Verification and tools for more sustainable risk commodities

The Swedish Platform on Risk Commodities strives, through supplier requirements and monitoring, to promote risk commodities that are verified as more sustainably produced and do not contribute to deforestation or land conversion. This document describes the verifications of more sustainable risk commodities accepted within the framework of the Swedish Platform on Risk Commodities, as well as possible tools to use for risk commodities that are not yet verified as more sustainable.[1]

The Steering Group of the Swedish Platform on Risk Commodities annually reviews the accepted verifications and tools. Adjustments or decisions to accept additional verifications and tools are made by the Steering Group after consultation with the members. The latest version of the document is available at www.riskgrodor.se/english.

Content

[1] For definitions, see the document 'Purpose, governance, and definitions' on www.riskgrodor.se/english.

1. Verification of more sustainable risk commodities

Verification of more sustainable risk commodities can be done through certification or evaluation of non-certified risk commodities based on established criteria and processes.

1.1 Certifications

The following considerations are deliberated when the Swedish Platform on Risk Commodities accepts a certification:

- The certification should be conducted by an independent third party and be a member of ISEAL[2].
- The certification criteria should encompass a broad sustainability perspective and include relevant sustainability risks for the specific risk commodity. Regarding deforestation and land conversion, as well as respect for human rights, the definitions in the Accountability Framework apply.

Approved certification standards for soy[3]: RTRS, ProTerra, Donau Soja, Europe Soya, EU Organic, IFOAM[5] such as KRAV, QS-Soy^{plus}.

Approved certification standards for palm oil[3]: RSPO[6], IFOAM such as KRAV.

1.2 Criteria and approval process for non-certified soy

Risk commodities that cannot be certified due to limited certification presence in the country may be accepted by the platform after evaluation based on established criteria and process. Currently, this alternative is available for soy.

1.2.1 Soy

The following criteria and process apply for evaluating non-certified soy:

Criterion 1: The soybeans can be credibly traced to the country and region.
This is a prerequisite for approving non-certified soybeans and is assessed based on:

- Supplier certificates indicating the origin of the soybeans
- Map of the cultivation area
- Traceable supply chain.

Criterion 2: The country in question is politically stable, has a democratic and efficient governance, a very low risk of corruption within authorities, and effective law enforcement.
This is assessed based on the following indexes and levels:

- Amfori BSCI's Countries' Risk Classification, Overall risk*: > 90/100*
- The World Bankl's Worldwide Governance Indicator, Regulatory Quality Index*: 90-100*
- Fragile State Index*: < 40/120*
- Transparency International Corruption Perception Index*: > 80/100.*

[2] International Social and Environmental Accreditation and Labeling

[3] Chain of Custody Identity Preserved and Segregation. Products from risk commodities that have been certified in a previous stage of the supply chain are accepted if there is traceability, and the certification can be verified in the previous stage.

[5] International Federation of Organic Agriculture Movements

[6] Roundtable on Sustainable Palm Oil

Criterion 3: The production of soy meets the criteria for more sustainable production.
The soy production is subject to social and environmental legal requirements, meets robust environmental standards and good agricultural practices, is free from deforestation and land conversion, complies with ILO core conventions and requirements for fair wages, and respects legal and traditional land rights. This is assessed based on:

- All principles of responsible soy production by RTRS
- The core principle of Accountability Framework for deforestation and land conversion, as well as human rights.

Criterion 4: Evaluation by an independent third party.
An independent third party approved by the Steering Group, with expertise in the field, evaluates whether the non-certified production meets the established criteria, referring to relevant laws and/or other credible information. For soy that multiple members are interested in, this can be done within the scope of the Swedish Platform.

The complete third-party assessment, which forms the basis for accepting the non-certified soy, shall be submitted to the Steering Group. All criteria must be satisfactorily fulfilled to be accepted by the Steering Group.

Approved flows of non-certified soy: Soybean meal originating in Canada (Ontario and Québec) imported from Norway.

2. Tools to manage risk commodities that are not yet more sustainable

The Swedish Platform recognises a number of different tools to manage risk commodities that are not yet more sustainable. These tools may need to be used due to limited availability of verified more sustainable risk commodities or lack of origin. Some of the tools can also be used as a complement alongside the verification of more sustainable risk commodities to support the necessary transformation.

2.1 Mass balance

During a transition period, certified mass balance can be used. The length of the transition period is specified in each risk commodity's roadmap.

Accepted mass balance for soy: RTRS, Donau Soja, Europe Soya
Accepted mass balance for palm oil: RSPO

2.2 Credits

During a transition period, credits can be used as compensation for an equivalent volume of risk commodities that is not yet verified as more sustainable according to 1.1 and 1.2. The length of the transition period is stated in each risk commodity's roadmap. A strategic approach should be taken when purchasing credits for maximum sustainability impact.

Accepted credits for soy: RTRS Regional Credits, Donau Soja, Europe Soya
Accepted credits for palm oil: RSPO Independent Smallholder Credits

2.3 Supporting local development in the production region

To support local development through a broader approach that takes into account the entire region, known as a landscape approach, is an important complement to verification and other tools to contribute to the necessary transition. By adopting a broader approach that includes local stakeholders such as farmers, businesses, authorities, indigenous communities, and civil society, better conditions are provided to collectively identify and prioritise needs and implement improvements for the well-being of people and the environment, thus strengthening the entire region.

Accepted local support in the production region: Criteria have not yet been defined by the Swedish Platform on Risk Commodities. For the time being, landscape approach projects led by recognised organisations such as WWF, IDH, and Solidaridad are recommended.

2.4 Other tools

2.4.1 Palm oil

For products from palm oil with no access to verified more sustainable raw materials, the NDPE[7] Implementation Reporting Framework (IRF) can be used as a tool to drive the transition towards NDPE, meaning no deforestation, no conversion of peatlands, and no exploitation of workers or local communities. The following criteria apply for using the NDPE IRF as a tool:

Criterion 1: Use NDPE IRF.

When using the NDPE IRF, the following apply:

- The existing frameworks for no deforestation and no conversion of peatlands are used in the supply chain. As soon as new frameworks become available, such as framework for land rights and labor rights, they should also be utilised.
- A list of mills and refineries is published on the company's website at least once a year, and efforts are made to increase traceability to plantations.
- IRF profiles are verified by an independent third party and disclosed annually in the company's annual/sustainability report and/or on the company's website.

Criterion 2: Satellite monitoring to combat deforestation and land conversion.

The company utilises satellite monitoring companies to detect signs of deforestation or land conversion and takes immediate action upon detecting any changes.

Criterion 3: Process for identifying and implementing improvement measures to support smallholders in transitioning to more sustainable palm oil.

This can be done in several ways, such as:

- Improvement measures directly supporting smallholders within the supply chain.
- Supporting programs in collaboration with other stakeholders to create incentives and assistance for smallholders to become certified.
- Broader landscape approach projects that enhance sustainability dimensions across an entire region.

A description of identified gaps and needs, implemented measures, and their impact should be reported annually in the company's annual/sustainability report and/or on the company's website.

Accepted additional tool for palm oil: NDPE IRF combined with satellite monitoring and a process for identifying and implementing measures to improve conditions for smallholders.

[7] No Deforestation, No Expansion on Peat and No Exploitation (https://www.ndpe-irf.net/)