

Assessing the implementation of climate targets: Behind the Brands Agribusiness Companies

Final Evaluation Report



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EXECUTIVE SUMMARY

Multinational agricultural commodity producers have a key role to play in addressing the climate crisis. They occupy the 'mighty middle',¹ connecting small-scale farmers to food processors, traders, distributors, and ultimately consumers at the end of the supply chain. They influence how food is made, who benefits most from its production, and the food consumption of millions of people around the world. With their position, power and financial leverage, they have a responsibility to shape standards for agricultural commodity production and drive emission reductions throughout the wider sector.

Oxfam's agribusiness scorecard measures global agribusiness' policies and implementation plans on five environmental and human rights issue areas: women's economic empowerment, land, climate change, small-scale producers, and transparency and accountability. In the years 2018, 2020 and 2022, seven companies – Archer Daniels Midland (ADM), Barry Callebaut, Bunge, Cargill, Louis Dreyfus Company (LDC), Olam Group and Wilmar International – were evaluated, selected for the size and scale of their sourcing volumes of key food commodities.

In Oxfam's most recent *Moving the Middle* assessment,² published in 2023, climate performance was not assessed, because the existing scorecard framework for climate change was considered inadequate given the increasing urgency of the climate crisis. It also did not account for recent reporting and disclosure developments relevant to the agricultural sector, including updates from the Science Based Targets Initiative (SBTi) and the United Nations High-Level Expert Group on the Net-Zero Emissions Commitments of Non-State Entities (HLEG).

This report provides the outcomes of a new and updated climate assessment of the seven major agribusinesses. The assessment applies a new, comprehensive and ambitious climate framework which evaluates the strength of companies' climate commitments as well as the extent to which they report on progress. This framework looks at how companies are implementing their commitments, including evidence of internal changes; budgeting for planned climate actions; reporting on progress against identified targets; and monitoring impacts, particularly in relation to suppliers and small-scale farmers.

While the assessment outcomes vary considerably across indicators, companies performed poorly across the board, suggesting that both ambition and action remain far below what is necessary to advance a sustainable and just global food system.

¹ See Oxfam (2023) *Moving the Middle: Oxfam's Behind the Brands assessment of the global agribusiness sector*. Available at <https://oxfamilibrary.openrepository.com/bitstream/handle/10546/621491/bp-moving-the-middle-agribusiness-sector-scorecard-310323-en.pdf?sequence=1>.

² Oxfam (2023) *Moving the Middle: Oxfam's Behind the Brands assessment of the global agribusiness sector*. Available at <https://oxfamilibrary.openrepository.com/bitstream/handle/10546/621491/bp-moving-the-middle-agribusiness-sector-scorecard-310323-en.pdf?sequence=1>.

Key Findings

GHG reduction targets

- Only one of the assessed companies, Barry Callebaut, has an SBTi-validated, 1.5-degree-aligned near-term target.
- Only two companies, Barry Callebaut and Olam, have set Net-Zero targets, but these have yet to be validated by the SBTi.
- Four companies – ADM, Barry Callebaut, Bunge, and Louis Dreyfus – have a deforestation commitment which aligns with the SBTi FLAG guidance.
- Not one company has a commitment to phase-out the use of fossil fuels in their operations.

Engagement with suppliers

- None of the assessed companies show clear evidence of involving workers, suppliers, small-scale producers or impacted populations in the development of emissions mitigation plans across all commodity supply chains.
- Only three companies – ADM, Barry Callebaut and Cargill – have a policy for addressing supplier non-compliance with their environmental and human rights policies in each of their commodity supply chains.

Climate advocacy

- Only three companies – ADM, Cargill and Louis Dreyfus – have committed to both the Amazon Soy Moratorium and the Cerrado Manifesto.
- None of the assessed companies has an explicit commitment to conduct external engagement or lobbying activities in line with Paris Agreement goals.
- Three companies – ADM, Cargill and Louis Dreyfus – show evidence of lobbying activities which conflict with Paris Agreement goals.

Supporting sustainable and just land use models

- All companies support small-scale producers or the implementation of sustainable and resilient agricultural practices in some way, but no company implements these practices consistently across each of their supply chains.
- No company embeds gender-responsiveness consistently into their sustainable land use interventions.
- No company has concrete commitment to ensure the implementation of FPIC, protect against child labor and forced labor, ensure that workers receive a sufficient living income, address gender inequalities, and ensure the provision of grievance mechanisms, across all of its commodity supply chains.

Data and disclosure

- Only four companies – Bunge, Barry Callebaut, Louis Dreyfus and Wilmar – report emissions from each of their major commodity supply chains.
- Only three companies – Bunge, Barry Callebaut and Olam – report clearly on the methods used and traceability achieved in each of their forest-risk commodity supply chains.
- ADM and Barry Callebaut are the only companies that include climate-related requirements in supplier contracts across their commodity supply chains.

Reporting on commitments

- Just one company, Bunge, provides clear reporting on progress towards its no-deforestation commitment across all of its commodity supply chains.
- No company provides full reporting on progress made to respect human rights or full, transparent reporting of grievance cases across each of its supply chains.

The outcomes of the assessment highlight the urgent need for improved climate action in the agribusiness sector. Companies should not only increase the ambition and scope of their climate commitments, but also work to ensure they are implemented throughout their direct and indirect supply chains. They should make the development of their emission reduction strategies participatory and inclusive, and support sourcing models which strengthen small-scale producers' ability to implement low carbon, resilient and regenerative agriculture practices. They should recognize the unique role of women in the agricultural transition, and actively support women's inclusion in agricultural supply chains. At the very least, companies should ensure that human rights are respected across their operations. The report includes key recommendations for the agribusiness sector, centered around the themes of climate ambition, gender and small-scale producer inclusion, and transparency.

Introduction

01

1. INTRODUCTION

Multinational agricultural commodity producers have a key role to play in addressing the climate crisis. The global food system accounts for 21-37 percent of global greenhouse gas (GHG) emissions,³ and is associated with an array of adverse environmental impacts relating to soil, water and biodiversity. Commodity driven agriculture is also by far the largest driver of deforestation and ecosystem conversion globally, particularly in tropical regions.⁴ In 2022, 4.77 million hectares of forest – an area approximately the size of Kenya – was cleared for commodity production, mostly for agriculture.⁵

Due to their power and strategic position, major agribusinesses have the leverage and responsibility to reduce the environmental impact of commodity production. They occupy the ‘mighty middle’,⁶ connecting small-scale producers with food consumers on either end of the supply chain. They influence how food is made, who benefits most from its production, and the food consumption of millions of people around the world. With the financial and market leverage to determine standards for production, major agribusinesses can play a pivotal role in driving up sustainability standards throughout the supply chain and across the wider sector.

Agribusinesses should develop, support and implement sustainable agriculture interventions to contribute to climate mitigation and adaptation across their supply chains. Supporting farmers to implement improved agricultural practices can help to reduce emissions, improve soil health and water quality and restore biodiversity. Over time, these practices can enhance the resilience of small-scale producer systems, in turn supporting improved food and economic security. Sustainable agricultural practices can also be designed to tackle the unique challenges faced by women working as agricultural workers who – despite representing over 40% of the agricultural workforce in low-income countries – often remain left out of social protection systems and decision-making, receive lower wages and have far more limited access to land and productivity inputs compared to their male counterparts.⁷ Gender discrimination in the agricultural sector can in part be tackled through the implementation of sustainable production methods which prioritize education and training for women workers, while accounting for the unique risks that women farmers face in the sector.⁸ Small-scale producers in many parts of the world face similar obstacles, despite producing 60-80 percent of food consumed in developing countries⁹ and making up a large share of the assessed companies’ suppliers.

Since 2013, Oxfam’s Behind the Brands campaign has played a key role in spotlighting the sustainability progress of major food and beverage brands. In recent years, the campaign has helped shine a light on

³ The IPCC Special Report on Climate Change and Land reports that between 21–37% of global GHG emissions are attributable to the food system. This estimate includes agriculture and land use, storage, transport, packaging, processing, retail, and consumption. 9–14% of these emissions are estimated to come from crop and livestock activities within the farm gate, and a further 5–14% from land use and land-use change including deforestation and peatland degradation. See <https://www.ipcc.ch/srcl/>.

⁴ Forest Declaration Assessment Partners. (2023). Off track and falling behind: Tracking progress on 2030 forest goals. Climate Focus (coordinator and editor). Accessible at www.forestdeclaration.org.

⁵ Figure represents permanent tree cover loss due to the production of agriculture, mining, and energy infrastructure. GFW, Hansen et al. 2013, and Curtis et al. 2018, and Climate Focus projection of the pathway from 2021 to 2025 based on a target of zero gross deforestation from commodity production by 2025. See Forest Declaration Assessment Partners. (2023).

⁶ See Oxfam (2023) Moving the Middle: Oxfam’s Behind the Brands assessment of the global agribusiness sector. Available at <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/621491/bp-moving-the-middle-agribusiness-sector-scorecard-310323-en.pdf?sequence=1>.

⁷ Organisation for Economic Co-operation and Development. (2021). Gender and the environment: building evidence and policies to achieve the SDGs. OECD Publishing. <https://doi.org/10.1787/3d32ca39-en>. See Chapter 6: Women and SDG 2 – Promoting sustainable agriculture.

⁸ Evidence suggests that female farmers are at higher risk of gender-based violence, see e.g. Wen, J. (ed.) (2020), Gender-based violence and environment linkages: The violence of inequality, IUCN, International Union for Conservation of Nature, <https://doi.org/10.2305/iucn.ch.2020.03.en>; Henry, C. and J. Adams (2018), Spotlight on Sexual Violence and Harassment in Commercial Agriculture: Lower and Middle Income Countries, ILO, Rome, https://www.ilo.org/wcmsp5/groups/public/---dgreports/---inst/documents/publication/wcms_630672.pdf.

⁹ International Fund for Agricultural Development (IFAD): Crops. See <https://www.ifad.org/en/crops>.

the role that major agribusinesses have to play in shaping the future of food production. Oxfam's agribusiness scorecard measures global agribusiness' policies and implementation plans on five environmental and human rights issues: women's economic empowerment, land, climate change, small-scale producers, and transparency and accountability. In the years 2018, 2020 and 2022, seven companies – Archer Daniels Midland (ADM), Barry Callebaut, Bunge, Cargill, Louis Dreyfus Company, Olam Group and Wilmar International – were evaluated. These companies were selected because of their large sourcing of key forest-risk commodities including cocoa, soy, palm oil, as well as the scale of their operations in lower-income countries that are dependent on food and agricultural exports. Four of these companies – ADM, Bunge, Cargill and Louis Dreyfus – are reported to control 70% of the world's trade in agricultural commodities in terms of value.¹⁰

In Oxfam's most recent Moving the Middle assessment¹¹, published in 2023, climate performance was not assessed, because the existing scorecard framework for climate change was considered inadequate for the increasing urgency of the climate crisis. It also did not account for recent reporting and disclosure developments relevant to the agricultural sector. In 2023, new guidance documents on climate action were published by the United Nations High-Level Expert Group on the Net-Zero Emissions Commitments of Non-State Entities (HLEG) and sector-specific guidance by the Science Based Targets Initiative (SBTi). The climate assessment was therefore delayed to give companies time to publish any updated climate targets in line with new sector guidance, and to allow time for the development of a new assessment framework which reflects the urgency for corporate climate action in the sector. The framework is intended to be adjusted over time, in response to the evolving nature of the climate crisis and of priorities for action.

This assessment examines the strength of companies' climate commitments and the extent to which those companies report on progress. The outcomes of the assessment highlight the need for agribusinesses to increase their climate ambition and action while embedding efforts to address equity, gender and human rights into their mitigation activities.

¹⁰ Oxfam (2023). Original source Heinrich Böll Stiftung. (2017). Agrifood Atlas – Facts and Figures about the Corporations That Control What We Eat. Available at https://eu.boell.org/sites/default/files/agrifoodatlas2017_facts-and-figures-about-the-corporations-that-control-what-we-eat.pdf.

¹¹ Oxfam (2023) Moving the Middle: Oxfam's Behind the Brands assessment of the global agribusiness sector. Available at <https://oxfamilibrary.openrepository.com/bitstream/handle/10546/621491/bp-moving-the-middle-agribusiness-sector-scorecard-310323-en.pdf?sequence=1>.

