CORPORATE DEFORESTATION BENCHMARK

Wilderness Society

OVERVIEW

How key companies involved in pulp and paper, timber, beef and leather and bauxite are responding to deforestation risk through policies and commitments.

This document expresses the opinions of The Wilderness Society Limited. It is based on each company's publicly available policies and other relevant documents that were known and available to the authors as of 31 August 2023. This document does not give financial or legal advice.

CONTENTS

EXECUTIVE SUMMARY

Australia has globally significant forests — including species and forest ecosystems found nowhere else on Earth. A diversity of eucalypts, acacias and rainforests make up Australia's unique vegetation.

Yet Australia is also a deforestation hotspot.

Deforestation meaning:

Loss of natural forest as a result of:

- **i) conversion to a non-forest land use**
- **ii) conversion to a plantation forest; or**
- **iii) human activity that reduces forest species composition, structure or function so that it is significantly ecologically and structurally different from the primary forest of the site.**

It includes conversion for agriculture, resources/mining, infrastructure, urban development and thinning of forests or non-forest uses.

Note: This assessment looked at the deforestation, degradation or conversion of primary forests, remnant forest, HCV and HCS areas as well as the conversion of natural ecosystems.

Across the continent, forests and natural ecosystems are still being bulldozed and chainsawed to make way for agriculture, mining or to turn trees into wood and fibre, with significant consequences for climate, nature and people. Australian laws and regulations have so far failed to prevent deforestation.

Public concern about the impacts of deforestation, as well as increasing pressures on resource availability, have over the past few years sparked a growing wave of international pledges from governments and corporate actors to reduce deforestation and destruction of natural ecosystems.

The question remains: are corporate commitments effective in limiting deforestation in hotspots like Australia? So far, there has been limited scrutiny over the quality and level of implementation of corporate commitments on deforestation in Australia.

Wilderness Society has conducted a benchmark to analyse how a selected set of exposed companies are addressing deforestation risk in their supply chains in Australia. The focus is on the Australian supply chains for the following commodities that are connected to deforestation risk in the country: timber, pulp and paper, beef and leather, as well as bauxite for aluminium. Influential companies within these commodities have been assessed on their publicly available policies and plans to address deforestation.

The nearly three dozen companies included in this analysis either have significant market shares within supply chains of deforestation risk commodities, or are known or suspected to be associated with deforestation in Australia.

Wilderness Society assessed companies across supply chains including producers, processors, distributors and retailers that are known to source the above commodities within Australia. The benchmark was conducted via a desktop research assessment of publicly available information between April and August 2023. The benchmarking criteria were developed based on current international best practice, including existing corporate commitments and global guidelines and frameworks on zero deforestation policies and their implementation.

The results provide a snapshot of the way companies operating in key supply chains in Australia are currently addressing deforestation risk, based on publicly available information, and how they compare to international best practice.

This benchmark shows that companies operating in Australia in the supply chains most exposed to deforestation are international laggards in terms of genuine sustainability action. The results reveal that except for three forestry companies that only source plantation or recycled fibre in Australia, none of the other companies included in the assessment can, on the basis of publicly available information at the time of assessment, satisfactorily demonstrate that they are not involved in current deforestation in Australia. This presents a serious challenge to companies that source products from Australia — particularly those that promise customers and other stakeholders (including financial institutions) that the commodities they source or produce are not linked to deforestation.

There is great potential for companies operating in Australia to meet the challenge of protecting forests. While eliminating deforestation from supply chains comes with complexity, for many sectors, the solutions are within reach.

Through individual and industry-wide commitments to deforestation-free practices, time-bound implementation plans, solid verification tools and a transparent process for tracking and verifying progress, private sector actors can make a difference.

For that reason, Wilderness Society applauds companies that have publicly available policies that demonstrate commitment to deforestation-free products and services — those efforts are reflected in the scores. This overview lays out a roadmap for companies to eliminate Australian deforestation risk from their supply chains.

It serves as the introduction to a series of upcoming bulletins, which will reveal the scores for the assessed companies, grouped by status and progress against the indicators: Those who attempt, Those who disguise, Those who avoid, Those who say nothing.

There is great potential for companies operating in Australia to meet the challenge of protecting forests.

AUSTRALIA'S ICONIC FORESTS

Australians love the great outdoors — it defines our way of life and national identity. A fundamental aspect of this is the continent's forests.

From towering eucalypt forests, to verdant rainforests, to hardy bushlands, tropical savannah and dense mangrove communities on our coastlines, they are a major source of recreation, wellbeing, cultural meaning and pride. Australia's forests and bushlands provide homes and food for native wildlife, and the plants that comprise them are unique and varied — and often found nowhere else on Earth.

