started incorporating LA/JA into their sustainability strategies. There are also evolving guidelines around how companies can engage with LA/JA; key among them is the ISEAL Alliance guidance⁶ which is currently under revision, and the Jurisdictional Approach resource hub hosted by the Tropical Forest Alliance⁷.



6. More information on ISEAL guidance: Jurisdictional Monitoring and Claims | ISEAL Alliance.

7. More information on the Jurisdictional Approaches Resource Hub: A platform of resources to help private sector action in jurisdictional initiatives - JA Hub (jaresourcehub.org)

THE NEED FOR COLLECTIVE ACTION

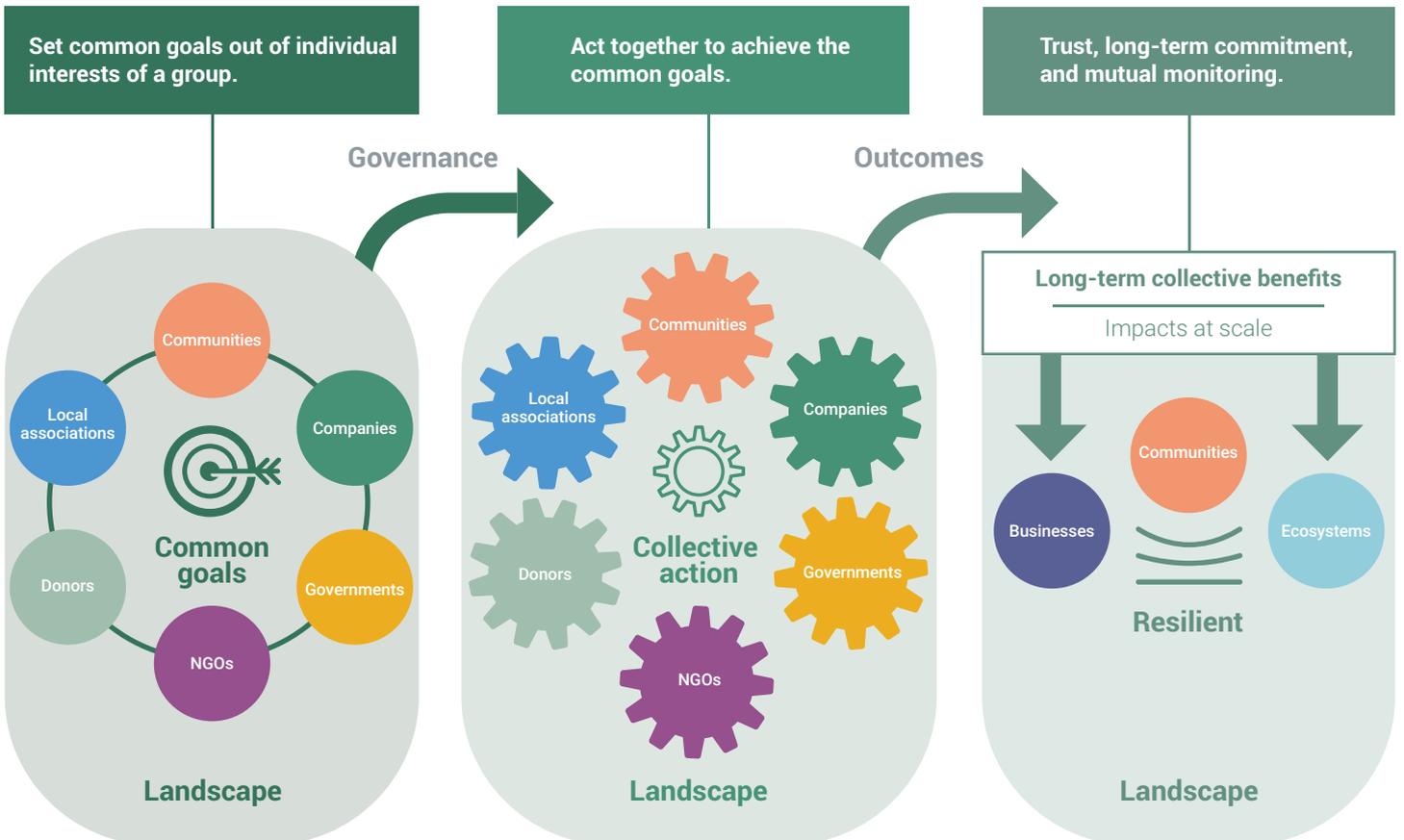
How can individuals working, sourcing, and living in a specific region work together?

Individuals identify with a specific 'place' where nature, culture, politics, and perhaps economies are interconnected. If the individual interests of a group of stakeholders can be framed into common goals, then the group will act together to achieve that objective; if individuals are not coerced, then the benefit of the group will be sufficient to generate collective action and drive the desired impacts at landscape level⁸. Collective action can build resilient ecosystems, communities and businesses due to the multiple and long-term collective benefits that it can provide (see Figure 1). However, in order to effectively sustain the collective benefits over time some challenges need to be overcome, such

as: i) establishing trust and a sense of community to solve the collective dilemmas of mutually beneficial outcomes; ii) a long-term and credible commitment by all individuals involved; and iii) mutual monitoring of their own collective plan⁹.