Methodology

02

2. METHODOLOGY

2.1 Approach

This assessment covers the seven companies previously evaluated under Oxfam's agribusiness scorecard initiative – ADM, Barry Callebaut, Bunge, Cargill, Louis Dreyfus, Olam and Wilmar. The need for regular, transparent environmental reporting is of paramount importance in the agricultural sector to champion progress, understand where gaps remain and hold companies to account. As such, the assessment is based solely on information available in the public domain. This assessment relies heavily on company disclosures made under CDP's Climate and Forest questionnaires (2023), plus information made available in company reports and on company websites and in reliable third-party reports. Before publication, companies were given a two-week review period to provide feedback on their assessment and submit additional documentation. During this period, five companies – Cargill, Bunge, Wilmar, Olam and Louis Dreyfus – provided feedback or responses.

Figure 1. Companies covered by this assessment



2.2 Assessment framework

The assessment framework is based on the core climate indicators used in previous agribusiness scorecard assessments, adapted and enhanced to reflect the growing urgency for climate action in the agricultural sector. It consists of 18 indicators, covering seven themes encompassing climate, gender and human rights (see **Table 1**).

Compared to previous agribusiness scorecard assessments that evaluated the ambition and scope of company targets, this assessment focuses on implementation, including evidence of internal changes; budgeting for planned climate actions; reporting on progress against identified targets; and monitoring impacts, particularly in relation to suppliers and small-scale producers. Indicators also assess companies' broader supply chain efforts, including upstream engagement with suppliers and indirect business activities such as lobbying or advocacy. Certain supply chains were prioritized for assessment under some indicators. Under indicators 3-7, 'forest-risk' commodity supply chains are prioritized – those which present the highest risk of driving deforestation. The supply chains included in this category are palm oil, soy, beef, coffee, cocoa, timber and rubber. The assessment also focuses largely on mitigation approaches. Future assessments should expand the evaluation to include all supply chains and consider how companies are providing climate adaptation benefits to workers and suppliers.

The assessment indicators were scored against standardized guidance which, where possible, was developed according to 'best practice' guidance from initiatives including CDP and the Accountability Framework initiative (AFi). Where standard guidance was not available, indicator scoring was developed using relevant literature.

Figure 2. Scope of this assessment



Source: Adapted from Oxfam (2023) *Moving the Middle*.

Table 1. Simple Assessment Framework

Indicator	Sub-indicator
1. Robustness of the company's GHG reduction target	SBTi Net-Zero (-aligned) target
	SBTi FLAG-aligned target
	Fossil fuels phase-out target
2. Implementation of the company's GHG reduction target	Financial resources and senior executive remuneration
	Insetting
	Beyond value chain climate contributions
3. Data and disclosure	Data disclosure from commodity supply chains
	Traceability systems
	Support to suppliers
4. Engagement with suppliers on climate	Inclusive and participatory mitigation plans
	Non-compliant suppliers
5. Advocating for ambitious climate policy	Climate advocacy through policy
	Climate lobbying activities
6. Supporting alternative agricultural and land use models that are low emissions and equitable	Sustainable and resilient agricultural practices
	Small-scale producers
	Human rights
7. Progress on implementation of commitments to achieve zero deforestation, zero conversion, and exploitation-free supply chains	Progress towards deforestation target
	Progress on human rights

Note: For the full assessment framework, including descriptions of sub-indicators, see Annex 1.

Analysis and findings

03

3. ANALYSIS AND FINDINGS

This section discusses company results, preceded by a summary of why action under each thematic area is essential to achieving a just, sustainable transition in the agricultural sector. The results from each indicator within a theme are discussed separately, including areas of good performance, areas for improvement and possible explanations for gaps or poor performance.

3.1 Robustness of the company's GHG target

The SBTi supports companies and institutions to set time-bound, measurable goals for reducing their GHG emissions in line with climate science and the goals of the Paris Agreement. While no corporate climate standard can be considered perfect, the SBTi sets the highest available standard for corporate action and offers the best source of information for assessing companies' climate commitments.

By adopting science-based targets with near- and long-term milestones, companies can play a significant role in reducing the environmental impact of their operations while contributing to global efforts to mitigate climate change. For agribusinesses, science-based targets – and specifically the SBTi FLAG (Forest, Land, Agriculture) guidance – are essential tools for accelerating decarbonization. SBTi-validated targets signal that a company has a well-planned, measurable decarbonization strategy that is based on robust climate science. They help to distinguish legitimate corporate climate action from the busy landscape of corporate climate and net zero claims which, without validation against a standard, often amount to little more than greenwashing.

According to the latest guidance from SBTi on near-term targets,¹² companies must have near-term scope 1 and scope 2 decarbonization targets which are aligned with the Paris Agreement's 1.5-degree goal. Scope 3 targets must also be aligned with a decarbonization pathway of well-below 2 degrees.¹³ The SBTi's Corporate Net Zero Standard¹⁴ includes more stringent decarbonization requirements, requiring companies to have adopted long-term targets to mitigate all possible emissions before 2050, in addition to neutralizing any residual (no more than 10%) emissions that cannot be cut through direct mitigation.¹⁵

SBTi's FLAG guidance provides target-setting guidance tailored specifically for companies in land-intensive sectors, recognizing the inherent mitigation potential in land-sector business activities. As of November 2023, SBTi has published FLAG criteria with key FLAG target requirements, including delivering both emission reductions and removals¹⁶ under short-term targets; setting deforestation targets for no later than 2025; and setting science-based targets for emissions from fossil-fuels.¹⁷ The FLAG guidance has yet to be finalized – see next section.

¹² See SBTi (April 2023) SBTi Criteria and Recommendations for Near-Term Targets. Available at <https://sciencebasedtargets.org/resources/files/SBTi-criteria.pdf>.

¹³ SBTi (April 2023) SBTi Criteria and Recommendations for Near-Term Targets.

¹⁴ See SBTi (April 2023) Corporate Net Zero Standard: Version 1.1. Available at <https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf>.

¹⁵ Neutralization refers to measures which remove carbon from the atmosphere and permanently store it through Nature-based Solutions (NbS), the use of carbon credits, or carbon dioxide removal (CDR). See SBTi (April 2023) Corporate Net Zero Standard: Version 1.1.

¹⁶ Removal activities only include on-farm/in-forest supply chain actions that sit within company value chains. These removals do not constitute 'offsets' and differ from removal eligibility under the SBTi Net-Zero guidance.

¹⁷ See SBTi FLAG, available at <https://sciencebasedtargets.org/sectors/forest-land-and-agriculture>.

Indicator 1.1. SBTi Net-Zero or Net-Zero aligned target

This indicator assesses companies' climate commitments against the SBTi framework. Companies are given a full score (yes) if they have committed to an SBTi-validated, 1.5-degree aligned near-term climate target and an SBTi-validated Net-Zero target. Companies are given a partial score (partial) if they have either one of the aforementioned targets; if they have a target which aligns with SBTi Near-Term or Net Zero criteria which is not yet validated; or if they have a SBTi-validated target that aligns with a well-below 2-degree trajectory. Companies are given zero (no) if they have no climate commitments validated or aligned with SBTi criteria.

At present, only one of the assessed companies, Barry Callebaut, has a SBTi-validated, 1.5-degree-aligned near-term target (see Table 2). Three other companies have SBTi validated targets; Bunge and Olam are aligned with a well-below 2-degree trajectory, and Cargill with a 2-degree aligned trajectory. Olam reports that it is currently in the process of validating a 1.5-degree aligned Net Zero target with the SBTi. The remaining three companies, ADM, Louis Dreyfus and Wilmar, do not currently have SBTi-validated targets. While ADM and Louis Dreyfus have made some public climate commitments outside the SBTi framework, this assessment finds they are not aligned with SBTi 1.5-degree trajectory criteria. Wilmar has made no overarching climate commitment. Only two companies, Barry Callebaut and Olam, have made Net-Zero targets, but these have yet to be validated by the SBTi.

Table 2. Companies' climate commitments

Company	Near-term target	Net-zero target	Outlook
ADM	No SBTi validated target, and climate commitments not aligned with SBTi 1.5-degree target criteria	No	Has committed to validate near-term targets with SBTi by July 2024
Barry Callebaut	1.5 degree-aligned target (SBTi-validated)	Yes (not yet SBTi-validated)	Has committed to validate net-zero target with SBTi within two years
Bunge	Well-below 2 degree-aligned target (SBTi-validated)	No	Has committed to publish a 1.5-degree aligned transition plan by late 2024
Cargill	2 degree-aligned target (SBTi-validated)	No	No additional information
Louis Dreyfus	No SBTi validated target, and climate commitments not aligned with SBTi 1.5-degree target criteria	No	No additional information
Olam	Well-below 2 degree-aligned target (SBTi-validated)	Yes (not yet SBTi-validated)	Currently in the process of validating a 1.5-degree aligned Net Zero target with the SBTi
Wilmar	No	No	Has committed to set a science-based target within the next two years

While there is no single, standardized piece of guidance for the way companies should engage with offsetting, the guidelines provided by major sector bodies align in their recommendations. The SBTi Net

Zero guidance and the Oxford Principles for Net Zero Aligned Carbon Offsetting indicate that companies should prioritize emission reductions in their own operations before relying on offsets.¹⁸

Two companies, ADM and Louis Dreyfus, mention the use of carbon credits, emission avoidance and/or carbon capture. Louis Dreyfus report using nature-based carbon credits to compensate the emissions generated from specific internal activities. They report that they will not rely on carbon credits to help achieve their Scope 1 & 2 targets for 2030, nor their upcoming Scope 3 target. ADM report the use of carbon credits – including direct air capture and bio-energy carbon capture and sequestration (BECCS) – to compensate for emissions that cannot be avoided, but do not report on exactly how they are recorded in their emissions accounting.

Indicator 1.1 SBTi Net-Zero or Net-Zero aligned target

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
No	Yes	Partial	Partial	No	Partial	No

Sector guidance states that companies should use a reduction-first approach to decarbonization in which carbon offsetting plays a minor or non-existent role. Carbon credits should only be used to achieve Net-Zero when companies have already met at least 90-95 percent of their target through emissions reductions in their own operations, as per SBTi guidance.¹⁹ Companies may invest in carbon credits to finance climate action outside their own operations and science-based targets, but these must be high quality climate projects that provide significant environmental and social value and have sufficient safeguards in place to avoid any negative externalities.

Indicator 1.2. SBTi FLAG-aligned target

This indicator assesses whether companies have a commitment in place which aligns with SBTi FLAG Guidance. A full score (yes) is given if companies have such a commitment covering all of their operations and supply chains. A partial score is given if their commitment covers only some operations or supply chains, and a score of zero (no) is given if a company has no such commitment.

SBTi has extended the timeline for mandatory submissions of FLAG targets until six months after the GHG Protocol's Land Sector and Removals Guidance is published. Publication of the guidance was delayed in summer 2023, owing to the volume of feedback received during the pilot phase. The Technical Working Group is currently working to address this feedback, and the final guidance is now anticipated to be published in mid-2024. However, with the recommended 2025 target for zero deforestation and conversion²⁰ fast approaching, the urgency for companies to assess and mitigate links to deforestation in their supply chains is paramount – particularly those with direct links to the land sector. Key components of the FLAG guidance include making near- and long- term FLAG science-based targets; accounting for carbon removals in near-term FLAG targets; and setting science-based targets for fossil emissions. The

¹⁸ Helppi, O., Salo, E., Vatanen, S., Pajula, T., & Grönman, K. (2023). Review of carbon emissions offsetting guidelines using instructional criteria. The International Journal of Life Cycle Assessment, 1-9. <https://link.springer.com/article/10.1007/s11367-023-02166-w>.

¹⁹ SBTi (April 2023) Corporate Net Zero Standard: Version 1.1. Available at <https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf>.

²⁰ AFI (June 3, 2022) "The AFI recommends a target date no later than 2025 to eliminate deforestation and conversion in supply chains". Available at <https://accountability-framework.org/news-events/news/the-afi-recommends-a-target-date-of-2025-or-sooner-to-eliminate-deforestation-and-conversion-in-supply-chains/>.

FLAG Guidance also specifies that companies should have a commitment to achieve no deforestation across all their primary deforestation-linked commodity supply chains no later than 31 December 2025.²¹

None of the companies assessed have FLAG-aligned targets. The only FLAG criterion that is met – in part – is the commitment to eliminating deforestation from supply chains by 2025. Four of the assessed companies – ADM, Barry Callebaut, Bunge, and Louis Dreyfus – have such a commitment. While Cargill, Olam and Wilmar have made similar commitments for specific commodities or for operations in specific countries, they have not made overarching company-wide pledges.

Indicator 1.2 SBTi FLAG-aligned target

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
Partial	Partial	Partial	No	Partial	No	No

Indicator 1.3. Fossil fuels phase-out target

This indicator assesses whether companies have a commitment in place to phase-out the use of fossil fuels across their operations. Companies are given a full score (yes) if they have such a commitment, a partial score if they have commitments for only certain parts of their operation, and a score of zero (no) if they have no such commitment.

