Responsible sourcing trends: Business reducing impacts on biodiversity

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Private Sector Engagement & Partnerships, WWF
**Major drivers of biodiversity loss globally**

![Mean Species Abundance %](image)

Commodities: high environmental impact/risk
## Linking biodiversity with supply chains

<table>
<thead>
<tr>
<th></th>
<th>Biofuels</th>
<th>Cotton</th>
<th>Beef</th>
<th>Palm Oil</th>
<th>Soy</th>
<th>Sugarcane</th>
<th>Fisheries</th>
<th>Timber</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amazon</strong></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<td>✓</td>
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</tr>
<tr>
<td><strong>Coral Triangle</strong></td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
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<td></td>
<td>✓</td>
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<tr>
<td><strong>Borneo</strong></td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td><strong>Great Barrier Reef</strong></td>
<td>✓</td>
<td></td>
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<td></td>
<td>✓</td>
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<td>✓</td>
</tr>
</tbody>
</table>
Supply chain concentration

Supply Chain

Consumers

Primary Producers/extractors

About 300-500 companies control approx 70% of choice

Retailers
Buyers
Brands
Manufacturers
Traders
Processors

Financial Services
Shifts in responsible sourcing

- **Ecosystem restoration**
  - e.g. build resilience of natural assets

- **Policy influence**
  - e.g. scale up and eliminate undesirable practices

- **Collaborative action**
  - e.g. act to mobilize sector and other stakeholders

- **Internal action**
  - e.g. join roundtable, publish targets, report progress

- **Knowledge of impacts and risks**
  - e.g. undertake supply risk analysis, develop strategy

- **Awareness of natural assets**
  - e.g. recognize responsibility
## Supply Security & Governance
- Supply concentration
- Market
- Environmental threats
- Transportation
- Food Safety
- Traceability
- Livestock feed
- Genetic modification
- Legality
- Reputation
- Animal welfare
- Corruption
- Political stability

## Environmental
- Natural habitat conversion
- Impact on biodiversity
- Greenhouse gases
- Water
- Chemical toxicity
- Soil
- Air pollution

## Social
- Labor
- Land Tenure
- Indigenous Populations
- Food Security
- Social & Community Welfare
- Human Rights

## Economic & Financial
- Price Volatility
- Currency Volatility
- Insurance
- Trade Policy

Source: WWF Supply Risk Analysis
supplyrisk.org
Water related business risks determine water strategies

Source: WWF Water Risk Filter
waterriskfilter.org
# Commodity prioritisation

These ingredients 100% sustainably sourced by 2020 (palm oil by 2015).

<table>
<thead>
<tr>
<th>Developing world</th>
<th>Developed world</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanilla</td>
<td>Oats</td>
</tr>
<tr>
<td>Cocoa</td>
<td>U.S. wheat</td>
</tr>
<tr>
<td>Palm oil</td>
<td>U.S. sugar beets</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>Dry milled corn</td>
</tr>
<tr>
<td></td>
<td>Dairy (fluid milk)</td>
</tr>
<tr>
<td></td>
<td>Fiber packaging</td>
</tr>
</tbody>
</table>
Utilising sourcing standards & certifications
Utilising sourcing standards & certifications

Source: Bonsucro
bonsucro.com/site/members/member-pledges/#mg
Target setting

Our 2020 Aspirational Goals

Beef: Support Sustainable Production

- Lead development of global principles and criteria in 2014. (goal achieved)
- Develop targets for purchasing verified sustainable beef.
- Begin purchasing verified sustainable beef during 2016.

100% of coffee, palm oil and fish verified as supporting sustainable production.

100% of fiber-based packaging from certified or recycled sources by 2020.

By 2020 we will source 100% of our agricultural raw materials sustainably.

- Palm oil:
  - Sustainable
  - Traceable
  - Paper and board
  - Soy beans and soy oil
  - Tea
  - Fruit
  - Vegetables
  - Cocoa
  - Sugar
  - Sunflower oil
  - Rapeseed oil
  - Dairy
  - Fairtrade Ben & Jerry’s®
  - Cage-free eggs
Sourcing transition programs

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Producer engagement and investment

MSC certified Maldives pole-and-line skipjack fishery, March 2013. Source: MSC
Cross-sector partnerships

<table>
<thead>
<tr>
<th>LIKELIHOOD</th>
<th>Rare</th>
<th>Unlikely</th>
<th>Possible</th>
<th>Likely</th>
<th>Almost certain</th>
<th>Catastrophic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major</td>
<td>Dredging</td>
<td>Exxonmobil, spill</td>
<td>Exercise</td>
<td>Increase</td>
<td>Increase</td>
<td>Exxonmobil, spill</td>
</tr>
<tr>
<td>Moderate</td>
<td>Increase</td>
<td>Exxonmobil, spill</td>
<td>Increase</td>
<td>Increase</td>
<td>Increase</td>
<td>Exxonmobil, spill</td>
</tr>
<tr>
<td>Minor</td>
<td>Increase</td>
<td>Exxonmobil, spill</td>
<td>Increase</td>
<td>Increase</td>
<td>Increase</td>
<td>Exxonmobil, spill</td>
</tr>
</tbody>
</table>

The risk of most threats remained stable, only changes are indicated.

- Increased
- Decreased
Shaping new standards: MSIs

GRSB Founding Members
Source: Global Roundtable for Sustainable Beef
Industry commitments

Source: Global Salmon Initiative
www.globalsalmoninitiative.org
Industry commitments: beyond standards

Source: Palm Oil Innovation Group
www.poig.org
Thank you

wwf.org.au/markets