LA/JA are built on the understanding that companies and other stakeholders of a particular landscape/jurisdiction can agree on common goals of sustainability due to a shared place-based interest. This will therefore drive long-term collective benefits and impacts in the area of LA/JA through collective action. At the heart of LA/JA is collective action.

Figure 1. Building resilient ecosystems, communities, and businesses through collective action.



8. Olson Mancur (1971) [1965], *The Logic of Collective Action: Public Goods and the Theory of Groups*. Harvard University Press.

9. Ostrom E. (1990), *Governing the Commons, The evolution of Institutions for Collective Action*, Cambridge University Press, United Kingdom p. 42-45.

There is no single 'recipe' for implementing LA/JA. Each landscape and jurisdiction will present its characteristics, challenges, stakeholders, values and needs. Therefore, engaging and joining efforts with the respective multi-stakeholder governance platform in the intervention area is critical. This will help avoid duplication of efforts and guarantee a long-term impact and win-win situation for all partners. Companies currently investing in LA/JA have highlighted the importance of engaging with local producers and associations, as well as with the subnational and local government to create the necessary environment to enable collective outcomes. **Companies are encouraged to invest and align their strategies with the common goals of sustainable land-use, to create synergies, and to support the long term collective plan to address specific landscape/jurisdiction issues.**



SECTION 2
CDP ON
LANDSCAPE AND
JURISDICTIONAL
APPROACHES

WHAT DOES THE DATA SAY?

FINDINGS FROM 2020 AND 2021 DISCLOSURES

In 2020 and 2021, 687 and 865 companies respectively disclosed information on their impacts, risks and opportunities related to forests by responding to CDP's Forests questionnaire.

This includes data disclosed by 553 companies from 2020 and 675 companies from 2021 using or producing seven forest risk commodities¹⁰ responsible for most of the agriculture-related deforestation. Between 2020 and 2021, the number of companies

disclosing through CDP's Forest questionnaire grew by 26%, to 865. The number of companies reporting engagement in LA/JA also increased substantially by 74% between 2020 and 2021, from 27 to 47 companies.

Figure 2. Growth in companies responding to CDP's Forests questionnaire regarding engagement in LA/JA between 2020-2021

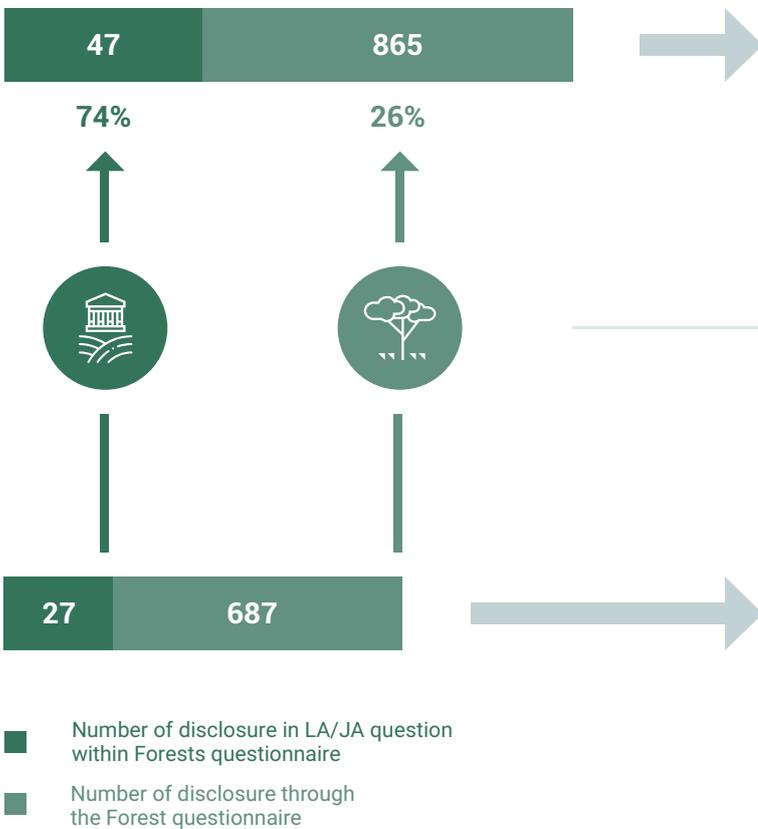
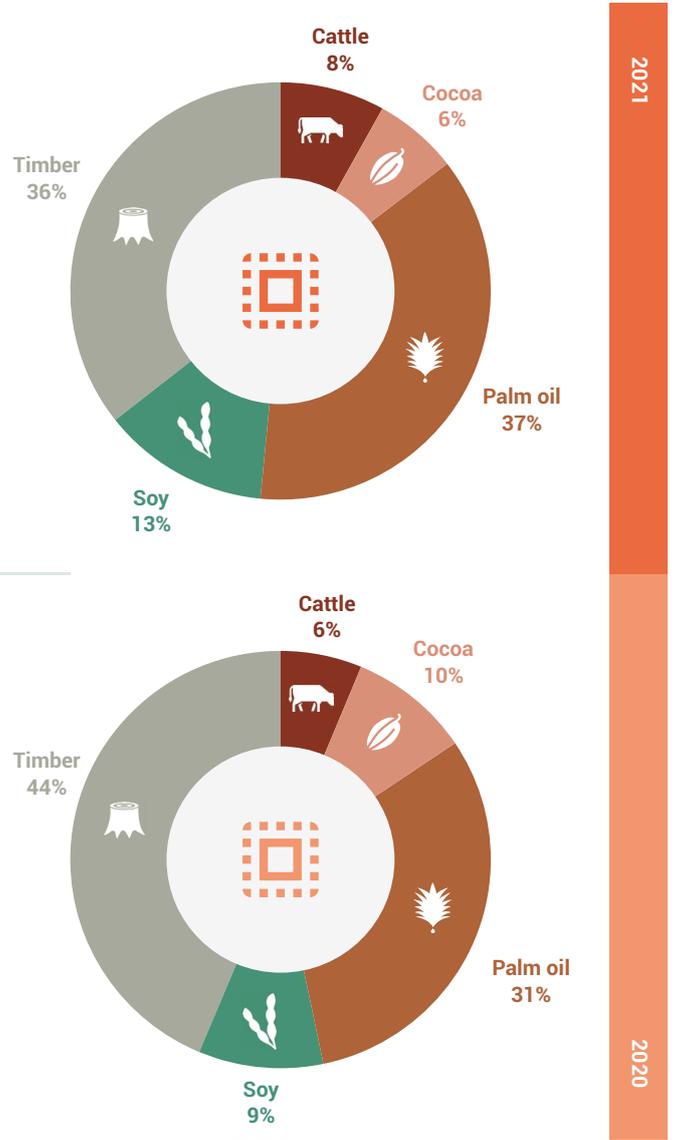