Phasing out the use of fossil fuels is essential for achieving the goals set forth by the Paris Agreement. Fossil fuels, including coal, oil, and natural gas, are the primary source of global GHG emissions, and have traditionally been central to agricultural production processes – for powering heavy farm machinery as well as processing, refrigerating, and packaging foods. Setting clear and ambitious targets for fossil fuel phase-out is imperative for agribusinesses to align with global sustainability efforts, reduce their carbon footprint, and mitigate the adverse effects of climate change. Such commitments not only contribute to climate mitigation but can also enhance a company's long-term resilience in a rapidly changing energy landscape.

Discouragingly, none of the assessed companies have a commitment to end the use of fossil fuels. While most companies demonstrate decarbonization efforts to some degree – for example, Cargill is increasing its use of eco shipping fuel; ADM is collaborating with shipping providers to increase biofuel usage, Barry Callebaut, Olam and Wilmar are implementing various methods to increase the efficiency of their processing plants²² – they should embed this action into their climate strategies and implement time-bound targets for a full fossil-fuel phase-out.

Indicator 1.3 Fossil fuels phase-out target

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
No	No	No	No	No	No	No

²¹ See SBTi FLAG, available at <https://sciencebasedtargets.org/sectors/forest-land-and-agriculture>.

²² Taken from companies' 2023 CDP Climate questionnaire responses: indicators 2.4a, 4.4a, 3.2b and 4.2b. Available at <https://www.cdp.net/en>.

3.2 Implementing broader climate action

Under this indicator, we assess the policies or actions companies are implementing to encourage decarbonization, both in- and out-side of their internal climate targets.

Indicator 2.1. Financial resources and senior executive remuneration

This indicator assesses whether companies disclose information about how financial resources are allocated to their decarbonization plans, and whether they tie senior executive remuneration to climate progress. A full score is given if companies report (fully) on how their decarbonization plans are funded and have a robust strategy for tying senior executive remuneration to progress made against climate targets. A partial score is given if only one of these criteria are met, and zero (no) if neither are met.

In order to meet their climate targets, companies should ensure that their decarbonization plans are sufficiently funded. They should be fully transparent about the resources they allocate to climate mitigation activities and report on expenditure progress. In addition, companies should embed the achievement of climate targets into internal reward systems. By linking senior executive remuneration to progress made against climate targets, companies can create powerful incentives for action. Crucially, such incentive systems should be based on clear key performance indicators (KPIs) and developed according to meaningful external climate frameworks, such as 1.5-degree-aligned decarbonization pathways.

Only three of the assessed companies disclose information on the financial resources allocated to their decarbonization activities. Bunge, Louis Dreyfus, and Cargill provide information on the financial resources allocated to achieving their Scope 1, 2, or 3 targets, however, none provide this information for their entire climate action plan. Comparatively, all companies but one, Olam, report tying senior executive remuneration to the achievement of their climate targets. All disclosing companies report which KPIs remuneration is tied to, ranging from progress in reducing emission reduction intensity, to energy efficiency, to commodity traceability. However, no company reports on how KPIs are identified, how targets are quantified and how their overall strategy aligns with external standards.

Indicator 2.1 Financial resources and senior executive remuneration

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
Partial	Partial	Partial	Partial	Partial	No	No

Indicator 2.2. Insetting

This indicator assesses whether companies rely on insetting activities, and if so, are these insetting activities in line with the GHG Protocol Carbon Removals and Land Sector Initiative? A full score (yes), partial, and zero score (no) could not be applied to this indicator because companies do not disclose public details of their insetting practices and there are no widely accepted standards for their use.

Insetting is generally understood to refer to actions taken by companies to reduce or remove emissions within their own supply chain. There is no one formally accepted definition of insetting (see **Box 1**), but it is a practice that is being increasingly explored by companies, including those with exposure to land-based activities.

Insetting includes land-based activities such as forest conservation, reforestation, and regenerative agriculture that are designed to remove emissions, as well as efforts to reduce Scope 2 emissions, through for example, supporting clean cookstove interventions or practices that support reduced mineral fertilizer use. Given the similarity with land-based carbon removal practices as applied through offsetting projects, critics argue that insetting should be subject to the same scrutiny as offsetting – and any other nature-based mitigation activity against which emissions reduction claims are made.²³ Independent oversight or standards for insetting do not yet exist and assessing company claims about the impact of their activities remains difficult.

The draft guidance of the GHG Protocol Carbon Removals and Land Sector Initiative provides preliminary guidance for how companies can responsibly engage with insetting practices, stating that insetting should not be used to contribute to a company’s internal climate targets. It asserts that insetting should only be used “as a contractual mechanism for tracking, verification, and quality control as part of Scope 3 inventory accounting”, and that carbon insets should not be deducted from the overall Scope 3 accounting.²⁴

Of the companies assessed, only two – Barry Callebaut and Cargill – disclose information on the use of carbon insets, and it is unclear how they were accounted for in the company’s GHG inventory. A 'not available' (n/a) score was applied to all companies to represent this indicator will be further developed in future assessments to reflect the guidance of standard setters and further evidence of how companies are adopting and integrating insetting practices.

Indicator 2.2 Insetting

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
n/a	n/a	n/a	n/a	n/a	n/a	n/a

²³ See e.g. Mongabay (March 13, 2023) “Companies eye ‘carbon insetting’ as winning climate solution, but critics are wary”. Available at <https://news.mongabay.com/2023/03/companies-eye-carbon-insetting-as-winning-climate-solution-critics-wary/>.

²⁴ Greenhouse Gas Protocol (2022). Land Sector and Removals Guidance. Available [here](#) (p. 246).

Box 1. Insetting

“Insetting” is a relatively new concept, having emerged in the late 2000’s.²⁵ Early corporate adopters launched the International Platform for Insetting (IPI) in 2014, a business-led initiative that defines insetting as “Interventions by a company in or along their value chain that are designed to generate GHG emissions reductions or carbon removals, and at the same time create positive impacts for communities, landscapes and ecosystems”.²⁶

The draft guidance of the GHG Protocol Carbon Removals and Land Sector Initiative provides preliminary guidance for how companies can responsibly engage with insetting practices. It states that insetting should not be used to contribute to a company’s internal climate targets but should rather be used “as a contractual mechanism for tracking, verification, and quality control as part of Scope 3 inventory accounting”. The draft guidance also states that carbon insets should not be deducted from companies’ overall Scope 3 accounting.²⁷

Of the companies assessed in this report, two – Barry Callebaut and Cargill – refer to the use of carbon insets in their emission profile. It is unclear how these insets were accounted for in either company’s GHG inventory, or whether the draft guidance of the GHG Protocol was followed.

The IPI’s recent report (November 2023), *Addressing Scope 3 – how insetting can be scaled to tackle supply chain emissions*, notes that Barry Callebaut engages in insetting. This report identifies the questions and challenges surrounding insetting practices, from the perspective of company stakeholders and project developers. The IPI sees huge potential for insetting for climate and nature positive corporate sustainability goals, especially as the practice aligns with guidance frameworks such as the SBTi and the GHG Protocol.

However, major concerns also surround insetting practices, not least because, unlike offsetting, there are no independent oversight systems or standards yet in place. Therefore, assessing company claims about the impact of their activities remains difficult. Three critical concerns include:²⁸

1. **Nature-based insetting does not align with the mitigation hierarchy.**
According to the greenhouse gas mitigation hierarchy, to align with global climate objectives, companies must prioritize strategies that reduce their own generation of emissions – generally emissions avoidance measures and energy efficiency improvements. Carbon removals, when used as offset or inset measures, must only be used to neutralize hard-to-abate emissions once all other options have been exhausted.
2. **Insetting presents the same ecological, credibility and impact risks as offsetting.**
Insetting involving the implementation of a range of nature-based solutions should generally be subject to the same scrutiny as offsetting – and any other nature-based mitigation activity against which emissions reduction claims are made.²⁹ However, the current absence of standards by which to report and assess such interventions leaves them open to key integrity risks relating to additionality and permanence, and allows space for companies to be less transparent about their true impact.
3. **The assumed benefits of insetting programs for producers and communities are uncertain, and the risks of harms to land and human rights are real.**
Similarly, the absence of requirements relating to impacted local communities and peoples raises questions around human rights, benefit-sharing and the long-term impact of companies’ project interventions.

²⁵ The IPI cites Ecometrica. (2009). Is ‘Insetting’ the new ‘Offsetting’? Technical Paper TP-090413-A. https://ecometrica.com/assets/insetting_offsetting_technical.pdf

²⁶ IPI (March 2022) A practical guide to insetting: 10 lessons learnt and 5 opportunities to scale from a decade of corporate insetting practice.

²⁷ Greenhouse Gas Protocol (2022). Land Sector and Removals Guidance. Available [here](#) (p. 246).

²⁸ Mardirossian, N. and Arnold, J. (2023) Nature-Based Insetting: A Harmful Distraction from Corporate Decarbonization. Columbia Center on Sustainable Investment. Available at <https://ccsi.columbia.edu/sites/default/files/content/docs/publications/align-insetting-harmful-distraction.pdf>.

²⁹ See e.g. Mongabay (March 13, 2023) “Companies eye ‘carbon insetting’ as winning climate solution, but critics are wary”. Available at <https://news.mongabay.com/2023/03/companies-eye-carbon-insetting-as-winning-climate-solution-critics-wary/>.

Indicator 2.3. Beyond value chain climate contributions

This indicator assesses whether companies engage in BVCM activities. A full score (yes) is given if a company evidences numerous mitigation efforts outside its own value chain, which are transformational in nature and scale, and clearly developed within standard social and environmental safeguard frameworks. A partial score is given if a company shows some, but limited activities of this kind, or if it is unclear whether the activities have sufficient social and environmental safeguards in place. A score of zero (no) is given if there is no evidence of such activities.

SBTi defines beyond value chain mitigation (BVCM) as “all investments and actions that a company takes beyond its science-based target to mitigate emissions outside of its value chain.”³⁰ Making additional climate contributions outside the direct value chain, which are not counted towards internal climate targets, can help companies to demonstrate leadership on climate action. Such contributions may relate to a company’s own business activities or be completely unrelated. For the assessed agribusinesses, contributions to advancing the sustainability of agricultural commodity production – outside their own value chain – can be a powerful way to accelerate action by others in the sector. However, such activities should not be used in place of within-supply chain mitigation. The New Climate Institute’s Guide to Climate Contributions recommends – like the SBTi – that companies should first focus on reducing their own emissions, only after that investing in mitigation outside their value chain. The guide emphasizes that companies must ensure their investments do not displace existing finance or disincentivize government regulation. They should also ensure that financed activities are transformational, and measure the environmental impact of their investments over time.

Of the companies assessed, the only evidence of within-sector BVCM was tree planting, reported by ADM and Wilmar. Both companies conduct monitoring activities within their projects to measure impacts related to biodiversity, water quality and soil conservation. Bunge also reports investing heavily in the development of renewable fuels and other feedstocks to accelerate the decarbonization of the fuel industry.

Indicator 2.3 Beyond value chain climate contributions

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
Partial	No	Partial	Partial	No	Partial	No

In general, the activities described by companies is not sufficiently detailed to assess whether they are undertaken to mitigate emissions within or outside the supply chain and as such, whether they constitute BVCM. This is also true of the varying sustainable agriculture interventions reported by companies which, as explored in **section 3.6**, range from maximizing the diversity of crops, soil and pollinators, to on-site technical assistance in organic farming, and associated research.

3.3 Data and disclosure

Regular emissions disclosure is essential for helping companies track progress towards their climate targets. Agribusinesses must regularly measure the impact of their emissions mitigation activities and

³⁰ See SBTi: Going Above and Beyond to Contribute to Societal Net-Zero. Available at <https://sciencebasedtargets.org/blog/going-above-and-beyond-to-contribute-to-societal-net-zero>.

provide transparent reporting on progress made under each of their supply chains. To do this accurately, companies must have traceability systems in place that track the origin, movement, and impact of the commodities they source; plus support the measurement and disclosure of emissions data further up the supply chain.

Indicator 3.1. Data disclosure from commodity supply chains

This indicator assesses the extent to which companies disclose detailed emissions data from each of their commodity supply chains. Companies receive a full score (yes) if they disclose emissions data from every commodity supply chain, and a partial score if they disclose emissions from some, but not all supply chains. A score of zero (no) is given if a company discloses only company-wide emissions data.

Understanding and monitoring company emissions for each relevant commodity is crucial for driving decarbonization in the agribusiness sector, as it allows the identification of specific areas where emissions are most significant, helping companies, policymakers and stakeholders to take targeted actions to reduce carbon footprints. The disclosure of emissions data is also essential for companies to comprehensively track progress towards their climate targets.

