



A Business Guide to a DEFORESTATION-FREE SUPPLY CHAIN

Intact tropical forests provide valuable resources such as **clean air and water**, and local residents depend on the forest for their **livelihoods**. In addition, these forests are home to an incredible **diversity of plants and animals**, and capture a huge amount of heat-trapping carbon dioxide that would otherwise contribute to climate change.

Thousands of products sold all over the world—including vegetable oils, meats and other foods, wood, paper, and medicines—rely on materials obtained from the tropics. Unfortunately, some of the methods used to obtain **these raw materials destroy or degrade tropical forests and produce carbon emissions**.

Is Your Supply Chain Part of the Solution?

To protect your brand from claims that it contributes to deforestation, and even **be a leader in protecting tropical forests**, there are a number of steps your business can take to ensure that its goods and services help preserve our climate and tropical forests. Your business can help both suppliers and customers **understand the importance of tropical forests and deforestation-free products**, and these business decisions will, in turn, encourage others to adopt sustainable forest management practices.

Here's how your business can become a leader in deforestation-free supply chains:

■ Publicly pledge to become deforestation-free.

Make a strong, clear pledge that your business is expanding its definition of sustainability and actively working to ensure that none of the materials it uses or the products it sells drive tropical deforestation. This will not only **signal to the market** that your business is committed to sourcing from suppliers that share this pledge, but also highlight for customers your commitment to sustainability and social responsibility. As your pledge draws publicity, your company will be highlighted as a leader.

■ Source, sell, and promote deforestation-free goods.

Ensuring a strong market for deforestation-free goods is vital to promoting sustainable practices in tropical regions. Featuring and prominently displaying deforestation-free goods and sourcing policies helps customers become more aware of the issues at stake, and helps your business **gain the recognition** it deserves for making this important decision.

■ Build transparent supply chains and maintain good relationships with suppliers.

A commitment to zero deforestation means **knowing the source of your products and ingredients** and ensuring your suppliers have the same values you do. Only by having a working knowledge of your supply chains and producers can your business be confident that its goods and services have minimal forest and carbon footprints.

■ Work with other organizations and/or roundtables.

Your company should assess its values and then determine whether there is a certification scheme or roundtable that addresses some or all of those values. Certifications, businesses associations, and roundtables can be an easy way to ensure specific standards are met for a limited set of products, and to advertise the care your organization takes in ensuring environmental and social responsibility. However, you may need to **go above and beyond** the standards set by these organizations to ensure your products are truly deforestation-free.

Hundreds of major consumer goods companies and retailers have already pledged (via the Consumer Goods Forum) to establish **zero-deforestation supply chains by 2020**. And many have taken the first steps by assessing products such as palm oil, beef, and paper for their deforestation footprints. Much of this progress has been spurred by consumers' growing awareness of the relationship between deforestation and the food and products they buy.



PALM OIL

Demand for vegetable oils is increasing at a rate of more than 5 percent per year. The industry boom fueled by this demand has come at the expense of tropical forests: palm oil in particular has encroached on tropical forestland and now has the largest carbon footprint of all vegetable oils.

Palm oil plantations are spreading rapidly across Southeast Asia, especially in Indonesia and Malaysia (the two largest producers of palm oil). Much of this expansion contributes to climate change by cutting down tropical forests and planting on peatlands—practices that threaten our global climate by releasing vast amounts of greenhouse gases into the atmosphere. Instead, demand should be met by [establishing palm oil plantations on degraded or non-forest land](#) in the tropics and on mineral soils.

To help accelerate the growth of zero-deforestation palm oil, your business should:

- **Source, sell, and promote only those products made with deforestation-free palm oil.**

Know where your palm oil comes from, and ensure that the growers you buy from have strong forest protections and accounting policies for greenhouse gas emissions (in addition to other environmental and social safeguards). Manufacturers should strive to use palm oil that can be traced back to deforestation-free sources, and [retailers should reward goods produced in a responsible way](#) by featuring them in stores.



Palm oil production destroys tropical forests, putting orangutans at risk for extinction.

- **Work to strengthen the Roundtable on Sustainable Palm Oil (RSPO).**

Many businesses have made commitments to source palm oil certified as sustainable by the RSPO, a group of stakeholders in the palm oil supply chain that have come together to develop and implement global standards. Though they include important environmental and social safeguards, the RSPO standards are missing key greenhouse gas accounting policies and forest protections that would ensure palm oil is deforestation-free. Specifically, [the standards should ban planting on peat soils or include strong protections for high-carbon-stock forests](#). RSPO members should advocate the adoption of these missing components.

- **Switch to deforestation-free vegetable oils.**

In some cases, manufacturers can switch to oils that have less impact than palm oil, such as sunflower or rapeseed oil. While it is preferable to buy responsibly produced palm oil to encourage more sustainable operations, switching oils does send a strong signal to companies engaging in questionable practices.