Figure 3. Companies engaged in LA/JA by forest risk commodities



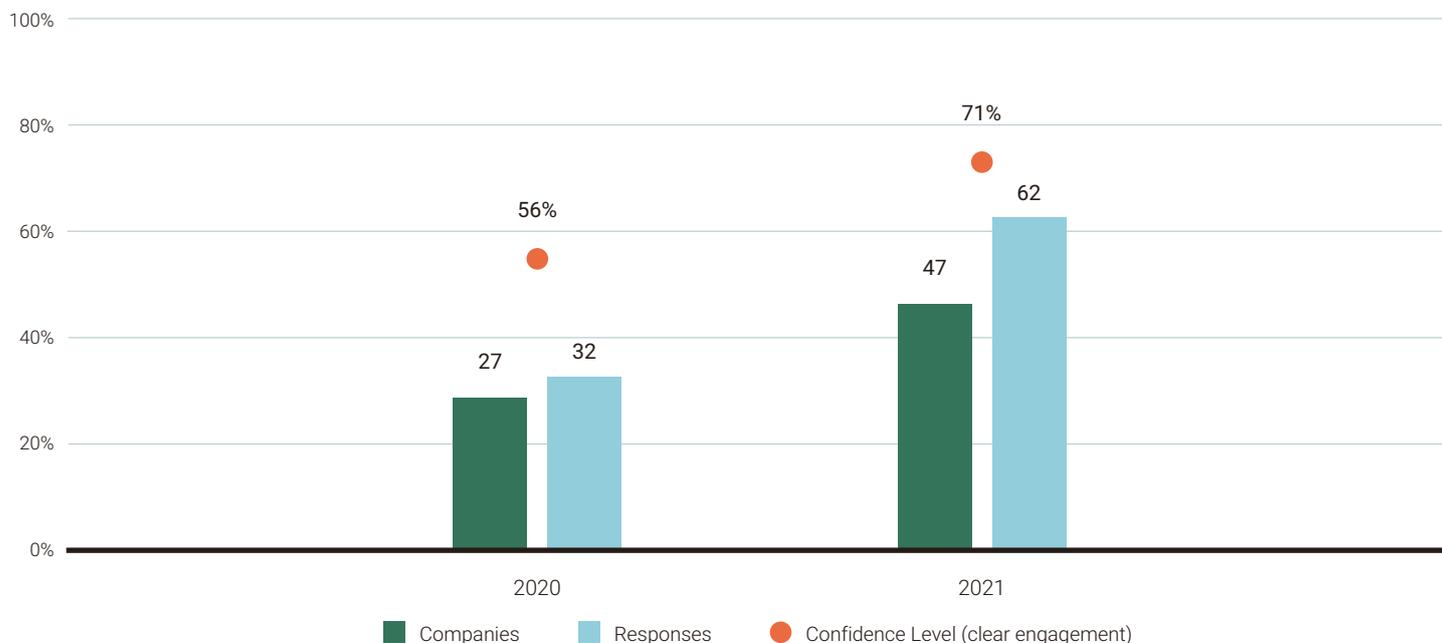
10. The single largest cause of deforestation and forests degradation globally is commercial agriculture. The unsustainable production and supply chains of cattle, palm oil, soy and timber commodities present significant business risks and negative environmental impacts on land, water, biodiversity and climate change. For more information visit <https://www.cdp.net/en/forests#commodities>.