Of the assessed companies, Bunge, Barry Callebaut, Louis Dreyfus and Wilmar report emissions from each of their major commodity supply chains.³¹ Of the remaining companies, ADM and Cargill report emissions from some but not all supply chains, while Olam does not provide any supply-chain specific emissions reporting.

Indicator 3.1 Data disclosure from commodity supply chains

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
Partial	Yes	Yes	Partial	Yes	No	Yes

³¹ The commodities that companies identify as 'most significant' to their business in their 2023 CDP Climate response.

Indicator 3.2. Traceability systems

This indicator assesses how companies report on traceability in their forest-risk commodity supply chains against the three levels of reporting recommended by AFI. A full score (yes) is given if a company reports publicly on – for each of its supply chains – the traceability methods it uses, the current status of traceability (in direct and indirect supply chains), and, if relevant, analysis of barriers to reaching full traceability and measures for overcoming these. A partial score is given if a company reports on only some supply chains, or reports on only some of the AFI recommended elements. A score of zero (no) is given if this information is not available for any supply chains.

Traceability refers to the ability to follow a product or its components through stages of the supply chain (i.e. production, processing, manufacturing, and distribution).³² For companies involved in agricultural commodity sourcing, traceability systems can provide insight into the full impact of operations on different ecosystems, and inform the creation of more sustainable production systems. In addition, for companies to fully report on their scope 3 emissions, they need a traceability system that covers their supply chains to the point of production. While traceability improves supply chain visibility, however, it does not automatically prevent links to deforestation.

Supply chain traceability systems can provide different levels of granularity, and the ability to achieve full traceability back to the point of production depends on various factors. For agricultural commodity supply chains, this may include geographic complexity, the number of tiers of a supply chain, whether the supply is from only direct or also indirect sources, and the proportion of small-scale producers in the supply chain.³³ Companies may trace a product back to a direct or indirect supplier (e.g., refiner, trader, farmer group, or individual farm) or simply to an area (country, province, or municipality). For some commodities (e.g., soy, coffee, cocoa, palm oil), traceability becomes more difficult when raw materials and derived products are blended in the supply chain.³⁴

For agribusinesses, having full traceability involves being able to trace all commodities upstream to a point where compliance or non-compliance with their sourcing commitments can be ascertained.³⁵ While most companies remain hindered by data gaps, in most instances enough information exists for supply chain actors to take meaningful steps toward assessing links to deforestation in their supply chains, and to prioritize areas for action.³⁶ Companies should be transparent about their traceability-related targets, actions they take, and progress made towards their goals. Guidance from the AFI on reporting traceability serves as ‘best practice’ guidance for companies on traceability-related issues. The framework states that companies should report on:³⁷

1. the approach or methodology used for achieving traceability;³⁸
2. the current status of traceability (i.e., the status of traceability within each supply chain);

³² AFI (2019) Operational Guidance on Supply Chain Management. Available at https://accountability-framework.org/fileadmin/uploads/afi/Documents/Operational_Guidance/OG_Supply_Chain_Management-2020-5.pdf.

³³ Fripp, E., et al. (2023). “Traceability and transparency in supply chains for agricultural and forest commodities: A review of success factors and enabling conditions to improve resource use and reduce forest loss.” Report. Washington, DC: World Resources Institute. Available online at doi.org/10.46830/wriprt.22.00156.

³⁴ Fripp, E., et al. (2023).

³⁵ Global Canopy. 2023. Forest 500: Company Assessment Methodology 2023. Global Canopy, Oxford, UK. Available at <https://forest500.org/sites/default/files/2023-forest-500-company-assessment-methodology.pdf>.

³⁶ Fripp, E., et al. (2023).

³⁷ AFI (2019) Operational Guidance on Supply Chain Management.

³⁸ In its Supply Chain Management guidance, AFI states that product buyers at any stage of a supply chain should address traceability by i) tracing materials back to point of production or processing units of origin, ii) tracing materials to an intermediate supplier that itself has effective traceability systems in place (and can provide sufficient evidence of this), iii) using credible assurance systems (e.g. certification schemes) to link raw materials with production units with verified compliance or performance attributes, or iv) tracing materials to jurisdictions or landscapes where it has been demonstrated that performance on social or environmental issues meets the buyer’s commitments on such issues. See AFI (2019) Operational Guidance on Supply Chain Management.

3. an analysis of challenges to reaching adequate traceability, and planned measures for overcoming these.

Table 3 Company reporting on traceability in their forest-risk commodity supply chains

	Traceability method ^a	Current status ^b	Challenges and action plan ^c
ADM	~	~	X
Barry Callebaut	✓	✓	X
Bunge	✓	✓	X
Cargill	~	~	X
Louis Dreyfus	~	~	X
Olam	✓	✓	X
Wilmar	~	~	X

^a This column indicates whether the company reports on the traceability mechanism used in each of its commodity supply chains.

^b This column indicates whether the company regularly reports on the status of traceability in each of its commodity supply chains (i.e. proportion and degree of traceability, per commodity).

^c This column indicates whether the company reports on barriers to achieving traceability in each of its commodity supply chains, and plans made to overcome these.

Only three of the assessed companies – Bunge, Barry Callebaut and Olam – report on the methods used and traceability status of all their forest-risk commodity supply chains. The remaining four companies make this information available for most, but not all of their forest-risk commodity supply chains. Just one company stands out as having poor performance – ADM, which provides traceability reporting for only two of its six forest-risk commodity supply chains. Notably, none of the assessed companies report fully on the barriers to achieving full traceability and measures to overcoming them in any of their supply chains.

Palm oil is the commodity covered the most extensively, with all companies reporting on the methods used and progress made towards full traceability in their palm oil supply chains. Palm oil has, over the past decade, been subject to higher public scrutiny and sectoral standards than other commodities with less high-profile links to deforestation and land-use change. Similar can be said for soy, which is the second-most reported on commodity among the assessed companies. All but two of the assessed companies provide full reporting for soy. The two exceptions are Louis Dreyfus and Wilmar, the former reporting only on their direct soy sourcing activities, and the latter not providing any traceability information for this commodity.

While companies face different challenges to achieving traceability across all their commodity supply chains, being transparent about plans and progress is of paramount importance. While it is logical to prioritize the commodities which have the greatest environmental footprint or those which present the most material or reputational risk to their business – including forest-risk commodities – companies should strive towards achieving full traceability across all of their supply chains and make and communicate their plans for achieving this.

Indicator 3.2 Traceability Systems

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
Partial	Partial	Partial	Partial	Partial	Partial	Partial

Indicator 3.3. Support to suppliers

This indicator assesses whether companies have climate-related conditions in their supplier contracts, and whether they provide suppliers with support for emissions data collection. A full score (yes) is given if companies have a standard approach to integrating climate-related conditions into their supplier contracts, and they show evidence of supporting suppliers with emissions data collection. Companies receive a partial score if they meet one of these criteria, or if evidence is weak, or a score of zero (no) if they show no such evidence.

Due to technical-, knowledge- or capacity-based limitations, suppliers may face obstacles in obtaining and reporting climate change data. Engaging with suppliers is a highly effective way for companies to accelerate reporting on, and achievement of, emission reductions in their supply chains. Engagement activities may include contacting suppliers to ensure accurate data collection or directly supporting the process by providing improved data collection tools. Some of these activities may be more challenging for companies with complex, fragmented supply chains, or those which source from a high number of small-scale producers. Whether companies embed climate-related conditions into their supplier contracts is also an important indicator of how they plan to engage with suppliers.

Guidance from the AFi states that companies should focus on activities that build and strengthen supplier capacity to effectively implement supply chain commitments, such as training programs, peer exchanges, and support when remedial actions are needed.³⁹ It also highlights the unique needs of small-scale producers, who may require additional assistance in the form of technical or capacity support.⁴⁰

Some of the assessed companies show evidence of embedding climate-related conditions into their relationships with suppliers. ADM and Barry Callebaut include climate-related requirements in supplier contracts across their commodity supply chains, while Louis Dreyfus and Wilmar implement this practice in some but not all of their supply chains. Cargill does not currently have such provisions in place, but plan to introduce them within the next two years. Neither Bunge nor Olam show any evidence of including climate-related requirements in their supplier contracts. All of the companies except for Olam show evidence of supporting suppliers with data collection through the provision of technical assistance or tools, however, the scale and impact of these interventions are difficult to measure or compare.

Neither Louis Dreyfus nor Olam showed evidence of supporting suppliers for GHG data collection. The remaining companies, ADM, Bunge, Cargill, Wilmar, and Barry Callebaut, show some evidence of doing so, through the provision of direct or indirect technical assistance, capacity building, or the provision of technical tools.

Indicator 3.3 Support to suppliers

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
Yes	Partial	Partial	Partial	Partial	No	Partial

³⁹ AFi (2019) Operational Guidance on Supply Chain Management.

⁴⁰ AFi (2019) Operational Guidance on Smallholder Inclusion in Ethical Supply Chains. Available at https://accountability-framework.org/fileadmin/uploads/afi/Documents/Operational_Guidance/OG_Smallholder_Inclusion-2020-5.pdf.

3.4 Engagement with suppliers on climate

To fully address scope 3 emissions, agribusinesses should work with their suppliers – especially small-scale producers – to understand and quantify the carbon impact of all activities up and down their supply chain. This is essential for the development of a realistic and achievable scope 3 mitigation plan. In addition to identifying priority action areas within their supply chains, companies must also engage with suppliers and small-scale producers to set targets for reducing these emissions and strategies by which to achieve them. Companies are also responsible for ensuring that their entire supply chain – direct and indirect – complies with their environmental and human rights commitments.

Indicator 4.1. Inclusive and participatory mitigation plans

This indicator assesses whether companies develop their emission reduction plans in a participatory and inclusive manner. A full score (yes) is given if a company shows evidence of engaging with workers, suppliers and other impacted populations in the development of its emission reduction plans, across all of its supply chains. A partial score is given if it shows evidence of this across some supply chains, and zero (no) is given if there is no evidence of such practices.

There is no set standard for supplier engagement, but direct engagement is usually essential for establishing fair and equal business relationships. Decision-making processes for the development of climate mitigation plans should include opportunities for engagement by supply chain workers, suppliers, farmers and any populations that may be negatively impacted by the externalities of decarbonization. This may involve public forums, surveys, online platforms for engagement or the creation of advisory committees. Such processes can help to ensure that any mitigation plans consider the risks to, and needs of, any impacted stakeholders.

None of the assessed companies show clear evidence of involving workers, suppliers, small-scale producers, or impacted populations in the development of emissions mitigation plans across all commodity supply chains.

Indicator 4.1 Inclusive and participatory mitigation plans

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
No	No	No	No	No	No	No

Indicator 4.2. Non-compliant suppliers

This indicator assesses how companies address cases of non-compliance in their commodity supply chains. A full score (yes) is given if companies report clearly on methods for addressing non-compliance in each of their supply chains; a partial score is given for reporting under some supply chains; and zero (no) is given if this information is not available for any supply chains.

Robust due diligence and monitoring systems are essential for ensuring supplier compliance and in turn, assessing company progress towards their commitments. Supply chain mapping and traceability also play an important role in monitoring compliance, as they can provide the necessary supplier information for conducting a comprehensive assessment.

Companies implement different compliance monitoring processes, depending on the type and geographical location of the supply chain. All companies should, however, have in place a system that allows them to address instances of non-compliance. Various courses of action taken in response to supplier non-compliance may include:⁴¹

- **Engage:** The buyer works with the retained or suspended supplier to help resolve the non-compliance(s).
- **Retain:** The buyer continues purchasing product while engaging with the supplier to resolve the non-compliance(s).
- **Suspend:** The buyer temporarily pauses purchasing from a supplier but continues to engage with the supplier to resolve the non-compliance(s).
- **Exclude:** The buyer ends or avoids a purchasing relationship with a supplier.

In cases where companies engage, retain and suspend suppliers, it is recommended that those suppliers are given a time-bound target for corrective action, with risk of further consequences if non-compliance continues. Meaningful engagement with suppliers during the corrective period – including with local or impacted communities, civil society organizations and other relevant stakeholders – is essential for companies to make sustainable changes.⁴² Ending a relationship with a supplier because of non-compliance with climate policy should be a last resort for companies that have exhausted all avenues of engagement and support to suppliers.

Only three of the assessed companies, ADM, Barry Callebaut and Cargill, have a policy in place for addressing supplier non-compliance in each of their supply chains. All three companies detail standardized processes for suspending and/or engaging with suppliers, and working together to develop timebound targets to bring suppliers back into compliance. Of the remaining companies, Bunge, Olam and Wilmar show evidence of such processes, but it is not clear whether they are applied across all supply chains. Just one company, Louis Dreyfus, shows no evidence of having supplier non-compliance measures.