Photos: ©Rhett Butler/mongabay.com (palm oil); ©Flickr/David Wynia (orangutan)



WOOD AND PAPER

Every company uses wood or paper in some area of its business. The volume of trees used to make supplies such as copy paper, packaging, shipping pallets, furniture, and toilet paper is enormous, and some of these trees come from tropical forests.

Unmanaged and illegal wood extraction threatens the health of tropical forests and the people that rely on these forests for their livelihoods. In some cases, forests are clear-cut and the land is then cultivated for agricultural crops including palm oil, leading to global forest loss rather than long-term, sustainable forest production. Even when selective logging removes only high-value species, the establishment of logging roads and the increased likelihood of fire resulting from this logging significantly damage forests.

Yet tropical forest conservation and logging are not mutually exclusive. Plantation forests often have much higher yields than natural forests and can be established on already cleared land. With careful management, previously logged or disturbed forests can yield species not grown in plantations, leaving primary forests untouched.

To ensure your use of wood and paper products encourages sustainable forestry practices, your business should:

- **Source, sell, and promote wood and paper products that do not drive tropical deforestation.**

Do you know whether the materials you use in your office and in the packaging and products you

sell are produced by companies with policies that prevent tropical deforestation? Knowing the source of the wood and paper you use, and whether you and your suppliers have values in common, will ensure your brand cannot be associated with tropical deforestation.

- **Work to improve and increase certification.**

Look for products that are certified as having been legally and sustainably produced and procured. Two of the most rigorous wood product certification programs are managed by the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC). However, FSC and PEFC certification do not explicitly prevent the logging of primary forests, nor is there widespread adoption of either standard in the tropics. Therefore, it is especially important that businesses sourcing wood from countries where deforestation is occurring most rapidly work with NGOs and other local stakeholders to support efforts to promote certification in those places and ensure the wood products they source are not coming from primary tropical forests.

- **Reduce and recycle.**

Businesses can help prevent deforestation by eliminating waste (through decreases in shipping, building materials, paperwork, textiles, and packaging) and by recycling materials (which reduces the need for virgin wood). However, because increases in recycling necessitate a market for recycled products, buying post-consumer recycled goods is as important as recycling in the first place.



The First Step Is Easy: **Say You Will**



The most land-intensive business driving deforestation is the production of meat, especially beef. Accounting for both grazing pasture and the acreage used to produce feed, **beef uses about 60 percent of the world's agricultural land** but produces less than 5 percent of its protein and 2 percent of its calories. And with more people around the world eating more meat, the amount of land needed for meat production has grown in recent decades, particularly in Latin America.

Businesses that buy and sell meat but want to be a leader in reducing deforestation should:

■ **Source and sell only deforestation-free meat.**

Work with your suppliers to learn whether their meat comes from the tropics and, if so, whether the suppliers have **clear zero-deforestation** policies in place (some major Brazilian companies have taken this step). This commitment should be made across your company's entire geographic market.

■ **Encourage zero deforestation in product promotion and pricing.**

Your business can help steer consumers toward deforestation-free and lower-carbon meat options with competitive pricing, specials, or prominent placement.

■ **Reduce the amount of beef in processed meats.**

Companies that make products containing a mix of different types of meat should **shift the balance** of these meats away from beef and toward chicken and pork, which contribute far less to deforestation and global warming in part because their production requires much less land than beef.

Businesses today have a responsibility to their customers to ensure their supply chains do not contribute to deforestation and to know the source of their ingredients and materials. Businesses can further relieve the pressure on tropical forests and promote change throughout the marketplace by buying recycled paper with high post-consumer content, joining organizations that work to strengthen certification standards, and promoting forest-friendly products.

And for any business ready to **become an industry leader by committing to save tropical forests, reduce global warming emissions, and protect biodiversity**, there are organizations like the Union of Concerned Scientists that are prepared to provide information, tools, and support. In light of the fact that many growers, manufacturers, and other businesses have already taken the pledge to become deforestation-free, **your company should carefully consider the risk to its reputation of doing nothing.**

NOTE: This fact sheet is drawn from the following UCS reports: *Recipes for Success: Solutions for Deforestation-Free Vegetable Oils*; *Grade A Choice? Solutions for Deforestation-Free Meat*; and *Wood for Good: Solutions for Deforestation-Free Wood Products*. To learn more, visit www.ucsusa.org/deforestationfree.

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National Headquarters
Two Brattle Square
Cambridge, MA 02138-3780
Phone: (617) 547-5552
Fax: (617) 864-9405

Washington, DC, Office
1825 K St. NW, Suite 800
Washington, DC 20006-1232
Phone: (202) 223-6133
Fax: (202) 223-6162

West Coast Office
2397 Shattuck Ave., Ste. 203
Berkeley, CA 94704-1567
Phone: (510) 843-1872
Fax: (510) 843-3785

Midwest Office
One N. LaSalle St., Ste. 1904
Chicago, IL 60602-4064
Phone: (312) 578-1750
Fax: (312) 578-1751