Figure 3 presents the different forest risk commodities from the 2020 and 2021 LA/JA results. In 2020, 44% of the total companies that reported engagement with LA/JA were from timber commodities, 31% from palm oil, followed by cocoa with 10%, soy with 9% and cattle with 6%. Whereas in 2021, the largest commodity reporting engagement on LA/JA was palm oil with 37%, followed by timber 36%, then soy 13%, cattle with 8%, and cocoa 6%.

CDP's 2020 and 2021 disclosure data shows that some companies are already taking action to address

deforestation and employing forest-positive strategies through multi-stakeholder initiatives and jurisdictional approaches. For example, from Figure 4 below, in 2020 a total of 27 companies disclosed engagement in LA/JA representing a total of 32 responses (individual companies can report on more than one forest risk commodity). Similarly, 47 companies reported LA/JA engagement in 2021, representing a total of 62 responses.

Figure 4. Comparison of 2020 and 2021 data disclosed via CDP showing number of companies, number of responses and confidence in LA/JA.



The confidence level or clear corporate engagement in LA/JA remains low (see confidence level of figure 4). For example, in 2020 although timber was the most prominent commodity where companies reported LA/JA engagement, only 13% (out of 44% see figure 3) showed a strong engagement and clear understanding of LA/JA. Based on our analysis of company responses, in 2020 only 56% (15 out of 27 total companies) exhibited a clear and strong understanding and engagement with LA/JA. In 2021, 71% of responding companies (30 out of 47 total) exhibited a clear understanding and engagement of LA/JA. This is a considerable increase from 2020, but **it's clear that improving awareness of what differentiates a LA/JA from other company actions is needed**, and **how** to effectively engage on LA/JA is crucial. Many companies that have not yet implemented LA/JA showed an interest in these initiatives by participating in working groups or by reporting to be in the design/development stage of a LA/JA initiative.

Out of the 15 companies with a good understanding and engagement with LA/JA in 2020, nearly half are focused on Indonesian/Malaysian initiatives on palm oil, leading to outcomes on certification, transitioning

smallholders to sustainable production practices and forests restoration. About three LA/JA projects are focused on cocoa, with a particular concentration around initiatives in Ghana, Cameroon, and the Ivory Coast that work with national-level authorities through LA/JA. Finally, three different companies show clear support for LA/JA through the PCI initiative in Mato Grosso, Brazil.

As reflected in the previous figures, in 2021 LA/JA engagement is clearly improving for the palm oil industry, particularly but not restricted to landscape programs in Indonesia and Malaysia. Palm oil engagements in LA/JA include the improvement of smallholder's livelihoods, sustainable and certified palm oil, and forest conservation and restoration. Companies that have engaged in LA/JA for timber production have invested in their sourcing areas by promoting a governance process for sustainable forest management including native/local timber species, forest-regional certification, social forestry, community-based management and biodiversity conservation. **Despite cattle and soy being two of the biggest drivers of deforestation, they are still the ones with the least LA/JA corporate engagement.**



CDP'S NEW SET OF QUESTIONS FOR LANDSCAPE AND JURISDICTIONAL APPROACHES

In the 2022 Forests questionnaire, CDP will introduce a new set of questions for companies, states and regions in LA/JA engagement. These questions will explore the overall initiatives, investments, type of engagement, goals, actions, responsibilities and results companies, states and regions have on LA/JA.

Corporate engagement in LA/JA initiatives reflects an understanding, responsibility, willingness, and commitment to contribute to the sustainability of the territories where companies are operating or sourcing. Therefore, companies need to decide **where** to collaborate considering relevant regions (i.e. presence of supply chain or own operations, deforestation risk or conservation opportunity) and **how** to engage (level of engagement/kind of support they will provide for the initiative). The decision regarding **where** and **how** to engage should take the below into account:

- 
Supports global commitments
 LA/JA can help companies to progress non-deforestation and conversion of ecosystems commitments.
- 
Considers a holistic approach
 LA/JA are multidisciplinary and cross-sectorial initiatives. Therefore, other goals related to socio-environmental topics should be considered in the territorial approach.
- 
Reflects long term engagements
 LA/JA requires collaborative problem solving and a established consensus between relevant stakeholders. Real changes on the ground require a long term commitment and consistent effort.