Across all reporting companies, supplier non-compliance policies are the most extensive in palm oil supply chains, involving retention or suspension and engagement, followed by exclusion. In other commodity supply chains, including soy, suspension followed by limited engagement and subsequent exclusion is common.

⁴¹ AFi (2019) Operational Guidance on Supply Chain Management.

⁴² AFi (2019) Operational Guidance on Supply Chain Management.

Indicator 4.2 Non-compliant suppliers

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
Yes	Yes	Partial	Yes	No	Partial	Partial

3.5 Advocating for ambitious climate policy

Companies can contribute to global climate action by advocating for ambitious climate policies aligning with the Sustainable Development Goals (SDGs) and the Paris Agreement. Climate advocacy can take different forms, such as engaging directly with policymakers, participating in sector initiatives or business groups, and supporting or opposing specific legislation. In some cases, companies' external actions do not reflect the ambition of their internal climate policy and might even conflict with it.

Indicator 5.1. Climate advocacy through policy

Under this indicator, we assess whether companies have committed to key climate- and environment agreements and initiatives that are relevant to their operations. Companies are given a full score (yes) if they are signatory to both the Amazon Soy Moratorium and Cerrado Manifesto, a partial score if they have committed to one initiative, and a score of zero if they have committed to neither.

For companies sourcing commodities from high deforestation-risk regions, key commitments include the Amazon Soy Moratorium, which requires signatories not to purchase soy from areas in the Amazon Biome that were deforested after July 2008; and the Cerrado Manifesto (or Cerrado Manifesto Statement of Support), which require signatories to make a voluntary pledge to help curb (or halt) deforestation and native vegetation loss in Brazil's Cerrado. Although signing such agreements and committing to initiatives is a positive step, it must be followed with concrete actions and systemic changes throughout the supply chain. Touting progress in one geography while undermining it in another is unacceptable.

Of the assessed companies, only ADM, Cargill and Louis Dreyfus have committed to both the Amazon Soy Moratorium and the Cerrado Manifesto. Barry Callebaut and Bunge have committed to just one of the two agreements, while Olam has committed to neither. Wilmar is excluded from the assessment given that it does not source soy from the regions in question. In **Table 4** below we present examples of companies' other meaningful climate engagements, though the ambition and shortcomings of each commitment are not evaluated in this report and are not included in the scoring.

Table 4 Companies' climate advocacy efforts

	Key commitments	Other climate advocacy examples
ADM	Amazon Soy Moratorium ✓ Cerrado Manifesto ✓	<ul style="list-style-type: none"> Signatory to the COP26 Corporate Statement of Purpose⁴³

⁴³ The Statement of Purpose released by a group of major agricultural commodity companies at COP26 expressing a commitment to accelerate sector-wide action and to identify opportunities for public-private collaboration to catalyze further progress on eliminating commodity driven deforestation. The commitment included developing – by COP27 – a shared roadmap for enhanced supply chain action consistent with a 1.5 degrees Celsius pathway. See <https://web.archive.nationalarchives.gov.uk/ukgwa/20230106145036/https://ukcop26.org/agricultural-commodity-companies-corporate-statement-of-purpose/>.

		<ul style="list-style-type: none"> • Founding member of the Soft Commodities Forum
Barry Callebaut	Amazon Soy Moratorium ✗ Cerrado Manifesto ✓	<ul style="list-style-type: none"> • Drove the Cocoa and Forest Initiative Frameworks for Action (CFI) • Partnered with industry associations, companies and NGOs to request the implementation of EU due diligence legislation which later became the EU Deforestation Regulation (EUDR)
Bunge	Amazon Soy Moratorium ✓ Cerrado Manifesto ✗	<ul style="list-style-type: none"> • Signatory to the COP26 Corporate Statement of Purpose • Provides ongoing support to the Agriculture Sector Roadmap in the development of soy-related definitions and baselines⁴⁴ • Founding member of the Soft Commodities Forum
Cargill	Amazon Soy Moratorium ✓ Cerrado Manifesto ✓	<ul style="list-style-type: none"> • Signatory to the COP26 Corporate Statement of Purpose • Committed to the COP27 Agriculture Sector Roadmap • Helped to advise the development of the SBTi FLAG protocol and the GHG Protocol's Land Sector & Removals Guidance • COP28 Commitment to Eliminate Deforestation and Land Conversion in Brazil, Argentina and Uruguay by 2025⁴⁵ • Founding member of the Soft Commodities Forum
Louis Dreyfus	Amazon Soy Moratorium ✓ Cerrado Manifesto ✓	<ul style="list-style-type: none"> • Signatory to the COP26 Corporate Statement of Purpose • Founding member of the Soft Commodities Forum
Olam	Amazon Soy Moratorium ✗ Cerrado Manifesto ✗	<ul style="list-style-type: none"> • Signatory to the COP26 Corporate Statement of Purpose
Wilmar	Amazon Soy Moratorium n/a Cerrado Manifesto n/a	<ul style="list-style-type: none"> • Signatory to the COP26 Corporate Statement of Purpose

⁴⁴ See Bunge Sustainability Report 2023. Available at <https://www.bunge.com/-/media/files/pdf/2023-bunge-sustainability-report>.

⁴⁵ Cargill's COP28 commitment covers its in-country origination of soy, corn, wheat, and cotton, building upon the company's global commitment to achieving deforestation-free commodities and conversion-free soy across South America by 2030. See <https://www.cargill.com/2023/cargill-announces-commitment-to-eliminate-deforestation>.

Indicator 5.1 Climate advocacy through policy

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
Yes	Partial	Partial	Yes	Yes	No	n/a

Indicator 5.2. Climate lobbying activities

This indicator assesses whether companies have a public commitment to align their climate change lobbying with the goal of restricting global temperature rise to 1.5 degrees, and whether evidence suggests that their actions align with their commitments. A full score (yes) is given if a company has such a commitment, and there is no evidence to suggest conflicting activities. A score of zero (no) is given if there is evidence to suggest that a company is engaging in activities which conflict with the goal of restricting global temperature rise to 1.5 degrees, regardless of the existence of a commitment. No 'partial' scores are given under this indicator.

The We Mean Business coalition,⁴⁶ initiated to drive corporate climate action, encourages companies to commit to responsible corporate engagement in climate policy. They call on companies to i) set up internal processes to ensure that all business activities are aligned with overarching climate goals; and ii) work to ensure the actions of trade groups and business associations in which they are members are consistent with the company's stated positions on climate. Other guidelines, such as the Global Standard on Responsible Corporate Climate Lobbying,⁴⁷ provide specific indicators against which companies' lobbying activities can be evaluated.

Performance under this indicator is poor. None of the assessed companies has an explicit commitment to conduct external engagement or lobbying activities in line with Paris Agreement goals, and for three companies, third party reports suggest engagement in conflicting activities. Influence Map – which tracks company and business groups' influence on climate policy – scores ADM, Bunge, and Cargill into performance band D,⁴⁸ which indicates increasingly obstructive climate policy engagement. A different third-party report links ADM, Bunge, and Cargill to “sustaining the dismantling of socio-environmental regulation” in Brazil,⁴⁹ while Cargill has also been accused of “blocking a landmark agreement on deforestation”, also in Brazil.⁵⁰

Indicator 5.2 Climate lobbying activities

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
No	No	No	No	No	No	No

⁴⁶ We Mean Business Coalition. See <https://www.wemeanbusinesscoalition.org/about/>.

⁴⁷ Global Standard on Responsible Corporate Climate Lobbying. See https://climate-lobbying.com/wp-content/uploads/2022/03/2022_global-standard-responsible-climate-lobbying_APPENDIX.pdf.

⁴⁸ “Performance Band (A+ to F) is a full measure of a company's climate policy engagement, accounting for both its own engagement and that of its industry associations.” See <https://lobbymap.org/page/About-our-Scores>.

⁴⁹ De Olho nos Ruralistas. (2022) Financiers of Destruction: How Multinational Companies Sponsor Agribusiness Lobby and Sustain the Dismantling of Socio-Environmental Regulation in Brazil. São Paulo: De Olho nos Ruralistas. Available at <https://deolhonosruralistas.com.br/wp-content/uploads/2022/08/Financiers-of-Destruction-2022-EN.pdf>.

⁵⁰ “Cargill accused of blocking landmark agreement on deforestation” (September 29, 2023). SG Voice. Available at <https://www.sgvoice.net/reporting/companies/46012/cargill-accused-blocking-landmark-agreement-deforestation/#:~:text=our%20expert%20editors.-,Cargill%20has%20been%20accused%20of%20blocking%20an%20ambitious%20agreement%20to,prevent%20further%20restrictions%20on%20deforestation.>

3.6 Supporting alternative agricultural and land use models that are low emissions and equitable

Under this indicator we aim to develop a comprehensive understanding of companies' approaches to achieving a sustainable, low-emission agricultural sector, and whether they address key development issues while supporting equitable growth. Sustainable agriculture interventions should empower small-scale producers; ensure a just transition; ensure gender equality and recognize the role of women as catalysts for change in the agricultural transition. Efforts should go beyond conventional supply chain mitigation approaches and actively promote the adoption of alternative agricultural production practices – which provide farmers with essential adaptation benefits – throughout the wider sector.

Interventions should also help suppliers – particularly small-scale producers – secure a sufficient living income. The concept of living income goes beyond basic subsistence. It includes the need to live decently on a household income that provides for shelter, nutritious food, healthcare, education, transportation and other essentials.⁵¹ It is not simply a descriptor, but a human right.⁵² Farmer poverty remains rife in the global food system, particularly among small-scale producers in low-income countries.⁵³ There is an urgent need for action to ensure that these farmers – particularly those involved in the production of crops for export value chains – receive a fair and sustainable living income.

Indicator 6.1. Sustainable and resilient agricultural practices

This indicator assesses the extent to which companies are implementing programs which support sustainable and resilient agricultural practices in their supply chains. A full score (yes) is given if a company shows evidence of implementing meaningful interventions of this type within each of their commodity supply chains. A partial score is given if evidence of these types of intervention, or their impact, is limited. A score of zero (no) is given if there is no evidence of such activities.

Sustainable, resilient, and regenerative agricultural practices help to protect ecosystem integrity and ensure responsible natural resource management. These techniques can help to restore soil health, support ecosystems' restoration, and even better sequester atmospheric carbon.⁵⁴ Such methods can also help to protect the livelihoods of farmers and their communities; improving crop yields and quality which in turn ensure a living income, support food security and offer improved resilience to changing climate conditions. All of the assessed companies rely on small-scale producers, heavily for certain commodities and for others at least a small part.

Companies can integrate such practices directly into their own supply chains or support third-party programs. This may include providing capacity building, financial support, commercial incentives, or on-site technical assistance. The implementation of such practices should always respect and support the human rights of impacted communities. Regardless of intervention type, local communities – including

⁵¹ The Living Income Community of Practice defines living income as the 'net annual income required for a household in a particular place to afford a decent standard of living for all members of that household. See www.living-income.com/the-concept.

⁵² U. Gneiting. (2021). Living Income: From Right to Reality. Oxford: Oxfam. Available at <https://policy-practice.oxfam.org/resources/living-income-from-right-to-reality-621304/>.

⁵³ See The Living Income Community of Practice, at <https://www.living-income.com/publications>.

⁵⁴ E.g. Paustian et al. (2020) Climate Mitigation Potential of Regenerative Agriculture is significant. Available at: <https://bit.ly/37mgtHz>.

Indigenous Peoples – or their representatives should always be consulted to ensure that interventions are tailored to the local context, and that processes as well as impacts are well understood.

All of the assessed companies show evidence of implementing or supporting the integration of sustainable and resilient agricultural practices into their supply chains in some way. However, no company shows evidence of implementing these practices consistently across each of their supply chains. Moreover, the information available indicates that interventions vary considerably in nature, size and number, making it difficult to assess and compare company performance under this indicator. Similarly, while all companies make some reference to the needs of women in agricultural supply chains and to women as drivers of agricultural change, no company provides evidence that gender is consistently accounted for in their sustainable and regenerative agriculture interventions. In **Annex 2** we provide examples of sustainable and regenerative agriculture interventions reported by each company and their impact achieved to date.

Indicator 6.1 Sustainable and resilient agricultural practices

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
Partial	Partial	Partial	Partial	Partial	Partial	Partial

Indicator 6.2. Support small-scale producers

This indicator assesses the extent to which companies are implementing programs to support small-scale producers in their supply chains. A full score (yes) is given if a company shows evidence of implementing meaningful interventions of this type within each of their commodity supply chains. A partial score is given if evidence of these types of intervention, or their impact, is limited. A score of zero (no) is given if there is no evidence of such activities.