Australia's forests are also simply essential to our survival — purifying the air we breathe and the water we drink. They maintain the health of our soils and waterways; are a major source of food and medicine; act as a buffer in natural disasters like floods and cyclones, absorbing and lessening impacts to our farms, towns, cities and infrastructure; regulate local climate including rainfall; protect the marine environment, including the Great Barrier Reef from excess sediment and nutrient loads; and store vast amounts of carbon — providing a brake on runaway climate change.

Indigenous peoples have managed Australia's forests for tens of thousands of years, which has further shaped the distinct complexion of our flora and fauna.

Eucalypts, acacias, melaleucas, casuarinas, callitris, mangroves, and a suite of rainforest, grassland and chenopod species now make up Australia's unique collection of dominant vegetation. Many of the plants within these forests and bushlands are uniquely Australian and are of immense global significance.

Likewise, much of the wildlife that depend on and are part of these ecosystems are known only to Australia. They are central to our national identity, including iconic animals like the koala, kangaroo, quoll, wombat, numbat, lyrebird and emu.

FIRST PEOPLES' RIGHTS AND INTERESTS

First Nations Peoples in Australia are the custodians of the oldest living cultures on Earth. For over 60,000 years, they have maintained unbroken connections to these landscapes, which they term 'Country'. The Wilderness Society recognises that sovereignty was never ceded.

Rather than conceiving of the lands and waters as being an object of possession for humans, many First Peoples regard themselves as being a part of Country and have a deep cultural obligation to care for Country.

The Wilderness Society recognises the rights and aspirations of First Nations' Peoples in all aspects of land and water management, as well as decision-making in relation to their traditional lands, regardless of current land tenure.

Wilderness Society supports ongoing processes of consultation and negotiation between governments and First Nations over land and water management, that recognise and support First Nations decision-making processes and obligations under the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

Australia initially joined other non-signatories in Canada, Aotearoa (New Zealand), and the United States in refusing to support the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

That position has since been reversed, however, very little has been done in any Australian jurisdiction to enshrine those rights guaranteed under UNDRIP, including the right to free, prior and informed consent.

This continues today, as some First Nations Groups decry deforestation occurring on their Country and rightly identify and demand the right to exercise their cultural obligations to heal and manage degraded landscapes.

AUSTRALIAN DEFORESTATION HAS BEEN LARGELY UNNOTICED INTERNATIONALLY

Australia has been repeatedly identified as one of the world's 24 deforestation hotspots by the WWF[1] — the only developed economy to make the list. However, the country's deforestation track record remains largely unknown internationally, in sharp contrast with the attention other major hotspots like Indonesia or Brazil have received. This is partly due to a global focus being on tropical deforestation: international definitions and datasets on deforestation often fail to capture Australian types of vegetation like less-dense forests, grasslands and bushlands. Global scorecards like the Forest 500 also usually focus solely on tropical forests.

The national data available does not give an accurate or reliable picture of forest and bushland loss across Australia. Where there is good sub-national scale data, such as in Queensland, the extent and severity of the problem becomes clear.

The fact that Australia's deforestation crisis isn't captured in international definitions and the lack of quality data on the problem helps to explain why several global companies have not yet identified Australia as a priority region for deforestation-free supply chain efforts despite the reality of deforestation in the country.

Meanwhile, as jurisdictions like the EU and UK are introducing stronger regulations to remove products made through deforestation globally from their markets (see paragraph below), Australia's deforestation crisis is sharply coming into focus.

WHAT'S DRIVING DEFORESTATION IN AUSTRALIA?

Colonisation disrupted traditional land management practices

First Nations People have lived in and around Australia's forests for millennia, where they have sustainably managed the forest's natural resources through sophisticated and evolving knowledge, practices and law.

The displacement of First Nations People from forested areas through colonisation (and all its features such as pandemics, Frontier Wars and violence), and the replacement of the existing Indigenous resource management regimes with colonial agriculture and forestry practices, led to dramatic and immediate negative changes to Australia's forest landscapes[2].

Australian colonies were heavily geared towards resource extraction through political and economic systems[3]. This corporate and government culture

was the antithesis of the way First Nations political and legal systems managed natural resources prior to invasion. Colonisation changed forests forever — for cropping, grazing, logging, mining and urban expansion.

Waves of mass deforestation for cropping and livestock grazing occurred first in Victoria, South Australia and New South Wales in the late 1800s and early 1900s[4]. This was followed by Western Australia which experienced its highest levels of clearing in the mid-1900s[5] and then Queensland, where most of the clearing has occurred over the last 50 years, allowed by the advent of a new bulldozing method which consists of tearing down trees using two bulldozers tied by a chain[6].