Figure 5. Main elements of CDP's 2022 disclosure on landscape and jurisdictional approaches



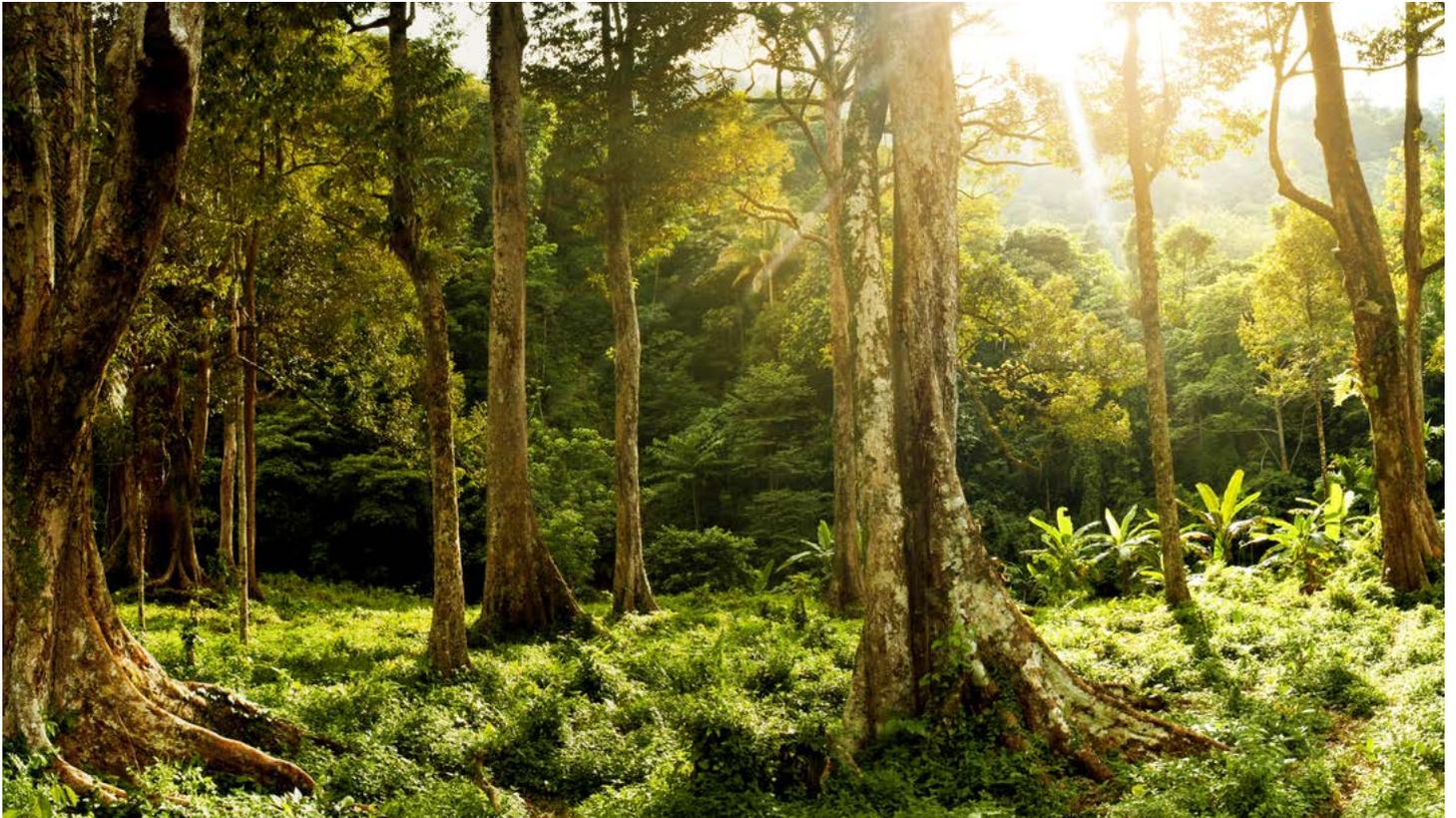
- Prioritization:** Company engagement with LA/JA should be guided by an analysis of the risk and opportunities the particular landscape/jurisdiction presents to corporate operations and their overall sustainability strategy. Companies should prioritize the areas of engagement based on pre-set criteria relevant for the company. Key criteria to include could be sourcing footprint; analysis of local risk drivers (eg; deforestation, conversion, fires, conflict, smallholder production); opportunities (high conservation potential, ecosystem restoration, regulatory environment); and alignment with corporate strategy and commitments.
- Type of engagement:** Companies can engage with LA/JA in different ways, adopting different types of engagement according to the region's strategy and local capacity. Therefore, in the CDP 2022 Forests questionnaire, companies will be able to classify their type of engagement in LA/JA into four categories that are not mutually exclusive (see Figure 6).

Figure 6. Types of engagement in landscape and jurisdictional approaches for companies



- Goals to support:** A key characteristic of LA/JA is that the collective goals set out by these initiatives are broad and multi-thematic. Once goals are defined, the involved parties will implement a number of these common goals, depending on where they can have the biggest impact. Companies will therefore be able to report on which 'types of goals' set at the landscape/jurisdiction level they have chosen to directly support through their engagement in the LA/JA initiative.