By implementing policies which prioritize small-scale producers in sourcing activities or supporting their access to quality inputs and training, companies can support a just and inclusive agricultural transition. This may include policies that ensure a sufficient living wage and living income; prioritize small-scale producers' products over large businesses; or facilitate access to credit, markets or technology that can strengthen farmer livelihoods and food security.

All of the assessed companies show evidence of supporting small-scale producers in some capacity, though, as with companies' sustainable agriculture interventions, activities vary considerably making it difficult to compare company performance under this indicator. Again, there is no evidence to show that gender is consistently accounted for across companies' small-scale producer support programs. In **Annex 3** we provide examples of small-scale producer support programs reported by each company, and their impact achieved to date.

Indicator 6.2 Support small-scale producers

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
Partial	Partial	Partial	Partial	Partial	Partial	Partial

Indicator 6.3. Human rights

This indicator assesses the strength of companies' commitments to respect human rights in their supply chains. A full score (yes) is given if a company makes concrete commitments to ensure the implementation of FPIC, protect against child labor and forced labor, ensure that workers receive a sufficient living income, address gender inequalities, and ensure the provision of grievance mechanisms, across all of its commodity supply chains. A partial score is given if a company meets only some of these criteria, and zero (no) is given if it makes no such commitments.

Agricultural commodity production in many parts of the world remains deeply linked to human rights abuses. Clearing land for agriculture can infringe on the land, resource and territory rights of impacted populations, and generate conflict where communities are dispossessed. Human rights violations also occur when the labor rights of workers producing commodities are not respected – including instances of child labor, which remain widespread in the agriculture sector.⁵⁵ Any comprehensive efforts to tackle deforestation must, therefore, include action on human rights. Companies involved in the acquisition, development, or management of land for commodity production must conduct regular, robust and comprehensive human rights due diligence efforts to identify, assess, prevent and mitigate actual and potential adverse human rights impacts.

Companies should have a policy in place for ensuring supplier compliance with international human rights standards;⁵⁶ ensuring the free, prior and informed consent (FPIC) of any potentially impacted populations; recognizing and mitigating risks to vulnerable groups including women and children, and securing a living wage and income to workers and farmers in the supply chain. Human rights policies must be gender-responsive, meaning that companies consistently apply a gender “lens” during the development of policies, assessment of risks and gaps, implementation of action plans and reporting of results.⁵⁷ Companies should undertake gender-responsive engagement strategies with workers, local communities and indigenous leaders to understand implementation contexts and identify the risks associated with their activities.

Policies must also ensure FPIC is upheld with any populations potentially impacted by land acquisition. For Indigenous Peoples, FPIC is established as a right under international law. However, it also provides a framework of best practice for meeting human rights in sustainable development activities. Proper implementation of FPIC ensures that any local communities at risk of potentially adverse impacts – including impacts to cultural rights and self-determination – should have the opportunity to access full information about a project, participate meaningfully in impact assessments and negotiations, and give or withhold their consent to project development.⁵⁸

Before starting any new activity, companies should conduct a gender-responsive human rights and environmental impact assessment; develop an engagement strategy with workers, Indigenous Peoples and Local Communities (IP and LCs); and make grievance mechanisms available for any potentially impacted populations. UN Guiding Principles on Business and Human Rights (UNGPs) are the global standard for preventing and addressing human rights harms connected to business activity. The Principles identify eight elements that are essential to an effective grievance mechanism, including that it must be accessible –

⁵⁵ See e.g. International Labour Organization: Child labour in agriculture. Available at <https://www.ilo.org/ipec/areas/Agriculture/lang--en/index.htm>.

⁵⁶ Plus a commitment to comply with the highest standard in instances where local/national and international law contradict one another.

⁵⁷ See Plan International (2021) A Gender-responsive Human Rights Due Diligence Tool. Available at https://www.planinternational.nl/uploaded/2021/03/GAA-Report-GRDD-Part-1-ONLINE_DEF.pdf.

⁵⁸ Oxfam (2015) Briefing paper: Community Consent Index 2015. Oil, gas, and mining company public positions on Free, Prior, and Informed Consent. Available at https://oi-files-d8-prod.s3.eu-west-2.amazonaws.com/s3fs-public/file_attachments/bp207-community-consent-index-230715-en.pdf.

known to all relevant stakeholder groups; legitimate – is accountable for fair conduct; equitable – offers fair access; and transparent – provides reporting on progress.⁵⁹

The assessed companies have human rights commitments of varying strengths, with none of the seven companies possessing a commitment that sufficiently ensures all areas - FPIC, labor rights, living income, gender, and grievance mechanisms. See Oxfam’s Moving the Middle scorecard for additional information on each companies’ performance on land, transparency/accountability on human rights, gender, and living income.

Indicator 6.3 Human rights

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
Partial	Partial	Partial	Partial	Partial	Partial	Partial

3.7 Progress on implementation of commitments to achieve zero deforestation, zero conversion, and exploitation-free supply chains

Companies involved in the acquisition, development, or management of land for commodity production should report regularly on progress made towards their zero-deforestation, zero-conversion, and zero-exploitation targets. The indicators below assess the extent to which companies monitor adherence with their no deforestation policies. The Accountability Framework Initiative (AFi) identifies two elements to assessing progress towards such targets: **implementation** of commitments, which includes actions taken by companies and their suppliers to achieve compliance, and **outcomes** of commitments, which includes reporting on the partial or full realization of a target.⁶⁰ Both these elements are considered in the assessment of company progress under this indicator. Note that this assessment does not evaluate actual progress made (%) towards a target, only the extent to which companies are implementing and reporting on their efforts.

Indicator 7.1. Progress towards deforestation target

This indicator assesses the extent to which companies report on progress made towards deforestation commitments within each of their commodity supply chains. Companies are given a full score (yes) if they report on the methods used to verify deforestation-free commodity volumes (in line with relevant sector standards or frameworks) as well as disclose the proportion of each commodity supply chain that can be considered deforestation-free, across each of their supply chains. Companies are given a partial score if one of these criteria are met, or if they provide this reporting for only some of their supply chains. A score of zero (no) is given if none of this information is made available.

The recent introduction of the European Union’s Deforestation Regulation (EUDR), plus other similar recent developments, increases due diligence requirements for companies wishing to trade in the European and other global markets. Reporting on deforestation- and conversion-free (DCF) volumes allows companies to be transparent about the progress they are making towards their deforestation targets, plus giving

⁵⁹ Office of the United Nations High Commissioner for Human Rights: UN Guiding Principles Effectiveness Criteria. Available at <https://www.ohchr.org/sites/default/files/Documents/Issues/Business/Accountability-and-Remedy/GRAM-presentation-effectiveness-criteria.pdf>.

⁶⁰ AFi (2020) Operational Guidance on Monitoring and Verification. Available at https://accountability-framework.org/fileadmin/uploads/afi/Documents/Operational_Guidance/OG_Monitoring_Verification-2020-5.pdf.

potential buyers, financiers, and investors the information they need to make informed decisions in relation to their own deforestation commitments or obligations.⁶¹ As achieving full DCF status across all operations may take time, incremental reporting on progress is essential for company efforts to be recognized.

Complete reporting should include reporting on progress towards being DCF in each forest-risk commodity supply chain. Reporting may take the form of i) deforestation or conversion embedded in materials/commodities in the supply chain, quantified in hectares; or ii) the extent to which materials/commodities are sourced from areas associated with deforestation or conversion. For agribusinesses, various monitoring methods can be used to assess progress, including direct monitoring of suppliers (to production units or sourcing area), or using commodity certification schemes.⁶² It should be noted, however, that certification schemes are no silver bullet. A range of research has exposed weaknesses in schemes applied across different commodity supply chains, suggesting that they do not always deliver their promised social and environmental benefits.⁶³

Just one of the assessed companies, Bunge, provides clear reporting on progress towards its no-deforestation commitment across all of its supply chains. Of the remaining companies, all but one – Louis Dreyfus – report on this for some, but not all of their commodity supply chains. For all companies reporting, data is made available at least annually. Palm oil supply chains are reported on most extensively, covered by six companies, while soy is covered by four companies. Reporting on progress towards deforestation targets in all other commodity supply chains is rare.

Companies reporting DCF progress in certain supply chains detail a range of monitoring and due diligence methods to verify their claims. Cargill and Barry Callebaut rely solely on third party on third-party certification (RSPO and Forest Stewardship Council) to verify their DCF claim, while ADM, Bunge and Wilmar report internal due diligence processes combined with third-party verification, such as in the NDPE Implementation Reporting Framework (NDPE IRF) process. Olam, while reporting the proportion of their Palm oil supply chain that is RSPO certified, does not consider these volumes to be verified DCF. Louis Dreyfus does not report on the DCF status of its commodity supply chains.

Indicator 7.1 Progress towards deforestation target

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
Partial	Partial	Yes	Partial	No	Partial	Partial

⁶¹ AFI (2022) Deforestation- and conversion-free supply chains and land use change emissions: A guide to aligning corporate targets, accounting, and disclosure. Available at https://accountability-framework.org/fileadmin/user_upload/AFI-LUC-and-Emissions-Guidance-09_2022.pdf.

⁶² CDP have identified the necessary steps for assessing whether a commodity or material is DCF, see Annex 4.

⁶³ See e.g. Oya, C., et al. (2017) Effects of certification schemes for agricultural production on socio-economic outcomes in low-and middle-income countries: a systematic review. *Campbell Systematic Reviews*, 13(1), 1-346. Available at <https://onlinelibrary.wiley.com/doi/full/10.4073/csr.2017.3>; Oxfam Novib Academy (7 February 2018) Better or Beyond Certification?. Available at <https://oxfamnovibacademy.wordpress.com/2018/02/07/better-or-beyond-certification/>.

Indicator 7.2. Progress on human rights

This indicator assesses the extent to which companies report on progress made on human rights in their supply chains. A full score (yes) is given if a company reports on the monitoring activities it conducts across its supply chains to check supplier compliance with its human rights policies, including the outcomes of these processes; and provides full transparency when addressing grievance cases across all supply chains. A partial score is given if either one of these criteria are met, or if a company meets both criteria only in some of its supply chains. A score of zero (no) is given if a company does not make any of this information available.

Robust monitoring and verification systems are essential elements of good supply chain management. This is true not only in relation to monitoring environmental outcomes, but also social outcomes. Companies sourcing agricultural commodities have a responsibility to respect the human rights of all stakeholders who may be adversely impacted – directly or indirectly – by their activities. They should conduct consistent and thorough due diligence across their operations and supply chains and provide regular reporting on outcomes. Assessing supplier compliance with company human rights policies is often used as a proxy for measuring performance against human rights commitments. To be done effectively, this process generally requires on-the-ground approaches, including interviews with stakeholders, desk review of company records, grievance mechanism reports, third-party reports and field visits.⁶⁴ It also requires the development of trust and engagement between stakeholders, including impacted populations.⁶⁵

None of the assessed companies provide full reporting on progress made to respect human rights in each of its commodity supply chains. All companies did provide this reporting for their palm oil supply chains – reporting on the monitoring and due diligence activities carried out to check supplier compliance with their human rights policies, and regularly reporting outcomes. Bunge and Cargill also make this reporting available for their Soy supply chains, but the remaining companies do not.

Similarly, while most companies have in place grievance mechanisms for each of their commodity supply chains (see **section 3.4**) and publish standardized procedures for dealing with grievances, no company provides full, transparent reporting of grievance cases across each of its supply chains. All companies make this reporting available for their palm oil supply chains, and just one, Cargill, provides this information for one additional supply chain.

Indicator 7.2 Progress on human rights

ADM	Barry Callebaut	Bunge	Cargill	Louis Dreyfus	Olam	Wilmar
Partial	Partial	Partial	Partial	Partial	Partial	Partial

Reporting fully on human rights commitments requires companies to identify, mitigate, and address potential harms to the rights of IP and LCs, suppliers, including small-scale producers, or other stakeholders. The UN Guiding Principles Reporting Framework⁶⁶ provides companies with guidance on how to report on their commitments to human rights and is a ‘best practice’ guideline for corporate reporting. The framework provides a set of questions designed to help companies thoroughly report on human rights-related actions, including a) whether the company has policies in place to address human rights risks/issues identified in its operations; b) how the company measures changes in human rights risks/issues over time; c) how the company integrates its findings about salient human rights risks/issues into its decision-making processes and actions; and d) how the company knows if its efforts to address each salient human rights issue are effective.

⁶⁴ AFI (2020).

⁶⁵ AFI (2020)

⁶⁶ UN Guiding Principles Reporting Framework. See <https://www.ungpreporting.org/>.

