

## Creating private sector behavioural change to sustainability – The use of tools and innovative approaches

### Virtual panel session

12<sup>th</sup> August 2021, 14.00-15.30 BST. [Recording available here](#)

Since 2011, the Forest Governance, Markets and Climate (FGMC) programme has worked around the world to strengthen sustainable and legal forest management. As the FGMC programme entered its final phase, a Policy Evaluation and Learning Team (PELT) was appointed to work collaboratively with UK Government, to identify learnings [across several broad themes](#), including **how best to support company behaviour change**.

As a member of this team, Efeca has produced a new study "[Creating private sector behavioural change to sustainability: The use of tools and innovative approaches](#)".

A virtual panel discussion was held on the 12<sup>th</sup> August, to explore the themes of this report, including the movement from a focus on individual supply chain targets (e.g., 100% deforestation free by 2020) to supplier-based action, recognising the need to work beyond any one supply chain to create the required change on the ground. The panel, facilitated by Efeca, explored the impact of innovative approaches and tools in this evolving approach, and the role they play in helping to drive the wider market transition – supporting all companies, both ‘thought leaders’ and mass market ‘followers’ to create sustainable supply chains.

This event was open to cross-Whitehall participants, companies, initiative leaders and tool owners. This summary is accompanied by an introductory slide deck and recording of the event.

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### Speakers

- **Dr Mike Senior**, Global co-lead on Production Landscapes at [Proforest](#)
- **Fernando Sampaio**, Executive Director of the [Produce, Conserve, Include \(PCI\) Strategy](#), Mato Grosso
- **Adrienne Stork**, Senior Program Manager, Supply Chain Accountability, Rainforest Alliance, and manager of the [Accountability Framework Initiative](#)
- **Dr Emma Keller**, Head of Sustainability, [Nestlé UK and Ireland](#)

### Key discussion topics

The aim of the meeting to discuss the use of tools and approaches to drive and support the changing behaviour of companies towards sustainability and removing deforestation and conversion from supply chains. The panel discussion built on the findings of a piece of desk-based research conducted through PELT. A series of themes framed the discussion which have been captured below.

- **The evolving ask of companies –why did the ask shift from ‘clean supply chain’ to ‘clean suppliers’ and what does this mean in practice?**

Many factors came together to influence this change. Campaign pressure on companies was one, but this was also driven by a pressure for greater transparency from civil society, companies themselves, policy and market requirements. As the 2020 goal where many companies had set 100% certified sustainable product targets approached, there was a growing recognition that deforestation was occurring outside of a company’s individual supply chain, as people on the frontier try to make a livelihood. No single solution or company could create the required change alone. Companies need to work collaboratively and pre-competitively, ensuring action was locally owned, and that leading companies recognised their responsibility to support wider sector transformation. Where before being sustainable was a niche or ‘gold standard’ activity, it has increasingly become a business hygiene ask – a requirement to operate.

As a result, companies now utilise a range of tools to better understand where they buy from, what is happening on the ground and identifying and reacting to risk in the supply chain. In an ideal situation these tools and innovative resources come together in a way that means companies can respond quickly to identify the risk and engage early to prevent the negative action happening.

- **Many companies missed their 2020 no-deforestation commitments, how do we learn from this?**

In the lead up to 2020 and recognising that targets were unlikely to be met, lessons were learned. A focus on certification while delivering on individual company supply chains was insufficient to address deforestation, and wider environmental and social issues, in the wider supplier base. Many partnerships and innovative approaches initiated between 2015-2018 and couldn’t be utilised in time for the 2020 target date.

The panellists recognised the need to learn from this and use these tools and approaches now they are available, as well as realising that they cannot just focus on single supply chains. Leading companies like Nestlé agree that they have a responsibility to act as a broader positive influence across the supply chain and in producer areas.

*“Collaboration is an overused word but underutilised concept”, Emma Keller, Nestlé UK and Ireland. There are times when companies don’t know the way forward, and they rely on initiatives and civil society to help steer the direction of travel and identify where to act next. An example of this collaboration is Nestle’s work with the [Rimba Collective](#), working with competitors to help utilise £1million to reforest areas in Indonesia. Nestle say “In 2010 we couldn’t imagine working with competitors in this way”.*

- **How do we bring together multistakeholder partnerships?**

Building multistakeholder partnerships takes time and building trust is key – we may use different language, or our timescales might differ, but our end goals are the same. The Produce, Conserve, Include (PCI) strategy initially focused on a minimal consensus approach. Everyone could agree to remove illegality and support farmers, and this provided a base to build from and again help strengthen trust.

Having political leadership and support is also very useful when creating a strong partnership, this can help build investment and provide greater transparency and ensure action is locally owned. Having an aligned approach, for example by using the Accountability Framework, is also beneficial as it means companies can engage in a range of initiatives, platforms and tools and remain consistent as the ask and way of working is aligned. This alignment in turn provides greater assurance and security for producers.

- **Government engagement**

How we communicate matters and being able to speak in a common language with a clear business case e.g., how sustainable supply chains can provide jobs, long-term investment etc is key. If there are many engaged voices, having a neutral convenor bring all stakeholder voices together can also be helpful.

The PCI strategy is being applied in Matto Grosso, an area larger than France and Germany together, and so has also engaged a strategy of working at a smaller, municipality level to build local coalitions – recognising government engagement can be both large and small scale.

The Accountability Framework provides an umbrella framework through which convenors, civil society and others can work which also provides helpful consistency. For example, when working with China the AFI team supported partners in country (who had already built trust) to input into the Chinese national meat specifications, supporting the development of national level guidelines that supports the work of initiatives in production areas.

- **Company engagement**

Previous approaches have excluded suppliers, so it's important to recognise the need to rebuild trust across the supply chain. Companies who engage beyond their own supply chain are investing in their future, as pre-competitive investment will reduce future supply chain risk. Companies often want to support a jurisdiction but are unsure how to do so, often needing to see 'quick' results to maintain investments. Tools like the [PCI Strategy pitch book](#) which connect companies to existing initiatives are helping, as is work by the [TFA](#), [ISEAL Alliance](#) and [CDP](#) to produce guidance etc. Companies need to explore their use of tools as a method of directing investment, commensurate with their size. As a community we need to incentivise and encourage investment in higher risk areas.

Food businesses are on the front line of climate change and are already experiencing its impacts, flooding, crops being wiped out and increasing commodity prices. Companies need to be open to more collaborations – where can we put differences aside and work together?

- **How do we support both 'Leading' and 'following' companies to act? How does the approach differ?**

Many initiatives are already engaging with large entities who are seen as global leaders, but as we appreciate the need for all actors to create change initiatives are also exploring engagement with the mass market.

As an example, Proforest utilises its many global partnerships to engage companies feeding into domestic markets, hosting training opportunities across countries like Ghana and Indonesia.

Specifically, these target suppliers, to help communicate what the evolving ask of the market is, and the new expectation of the supplier as a result. These companies may not have a public facing profile, so we need to recognise these different operational styles.

National level commodity platforms are also useful in both consumer and producer markets. These help to send the market signal and set a common understanding of how sustainable supply chains should operate by providing a safe space for discussion and digestible information.

Crucially, larger companies who do have the resources or capacity to be a leader can support the mass market transformation by sharing, both their experiences but also through approaches that help share the risk of engagement across the market. There needs to be an open dialogue as smaller companies can also share lessons with the larger, being more agile they may be able to focus on a topic in ways a slower moving company cannot. *“Companies can act as thought leaders by following others”*, for example if there is a supportive government companies can engage and support policies.