- ▼ **Actions taken:** The variety of actions that companies can take depends on the level of engagement and the goals that the company is supporting. In the 2022 CDP Forests questionnaire, companies will be able to select, describe and report on the specific actions the company has taken on LA/JA. These actions can range from direct support, capacity building and supply chain sourcing and procurement, to financing, among others.
- ▼ **Monitor & report progress:** Setting out expected outcomes, indicators and milestones is essential to collectively measure the progress and performance of the LA/JA initiative. Companies will be able to disclose the progress and achievements of the LA/JA initiative based on the monitoring framework that is in place for the initiative. Monitoring frameworks of LA/JA are a crucial management tool for companies to timely identify implementation successes, constraints and facilitate decision-making processes.



SECTION 3

CORPORATE ACTION ON LANDSCAPE AND JURISDICTIONAL APPROACHES

BENEFITS OF LA/JA INITIATIVES FOR COMPANIES

Companies have indicated that the LA/JA benefits depend on successful collective action, including collaboration with other stakeholders and the period (short, medium, long term) they have committed to support.

The following are benefits that companies identified from engaging with LA/JA initiatives:



▼ Multiple, collective and long-term benefits.

The multiple goals included in holistic LA/JA initiatives help to improve sustainable development, conservation, climate change, and better livelihoods. These benefit all those involved in the initiative and are long term benefits if the commitment for collective action continues.



▼ Companies can contribute to the socio-environmental goals of the territory where they are producing/sourcing.

Local challenges are nuanced and therefore not always a priority for some companies in the value chain (e.g., buyers, retailers, traders). By getting involved in LA/JA, companies can identify possible risks and impacts related to their value chain (e.g., supply chain disruption) and engage on the common goals of their producing/sourcing areas.



▼ Companies can scale-up supply chain traceability, monitoring and verification efforts.

One of the common actions in LA/JA is traceability and certification (e.g., Jurisdictional Approach to RSPO certification¹¹) of direct operation and supply chains. The joint efforts of companies with smallholders/producers allow them to influence and promote a standard of requirements for suppliers and capacity-building strategies to meet sustainability commitments within an entire landscape or jurisdiction.



▼ Companies can engage on public-private partnerships and expand networking opportunities.

There are ongoing collaborations required when working towards sustainability commitments at a landscape/jurisdictional level. LA/JA can be a way to exchange ideas and network with multiple stakeholders. Through LA/JA engagement, companies can collaborate within a defined governance structure to align their goals with key partners. This allows them to implement comprehensive goals leading to win-win solutions for the company, the partners, and the local stakeholders.



▼ Companies can de-risk supply chains and improve monitoring across entire landscapes/jurisdictions.

By working collectively within a high priority area for corporate supply chains and aligning goals with local actors, companies can ensure they meet their sustainability goals by sourcing from landscapes/jurisdictions where there is a collective plan to progress and build more resilient outcomes.

11. For more information on RSPO Jurisdictional Approach for certification: RSPO_JA_CSD_2nd_Draft_FOR_PUBLIC_CONSULTATION_ENG_28022020.pdf (tropicalforestalliance.org).

CHALLENGES AND NEXT STEPS IDENTIFIED

While LA/JA are a promising tool for achieving sustainable land-use management goals, implementation comes with significant challenges.

▼ **Good governance requires a financial investment and an investment of time**

The multi-stakeholder approach requires a lot of negotiation between parties which sometimes can be a bottleneck and a time-consuming process. For example, aligning vision and mission with other stakeholders can happen if companies join and support the governance platforms that are already in place in the landscape/jurisdiction. This can save time and money, as well as avoid the challenges of negotiating separately with each party and help to guarantee that the company efforts are aligned with the collective action plan of the overall landscape/jurisdiction. A long-term commitment is an essential element for good governance in LA/JA.

▼ **Willingness from the Government to support the LA/JA initiative**

A challenge for corporate engagement with LA/JA is the need to ensure continued government commitment and willingness to support the initiative. This commitment should be conveyed in local policies and action plans by the respective authority. However, this commitment may be difficult to maintain due to political changes and transitions within the jurisdiction itself. Therefore, providing adequate funding and support of governance structures needed for LA/JA initiatives is fundamental to building a favorable environment to enable long-term strategies and goals. It is important for companies to recognize that LA/JA's challenge national, sub-national and local governments due to their cross-sectorial approach. For example, forests authorities are called to balance policies and coordinate actions on the ground with other sectors, particularly, but not restricted to, agricultural, water, environment, and other development/productive sectors. Additionally, governmental authorities are responsible for promoting and enabling a proper environment for multi-stakeholder participation and good governance. Therefore, communication, partnerships, and support between companies and governments on LA/JA are fundamental to ensure long-term success.

▼ **Monitoring and reporting LA/JA results**

There are several challenges in understanding, designing, defining, implementing and in monitoring LA/JA. Specifically, companies mentioned the difficulty in defining the correct indicators, attributing responsibilities among different stakeholders, and measuring the progress of LA/JA outcomes. That is why, CDP has been collaborating with ISEAL to develop a new set of questions on LA/JA to be included in the CDP Forests questionnaire in 2022. The new set of questions (see chapter 2.2) will create pathways for companies to disclose their attributions to a LA/JA initiative and the progress achieved.