Conclusions

04

Major agribusinesses have a key role to play in accelerating the transition to a sustainable, inclusive, and equitable global food system. This assessment finds gaps and shortcomings in the climate action of all seven of the assessed agribusinesses. Below we highlight a few areas of progress, followed by some findings of particular concern. We then present a series of recommended actions for the assessed companies, relating to target setting, gender equity and inclusion, and reporting.

4.1 Areas of progress

- All of the assessed agribusinesses disclose emissions data for at least some or all of their commodity supply chains, and most disclose this data for all of the major forest-risk commodities they source.⁶⁷ While companies have not achieved full disclosure across all supply chains, this finding indicates that overall progress has been made in recent years, and many companies are on their way to developing a better understanding of the climate impacts of their operations.
- All companies have targets in place to achieve zero deforestation, zero conversion and zero exploitation across their operations, and provide some reporting on the implementation of these commitments. For most companies, these commitments are timebound, at least for their largest commodity supply chains. However, with the sector target date for eliminating deforestation from commodity supply chains fast approaching,⁶⁸ having a commitment in place can be considered the bare minimum level of action, especially for major agribusinesses. Further assessments should assess and hold companies to account on actual progress made against their targets – specifically towards achieving zero deforestation and conversion in each of their commodity supply chains.

4.2 Areas of concern

- None of the assessed companies have yet committed to a phase-out of fossil fuel use. Such a commitment – even when planned for the long-term – is essential for companies to align their business activities with the goals of the Paris Agreement. While any actions to decarbonize operations are positive, only a full commitment to the phase-out of fossil fuels demonstrates a company’s intention to fully engage in the low-carbon transition. It can not only greatly increase the credibility of a company’s climate commitments, but also help to future-proof their operations in the midst of an intensifying climate crisis.
- Not all companies have committed to key sector pledges – such as the Amazon Soy Moratorium and Cerrado Manifesto (Statement of Support) – which are instrumental for protecting some of world’s highest-integrity landscapes from the risks of deforestation. All major agribusinesses must, at a minimum, pledge to align their activities with these commitments to avoid both material and reputational risks to their business.
- Several of the assessed companies showed evidence of external business actions that do not align with their internal climate commitments – such as the blocking and obstruction of climate progress, even if not directly related to the company’s business operations. For companies’

⁶⁷ The primary driver of deforestation globally is the clearing of forests to make land available for producing ‘forest-risk’ commodities. These commodities include palm oil, soy, beef, coffee, cocoa, timber and rubber. See Friends of the Earth: Forests and Forest Risk Commodities, <https://foe.org/forests-and-forest-risk-commodities/>.

⁶⁸ AFI (June 3, 2022) “The AFI recommends a target date no later than 2025 to eliminate deforestation and conversion in supply chains”. Available at <https://accountability-framework.org/news-events/news/the-afi-recommends-a-target-date-of-2025-or-sooner-to-eliminate-deforestation-and-conversion-in-supply-chains/>.

climate action to be credible, and achieve a significant climate impact, they must align their external lobbying and advocacy activities – including their participation in business groups – to be consistent with their internal climate objectives. No company can be considered an industry leader on climate action unless all business activities and supply chains are aligned with their public commitments.

4.3 Recommendations

Ambitious and inclusive climate strategy

Companies must commit to validated, SBTi near- and long- term climate targets, following the Corporate Net Zero Standard and put in place systems to continuously increase their scope and ambition. There is a wealth of guidance available to companies to support the development of their decarbonization plans, and a lack of data or knowledge is no longer a credible excuse for a lack of action. Companies should:

- If not already achieved, commit to SBTi-validated, 1.5 degree-aligned, near- and long-term climate targets.
- Continue developing and submit robust FLAG targets for SBTi validation, while closely monitoring the development of the GHG Protocol Land Sector and Removals Guidance for any changes in criteria.
- Make the development of their emission reduction strategies participatory and inclusive. Supply chain workers, suppliers, farmers and any vulnerable populations that may be negatively impacted by the externalities of decarbonization should be consulted during the development of decarbonization plans to ensure that any climate action plans consider the risks to, and needs of, any impacted parties.
- Ensure that all external business activities – including lobbying activities and trade group membership – align with internal climate, social and environmental goals, and international standards and conventions.

Gender-responsive climate strategy

Companies should make gender-responsiveness a core element of all climate policies and action plans. While most of the assessed companies refer to gender in the context of their climate plans, no company shows evidence of systematically integrating it into policies across their supply chains and operations. Moreover, even when references to gender are made in policy, there is little evidence that companies are proactively monitoring and collecting data on impact. Companies should:

- Sign on to the UN Women's Empowerment Principles.
- Commit to gender mainstreaming throughout the agricultural supply chain with time-bound targets. Including inclusive policies and planning, equal access to resources, markets, trainings, and inputs.
- Regularly monitor programs and collect gender-disaggregated data on implementation to track their impact.
- Ensure that women in, or impacted by, their direct supply chain have knowledge of and access to grievance mechanisms and safe recovery support, free from retaliation, as well as fair mechanisms for damages compensation.

Small-scale producer inclusion

Companies should recognize the essential role that small-scale producers play in their supply chains and ensure that the business relationship reflects this. Small-scale producers should be provided with fair trading terms and the support, inputs and conditions they need to secure a sustainable and fair living income. Companies should:

- Commit to time-bound action plans to raise the incomes of farmers in their direct supply chains to a living income. Actions should start with changing their purchasing practices to tangibly raise farmer incomes by paying a fair price, reducing risks for farmers, and ensure transparency/accountability. These efforts may include providing farmers with access to training on low-carbon and climate-resilient techniques, low-cost inputs, long-term contracts, and access to financial services.⁶⁹
- Prioritize business and sourcing models that strengthen the land rights of small-scale producers.
- Support small-scale producers to implement low carbon, resilient and regenerative agriculture practices through the provision of technical, capacity development or financial resources.
- Participate in advocacy throughout the wider sector to draw attention to issues around living income and on low carbon, resilient and regenerative agriculture practices, setting a positive example for smaller companies or companies further downstream in the supply chain.

Regular and transparent disclosure

Transparent reporting and disclosure are essential for companies to be held to account on their commitments. This assessment found reporting on progress to be poor across the board, particularly in relation to commodity traceability; deforestation targets; and human rights targets. Company transparency varies wildly between different commodities, and disclosures are often unclear and not aligned with best-practice guidelines. Companies should:

- Disclose publicly the status of commodity traceability in their direct and indirect supply chains for every commodity, regardless of progress made.
- Report clearly on progress made towards no-/zero-deforestation targets in each of their commodity supply chains and ensure that internal processes for verifying products as deforestation- and/or conversion-free (and reporting on them) align with sector best practice.⁷⁰
- Report clearly on progress made towards respecting human rights in each of their commodity supply chains.
- Be fully transparent about whether and how mitigation outcomes from implemented activities – including insetting, beyond value chain mitigation activities, and the purchase of carbon credits – are accounted for or assessed as contributing towards their internal climate targets; following industry guidance that they must not account for more than 10 percent of the company’s emission reduction target, across all scopes.⁷¹

⁶⁹ See The Living Income Community of Practice, <https://www.living-income.com/>.

⁷⁰ See e.g. CDP (2023) CDP Technical Note: Implementing commitments on deforestation and ecosystem conversion. CDP Forests Questionnaire. Available at https://cdn.cdp.net/cdp-production/cms/guidance_docs/pdfs/000/004/231/original/CDP_technical_note_-_forests_implementation.pdf?1677259683.

⁷¹ See SBTi (2023) Corporate Net-Zero Standard: Version 1.1. Available at <https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf>.

5. ANNEX

Annex 1. Assessment Framework

Indicator	Sub-indicator	Description
1. Robustness of the company's GHG reduction target	SBTi Net-Zero (-aligned) target	Is the company's net-zero target validated by SBTi or aligned with SBTi guidance?
	SBTi FLAG-aligned target	Does the company have a SBTi FLAG-aligned target?
	Fossil fuels phase-out target	Is there a target in place within the company to end the use of fossil fuels?
2. Implementation of the company's GHG reduction target	Financial resources and senior executive remuneration	Are the decarbonization plans supported by sufficient budget and financial resources, and is senior executive remuneration tied to the achievement of the company's climate targets and ambitions?
	Insetting	Does the company rely on insetting activities, and if so, are these insetting activities in line with the GHG Protocol Carbon Removals and Land Sector Initiative?
	Beyond value chain climate contributions	Is the company implementing or planning to implement additional climate mitigation activities that go beyond the value chain and are not counted towards internal climate targets?
3. Data and disclosure	Data disclosure from commodity supply chains	Does the company disclose emissions data from all of its major commodity supply chains?
	Traceability systems	Does the company have a traceability system in place for all of its supply chains?
	Support to suppliers	Does the company support its suppliers in collecting quality data on GHG emissions?
4. Engagement with suppliers on climate	Inclusive and participatory mitigation plans	Are the company's emission reduction plans developed in a participatory and inclusive manner for impacted parties and populations?
	Non-compliant suppliers	Does the company have an engagement policy for non-compliant suppliers and a policy on the suspension or exclusion of repeatedly non-compliant suppliers from the supply chain?
5. Advocating for ambitious climate policy	Climate advocacy through policy	Is the company supporting and advocating for policy reform that promotes long-term climate stability?
	Climate lobbying activities	Is the lobbying of industry groups that the company is a member of coherent with the company's climate messaging and advocacy?
6. Supporting alternative agricultural and land use models that are low emissions and equitable	Sustainable and resilient agricultural practices	Is the company supporting and engaging in the transition to low-emission and ecologically resilient models of agriculture? Does the company explicitly recognize women as agents of change in the agricultural transition and actively challenge patriarchal gender roles?

	Small-scale producers	<p>Is the company supporting and including small-scale farmers and producers to ensure a just agricultural transition?</p> <p>Does the company explicitly recognize women as agents of change in the agricultural transition and actively challenge patriarchal gender roles?</p>
	Human rights	<p>Through its decarbonization efforts, does the company commit to ensuring Free, Prior, and Informed Consent (FPIC) of Indigenous Peoples (IP) and Local Communities (LCs), recognition of workers' rights, living income for involved parties, and making grievance mechanisms publicly available for impacted populations?</p> <p>Does the company explicitly recognize in its policies the unique vulnerabilities and exploitation risks that women face?</p>
7. Progress on implementation of commitments to achieve zero deforestation, zero conversion, and exploitation-free supply chains	Progress towards deforestation target	Does the company report on progress made against its zero-deforestation target and the proportion of each supply chain that is deforestation and conversion-free?
	Progress on human rights	Does the company report on human rights-related issues across different commodity supply chains?

Annex 2. Examples of companies' sustainable and regenerative agriculture interventions

	Example interventions	Impact
ADM	<ul style="list-style-type: none"> In North America, ADM has begun implementing a regenerative agriculture program (re:generations) which offers financial and technical support to producers who newly adopt or continue using regenerative agriculture practices.⁷² 	<ul style="list-style-type: none"> In 2022, the program engaged 1,900 farmers over 1.2 million acres. The program is being expanded to South America and the company hopes to reach 4 million acres globally by 2025.⁷³
Barry Callebaut	<ul style="list-style-type: none"> To improve resilience of cocoa farming against climate change, Barry Callebaut has been actively coaching and supporting farmers in Ghana, Ivory Coast, Cameroon, Brazil, Ecuador and Indonesia so that they become more resilient against long-term future changes in climate conditions.⁷⁴ 	<ul style="list-style-type: none"> In 2021/22, they supported 120,107 farmers to adopt Farm Business Plans and distributed 6 million cocoa seedlings, almost 5 million shade trees, and 57,926 productivity packages.⁷⁵
Bunge	<ul style="list-style-type: none"> In 2023 launched a program in Brazil to support farmers with the low-carbon transition through the provision of technical support, tools, products, and services. 	<ul style="list-style-type: none"> The pilot program will engage 26 soy, corn and wheat producers covering over 250,000 hectares of land in the Cerrado.⁷⁶
Cargill	<ul style="list-style-type: none"> In 2021, Cargill launched Cargill RegenConnect®, a regenerative agriculture program that pays farmers in North America for positive environmental outcomes driven by adoption of regenerative agriculture practices, including of reduced- or no-till and planting of cover crops. This program was expanded to Europe in 2023.⁷⁷ Their 1,000 Farmers Endless Prosperity Program connects farmers in Türkiye with tools and resources to implement more sustainable agricultural practices.⁷⁸ 	<ul style="list-style-type: none"> They have advanced regenerative agriculture on 880,000 acres of North American farmland since 2020.⁷⁹ The 1,000 Farmers Endless Prosperity Program supports 1000 new farmers each year.⁸⁰
Louis Dreyfus	<ul style="list-style-type: none"> Since 2015, LDC has worked on regenerating coffee ecosystems in the Sumatra province of Indonesia. They have been preserving and regenerating the coffee ecosystem while improving the economic and social conditions of Indonesian coffee farmers.⁸¹ 	<ul style="list-style-type: none"> Program highlights include: 2,500 farmers involved in agroforestry, over 15,000 farmers participated in Good Agricultural Practices trainings; over 77,000 beneficiaries; and over 600,000 trees planted.⁸³

⁷² See ADM (2023) Scaling Impact: 2022 Corporate Sustainability Report. Available at https://www.adm.com/globalassets/sustainability/sustainability-reports/2022-reports/adm-2022-corporate-sustainability-report_final.pdf.