EXAMPLES OF LA/JA INITIATIVES

The following examples show that companies are engaging in a LA/JA through several modalities.

Companies should classify how they are contributing to the initiative they are engaged in. Company engagement can take the form of contributing to 'specific goals' or through taking 'specific actions' to support these initiatives as well as through providing a direct financial commitment to better represent the totality of company impact (see also chapter 2.2 and Figure 5). These examples show a pathway to achieving the objectives and provide a route for business engagement in LA/JA.

AMAGGI

Jurisdictional Approach



AMAGGI is a leader in the production and commercialization of grains and agricultural supplies in Brazil with major operations in the state of Mato Grosso. In line with the company's commitment towards a deforestation and native vegetation conversion-free chain, it has supported the state in the development of the Produce Conserve Include (PCI)¹² strategy and the establishment of its Jurisdictional Approach in 2015. The company represents the private sector in the PCI Institute's strategic and operational plans. This allows the company to implement joint actions and local projects in partnership with other stakeholders, contributing to the achievement of initiative goals.

- ▼ **Commodities:** Soy products
- ▼ **Location:** Mato Grosso, Brazil

Carrefour

Jurisdictional Approach



Grupo Carrefour Brasil, through Carrefour Foundation financial support (€1,9 million) since 2018, is leading the implementation of one project supporting several of the goals of the Mato Grosso state Produce, Conserve and Include (PCI) Jurisdictional Approach. The Sustainable Calves Production project is being implemented to support more than 450 small producers (in Vale do Juruena and Araguaia) and preserve 60% of the indigenous forest while doubling economic production by 2030. The support is gradual from improving technical aspects, through environmental compliance, to individual tracking of animals and aiming to increase incomes and ensure greater sustainability in the supply chain.

- ▼ **Commodities:** Cattle
- ▼ **Location:** Mato Grosso, Brazil

12. For more information regarding the PCI operations in Mato Grosso Brazil, please follow: <http://pci.mt.gov.br/>

PepsiCo

Jurisdictional Approach



Engaging in landscape approaches directly supports PepsiCo's strategy of achieving 100% no deforestation, no peat, no exploitation (NDPE); supporting thriving communities and ecosystems; and improving transparency and accountability across the forest commodity supply chains. In the Aceh Tamiang District in Indonesia, chosen for its high conservation value and alignment with the company footprint, PepsiCo is engaged as a member of the Coalition for Sustainable Livelihood¹³ through the district compact implemented by IDH Sourceup. The company is focused on supporting local government in the implementation of the compact through programs targeting smallholder producers, engaging local mill and plantation companies, and helping to restore the forests.

▼ **Commodities:** Palm Oil

▼ **Location:** Aceh Tamiang, Indonesia

Musim Mas

Jurisdictional Approach



Landscape-level collaboration is key for Musim Mas to work towards a responsible supply base. Aceh is a priority landscape for Musim Mas. 87% of the Aceh-Leuser Ecosystem lies within the province. Musim Mas has been collaborating with local government and CSOs since 2019, to establish the Smallholders Hub in Aceh Tamiang and Aceh Singkil¹⁴. The Smallholder Hub is a platform where palm oil companies share their expertise and resources to train independent smallholders, regardless of whom they sell to, within a specific district. The Hubs will support the trialing of a High Carbon Stock Approach simplified checklist for smallholders and are established in collaboration with Musim Mas partners.

▼ **Commodities:** Palm Oil

▼ **Location:** Aceh Tamiang and Aceh Timur, Indonesia

L'Oréal

Landscape Approach



L'Oréal has been promoting the connection of independent smallholders to the market for 'Zero Deforestation' palm oil since 2018 through the implementation of a landscape & collaborative approach program in the province of Jambi, Indonesia; a high priority sourcing area for the company in partnership with Netherlands Development Organization (SNV)¹⁵. The project aims to support 12,500 independent smallholders over five years and will support peat restoration projects in the area. Progress is monitored and reported on annually. Since 2019, L'Oréal has also partnered with the French Agricultural Research Centre for International Development (CIRAD) to evaluate the impact of agricultural practices of smallholders on their soils' quality and productivity of palm trees in two cooperatives of independent smallholders. The results will help to improve smallholders' practices and reduce their environmental impact.

▼ **Commodities:** Palm Oil

▼ **Location:** Jambi, Indonesia

13. For more information regarding the Coalition for Sustainable Livelihoods please follow: <https://www.conservation.org/projects/coalition-for-sustainable-livelihoods>

14. For more information regarding the Smallholders Hub please follow: <https://www.musimmas.com/musim-mas-establishes-first-smallholders-hub-in-aceh-tamiang/> <https://www.musimmas.com/musim-mas-launched-second-smallholders-hub-in-aceh/>

24 15. For more information on the landscape program in Jambi please follow: <https://www.loreal.com/en/articles/sharing-beauty-with-all/indonesia--improving-production-techniques-to-prevent-deforestation/>

SECTION 4
THE PATHWAY
FOR CORPORATE
ENGAGEMENT WITH
LANDSCAPE AND
JURISDICTIONAL
APPROACHES: CDP'S
RECOMMENDATIONS

RESPONSIBLE SOURCING

GOING BEYOND SUPPLY CHAIN ACTIONS

Leading companies are investing and making efforts to fulfill global socioenvironmental commitments in their operations and supply chains. They are improving compliance, traceability, and progress towards targets to source zero-deforestation certified commodities or the ability to trace 100% of the supply back to the municipality¹⁶.

Multi-stakeholder collaboration in LA/JA can help companies achieve promises they made about their supply chains and contribute to broader positive impacts beyond their supply chains. Moreover, LA/JA can help secure certification and sustainable production for a company's supply chain and help companies address intractable issues beyond supply chains.

The companies' work beyond supply chains means that engaged companies can promote activities in LA/JA to stakeholders that are not directly involved in their value chain (i.e., promote capacity-building for local commodity producers). This shows that collaboration and actions used in the area to achieve common goals can go beyond strict commercial relationships (company-suppliers) and impact a wider group of organizations. We encourage companies to incorporate landscape and jurisdictional scale approaches (particularly in the areas they are sourcing from) into their corporate strategy, and to look beyond their supply chain actions for broader sector transformation and impactful socio-environmental results.



16. As shown in CDP Forests Report (2020).

REPORTING AND MONITORING CORPORATE ENGAGEMENT IN LA/JA INITIATIVES

Companies and other relevant stakeholders involved in a LA/JA initiative should create a monitoring system to help showcase the progress towards the defined common goals and targets. We emphasize the importance of companies incorporating the initiatives' targets into their monitoring practices.

This will provide a more robust approach to monitoring the actions companies have committed to or invested in and support collective LA/JA monitoring. However, it is essential to highlight that some of the initiatives' outcomes depend on other stakeholders and drivers that can go beyond the company's control¹⁷. Companies are encouraged to have a robust data collection process among the LA/JA initiatives. Ultimately, sharing information, results, platforms and systems should be a common objective of adaptive management and organizational learning. The good practices guide from ISEAL can be used as a tool for companies and other stakeholders to ensure credible monitoring of LA/JA.

ISEAL

Guidance on Effective Company Actions in Landscapes and Jurisdictions

ISEAL aligns stakeholders around good practices for sustainability action. With CDP and other LA/JA practitioners, they have recently developed guiding principles for effective company actions in LA/JA to enable credible claims and reporting. ISEAL and CDP have been collaborating closely to ensure these principles complement the CDP Companies, and States and Regions, reporting questionnaires.

The four guiding principles that frame more detailed, practical recommendations for companies include:

- ▼ **Prioritising action:** Company actions address critical sustainability issues.
- ▼ **Maximising impact:** Company actions maximise performance improvement at scale.
- ▼ **Measuring progress:** Results of actions and performance on critical issues are monitored.
- ▼ **Communicating results:** Claims and communications are truthful and proportionate.

The guidance and more detailed information is available on ISEAL's [Jurisdictional Monitoring and Claims](#) webpage. The guiding principles build on ISEAL's recent guidance that supports effective monitoring and communications for jurisdictional performance: '[Making Credible Jurisdictional Claims Good Practice Guide](#)'. ISEAL's work aims to complement and support alignment of existing landscape initiatives and frameworks such as LandScale, SourceUp and the Consumer Goods Forum (CGF) Forest Positive Coalitions of Action.

By disclosing their involvement in landscape/jurisdictional initiatives, companies can exhibit their leadership in tackling complex environmental issues with their investors and consumers. In addition, in 2022 it will be possible to monitor the outcomes and benefits through CDP's new set of questions' and promote awareness regarding the importance of implementation and corporate engagement in these initiatives.

17. TFA, WWF, Proforest. (2020). Landscape scale action for forest, people and sustainable production. A practical guide for companies. JA-Practical-Guide.pdf (panda.org).

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About CDP

CDP is a global non-profit that runs the world's environmental disclosure system for companies, cities, states and regions. Founded in 2000 and working with more than 590 investors with over \$110 trillion in assets, CDP pioneered using capital markets and corporate procurement to motivate companies to disclose their environmental impacts, and to reduce greenhouse gas emissions, safeguard water resources and protect forests. Over 14,000 organizations around the world disclosed data through CDP in 2021, including more than 13,000 companies worth over 64% of global market capitalization, and over 1,100 cities, states and regions. Fully TCFD aligned, CDP holds the largest environmental database in the world, and CDP scores are widely used to drive investment and procurement decisions towards a zero carbon, sustainable and resilient economy. CDP is a founding member of the Science Based Targets initiative, We Mean Business Coalition, The Investor Agenda and the Net Zero Asset Managers initiative.

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