⁷³ ADM (18 July 2023) "ADM Grows North American Regenerative Agriculture Program, Launches Significant Expansion Initiative". Available at <https://www.adm.com/en-us/news/news-releases/2023/72/adm-grows-north-american-regenerative-agriculture-program-launches-significant-expansion-initiative/>.

⁷⁴ Taken from Barry Callebaut's 2023 CDP Forests response. Available at <https://www.cdp.net/en>.

⁷⁵ Taken from Barry Callebaut's 2023 CDP Forests response. Available at <https://www.cdp.net/en>.

⁷⁶ Bunge (1 May 2023) "Bunge Launches Program to Drive Regenerative Agriculture in Brazil". Available at <https://www.bunge.com/Press-Releases/Bunge-Launches-Program-to-Drive-Regenerative-Agriculture-in-Brazil>.

⁷⁷ Taken from Cargill's 2023 CDP Forests response. Available at <https://www.cdp.net/en>.

⁷⁸ The 1000 Farmers Endless Prosperity program. See <https://www.1000ciftci1000bereket.com/en>.

⁷⁹ Cargill (2023) 2023 ESG Report. Available at <https://www.cargill.com/sustainability/doc/1432249635993/2023-esg-report.pdf#page=6>.

⁸⁰ The 1000 Farmers Endless Prosperity program. See <https://www.1000ciftci1000bereket.com/en>.

⁸¹ Taken from Louis Dreyfus' 2023 CDP Forests response. Available at <https://www.cdp.net/en>.

⁸³ Louis Dreyfus Foundation. Empowerment & sustainability in agroforestry. See <https://www.louisdreyfusfoundation.org/projects/micro-farming/projects/Empowerment-sustainability-in-agroforestry>.

- In 2022, launched Project Jagruthi to train and support Indian cotton farmers in adopting more sustainable farming practices.⁸²
- By the end of 2022, Project Jagruthi had trained more than 7,500 farmers.⁸⁴

Olam

- Olam provides training to farmers to reform farming practices to reduce synthetic fertilizer application as part of the Sustainable Rice Platform-registered training program.⁸⁵
- In 2018, they joined a project to protect and restore the Sui River Forest Reserve in the Western North region of Ghana. They worked with community members, local farmers, the Ghanaian Forestry Commission, and the Ghana Cocoa Board to introduce climate-smart agriculture techniques and restore land.⁸⁶
- In 2022, Olam trained about 9,000 farmers in Thailand and 10,000 in Vietnam. In total, the Natural Capital Impact decrease attributable to Olam's trainings in these areas is USD 527,000.⁸⁷
- Through their work in the Sui River Forest Reserve, they have trained at least 10,000 farmers on climate-smart agricultural practices. The project is now scaling up its work in the Reserve.⁸⁸

Wilmar

- No evidence.
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⁸² Louis Dreyfus Company. Responsible Business: Cotton. See <https://www ldc.com/sustainability-report-2022/responsible-business/cotton/>.

⁸⁴ Louis Dreyfus Company. Responsible Business: Cotton. See <https://www ldc.com/sustainability-report-2022/responsible-business/cotton/>.

⁸⁵ Taken from Olam's 2023 CDP Forests response. Available at <https://www.cdp.net/en>.

⁸⁶ Taken from Olam's 2023 CDP Forests response. Available at <https://www.cdp.net/en>.

⁸⁷ Taken from Olam's 2023 CDP Forests response. Available at <https://www.cdp.net/en>.

⁸⁸ Taken from Olam's 2023 CDP Forests response. Available at <https://www.cdp.net/en>.

Annex 3. Examples of companies' small-scale producer support programs

	Example interventions	Impact
ADM	<ul style="list-style-type: none"> Since 2018, ADM has supported Conservation International on a 'train-the-trainer' smallholder support program for palm oil producers in North Sumatra. The program trains farmers in Good Agricultural Practices and sustainable land management, aimed at increasing productivity. ADM has provided over USD 1 million to Concern Worldwide for LEAF, a program providing assistance to small-scale farmers in Kenya and Ethiopia. Phase 2 of the program was designed to boost communities' ability to maintain a basic level of food security by providing training on irrigation systems, crop rotation, and nutritional education. 	<ul style="list-style-type: none"> ADM's contributions have enabled the training of 65 Farmer Field School (FFS) facilitators and government agriculture extension officers.⁸⁹ Phase 2 of the program reached close to 10,000 farmers and impacted over 60,000 individuals.⁹⁰
Barry Callebaut	<ul style="list-style-type: none"> Barry Callebaut supports smallholders in its palm oil supply chain in meeting certification standards (ISPO and RSPO) and village land-use planning, working with cooperative farmer groups and communities to secure land, monitor and manage community forests, improve agricultural practices and support alternative livelihoods.⁹¹ Barry Callebaut shifted its focus from training to providing input support for its cocoa suppliers. Support ranges from subsidized soil inputs and planting material to financial support for third-party labor services and additional premiums with the aim of improving quality yield per hectare in order to lift smallholder cocoa farmers out of poverty. In 2021, Barry Callebaut and six other global companies embarked on a four-year public private partnership with German Agency for International Cooperation (GIZ) and develoPPP. The project aims to improve the productivity of sustainable coconut production in two key production areas in the Philippines, General Santos and Southern Leyte, using a landscape-based approach for sustainability assessment, called LandScale. Overall, the project expects to increase the productivity of coconut cultivation in both regions by approximately 20% and generate higher incomes for 10,000 smallholder coconut farmers through higher yield and better farm management practices. 	<ul style="list-style-type: none"> No information No information No information
Bunge	<ul style="list-style-type: none"> In 2018, Bunge partnered with IOI Group, Kerry Group and Fortuna Mill to create Program ILHAM, a three-year palm oil smallholder support 	<ul style="list-style-type: none"> No information.

⁸⁹ ADM (2022) ADM's Commitment to Protecting Forests, Biodiversity and Communities: H1 2022 Palm Progress Report. Available at <https://www.adm.com/globalassets/sustainability/sustainability-reports/2022-reports/adm---palm-progress-report-h1-2022-compressed.pdf>.

⁹⁰ ADM (2023) Scaling Impact: 2022 Corporate Sustainability Report. Available at https://www.adm.com/globalassets/sustainability/sustainability-reports/2022-reports/adm-2022-corporate-sustainability-report_final.pdf.

⁹¹ Barry Callebaut (2022) Forever Chocolate Progress Report 2022/23. Available at <https://www.barry-callebaut.com/system/files/2023-12/Forever%20Chocolate%20Progress%20Report%202022-23%20Barry%20Callebaut.pdf>

program. The program supported the inclusion of smallholders in the supply chain and was designed to boost small farmers' productivity by helping them to implement sustainable agricultural practices.

Cargill

- Cargill works with Solidaridad on the Intel4Value landscape program to address employment and labor gaps among palm producers in Colombia. During 2022, more than 380 smallholders received training on sustainability issues and more than 100 producers completed the RSPO recertification process.
- In Mexico, Cargill participates in a program with the RSPO, Proforest, the Mexican Federation of Palm Oil (FEMEXPALMA), Cargill customers, and suppliers to help support the transformation of the Mexican palm oil supply chain. The program provides smallholders with technical support and capacity building on various sustainability issues, including human rights, land use changes, HCV land, and HCS carbon mapping.
- The program has provided environmental protection for more than 20,000 hectares of farmland and improved livelihoods for 1,200 smallholder farmers, including more than 400 women.⁹²
- In 2022, the program helped to certify nearly 120 independent smallholders with more than 2,500 hectares of palm plantation land. The program trained nearly 20 group managers and nearly 530 professionals to build capacity around sustainability.⁹³

Louis Dreyfus

- LDC participates in a joint project with the Louis Dreyfus Foundation and FairMatch Support to enhance sustainable rice value chains in Côte d'Ivoire. The project aims to facilitate the transition of the sector from subsistence farming to small-scale commercial agriculture by providing farmers with tailored support. The program also aims to improve the food security of women farmers, in part through the provision of agricultural equipment.⁹⁴
- In 2022, LDC launched a four-year project to increase food security, improve nutrition and drive climate resilience in Kenyan farming communities. The project will aim to build farmer resilience to changing climate conditions and promote gender and social inclusion in the value chain.⁹⁵
- No information.

Olam

- In 2018, in partnership with the German development agency Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and Vietnam's Ministry of Agriculture and Rural Development, Olam launched a market-oriented smallholder value chain program to equip rice farmers from the Mekong Delta with new skills and resources to produce better-quality, more sustainable rice.
- In 2022, the programme reached more than 10,000 rice farmers. Most farmers in the programme recorded a more than 50% increase in sustainability scores verified by the Sustainable Rice Platform (SRP).⁹⁶

⁹² Cargill (2023) ESG Report. Available at <https://www.cargill.com/sustainability/doc/1432249635993/2023-esg-report.pdf>.

⁹³ Cargill (2023) ESG Report.

⁹⁴ Louis Dreyfus Company (2022) Sustainability Report 2022. Available at https://www.ldc.com/wp-content/uploads/LDC-2022-Sustainability-Report_protected.pdf.

⁹⁵ Louis Dreyfus Company (2022) Sustainability Report 2022.

⁹⁶ Olam Group (2022) Olam Group Annual Report 2022. Available at https://www.olamgroup.com/content/dam/olamgroup/investor-relations/library/annual-reports/annual-reports-pdfs/2022/olam_annual_report_2022.pdf.

- Olam provided quinoa and chia farmers in Peru with year-round technical assistance from soil preparation to harvest and post-harvest, enabling them to improve crop quality and increase productivity.
- Since 2021, approximately 2,100 smallholder farmers have secured organic certification, opening access to new markets in Europe and the USA for their products and raised their potential for higher incomes.⁹⁷

Wilmar

- In Indonesia, Wilmar supports palm-oil smallholders with initial financing for development and land preparation, as well as with the provision of planting materials such as seedlings, fertilisers and pest control. They also invest provide technical assistance on good agricultural practices.
 - Wilmar's WISSE program (Wilmar Supports Sustainable Entrepreneurs) supports palm oil smallholders in Latin America to achieve RSPO and ISCC certification.⁹⁸
 - No information.
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⁹⁷ Olam Group (2022) Olam Group Annual Report 2022.

⁹⁸ Wilmar: Smallholder Programmes. See <https://www.wilmar-international.com/sustainability/smallholder-programmes>.

Annex 4. Steps for demonstrating that a product or material is DCF:⁹⁹

- 1. Trace product volumes to sourcing area at a scale needed to confirm status** Knowing and controlling the origin of materials is the first step in confirming that materials are DCF. Companies may employ a combination of supply chain mapping and traceability activities to establish where and from who materials are sourced.
- 2. Confirm production area was not converted after the cut-off date** Monitoring systems involving geospatial and ground-based tools, or in-person site visits may be used to confirm that no conversion has occurred before a designated cut-off date. Business-to-business disclosure of reliable monitoring data, acquired through supply chain mapping and traceability activities, can also be used to this end.
- 3. Monitor remaining natural vegetation and respond to new conversion** Similar monitoring systems to those used to confirm no-conversion may be used to identify any remaining natural vegetation within the production area. Regular monitoring systems can then confirm that no further conversion is taking place.
- 4. Independently verify the methodology, data, and claims as credible and accurate** Accredited certification bodies can provide independent, third-party verification of the accuracy and credibility of companies' DCF claims. Certification must confirm that an appropriate method was adopted and followed in assessing the sourcing area, and that monitoring data is complete and accurate. Many other organizations offer independent verification of DCF claims. Note, there is active ongoing discussion to clarify how to determine whether a third party can provide credible verification.

⁹⁹ CDP (2023) CDP Technical Note: Implementing commitments on deforestation and ecosystem conversion. CDP Forests Questionnaire. Available at https://cdn.cdp.net/cdp-production/cms/guidance_docs/pdfs/000/004/231/original/CDP_technical_note_-_forests_implementation.pdf?1677259683.