Throughout these years, tenure requirements meant that landholders risked eviction if they did not remove native trees permanently from the ground. This continued in Queensland right up until the 1980s[7]. There were also low-cost finance and tax concessions to further incentivise deforestation and land clearing, while many financial institutions (including government-owned) even made access to farm finance conditional on clearing[8].

Research shows that in 2012, just 50% of Australia's forests remained intact compared with pre-European arrival[9]. The other 50% has been either permanently converted to another land use or degraded — most of which is previously cleared but regrowing vegetation of different ages[10].

The deforestation crisis continues to unravel in Australia. In just 17 years (2000-2017), over 7.7 million hectares of threatened species habitat has been destroyed, an area equivalent to the size of Ireland[11]. Deforestation continues to have severe impacts on climate, biodiversity and people in Australia.

Ongoing logging and land clearing is equivalent to about half of all Australian coal emissions, as deforestation releases stored carbon into the atmosphere[12]. This is especially problematic when High Carbon Stock forests are destroyed, both exacerbating climate change and reducing available carbon storage[13].

Deforestation continues to shrink available habitat for native species, precipitating Australia into an extinction crisis. Australia has the world's highest rate of mammal extinctions[14]. Over 1,900 plant and animal species are currently threatened, including many iconic animals like the koala or greater glider[15].

Under the compounding effects of human-caused degradation and climate change, a number of Australian forest ecosystems are at risk of collapse by 2060[16]. Deforestation often occurs without the consent of First Nations People, who have a unique spiritual and material relationship to their lands and waters.

In Australia, deforestation is primarily driven by the agriculture, forestry (logging), mining, and urban development sectors[17][18]. Australia's unique and globally significant forests and bushland are still being destroyed, making Australia a deforestation nation. This benchmark shows how that can be turned around.

WHERE DO AUSTRALIA'S FORESTS GO? BEEF, TIMBER, PULP AND PAPER AND BAUXITE PRODUCTION ARE LINKED TO DEFORESTATION IN AUSTRALIA

BEEF: A MAJOR DRIVER OF AUSTRALIA'S DEFORESTATION CRISIS

Supply Chain Snapshot

Australia's beef industry started when European settlers first brought cattle to Australia in 1788. Economic and weather conditions have influenced the size of Australia's beef herd over time, which was 22.3 million head in 2022[19]. The beef industry is the largest contributor to Australia's agricultural output by value[20]. Queensland, New South Wales and Victoria accounted cumulatively for 90% of Australia's beef production in 2021. 52% of Australia's land mass is used for beef production[21].

The Australian beef supply chain includes beef cattle farms, fattening and finishing properties, feedlots, restockers, live exporters, processors/abattoirs, wholesalers, retailers (including supermarkets and butchers) and restaurants. Some actors have partially integrated supply chains (for example: covering producers, feedlots and processors).

End products include chilled or frozen beef cuts, hamburger patties, ready meals and other processed products as well as offal, hides for leather goods such as clothing, footwear and furniture, blood, bones and other beef co-products.

Most of the beef produced in Australia is destined for export: around 70% of the beef produced in Australia is exported[22], with large volumes going to Japan, South Korea, China and the United States [23]. Australia also exports over one million head of live cattle annually[24]. In 2021, Australia was the world's fourth beef exporter by volume[25].

Current impacts on Australian forests

Beef is a major driver of deforestation in Australia, and a significant contributor to Australia being listed as one of the world's 11 deforestation fronts[26]. Forests are bulldozed in order to expand available land for cows to graze on. A recent report by the Queensland Conservation Council and the Wilderness Society identified that, while clearing may be widespread in Queensland, a relatively small number of producers are responsible for the majority of deforestation in any given period.

The analysis found that less than 400 producers accounted for half of all deforestation in Queensland for the sector over the period from 2014-2019[27].

The majority of deforestation in Australia from 2016 to 2020 was on land used by the livestock sector. According to Federal Government data, 1,590,000 hectares were deforested in regions primarily used for livestock in the country in these four years[28]. While the data isn't disaggregated by livestock type, there is reason to think this deforestation is predominantly driven by beef grazing, followed by sheep grazing.

Sub-national datasets confirm this analysis. Over one million hectares of land was deforested and cleared for beef between 2016 and 2021 in Queensland alone. An analysis by the Wilderness Society has shown that at least 65% of all deforestation and land clearing in Queensland over the last five years is linked to beef production[29]. Bulldozers are destroying vast tracts of Queensland's forests and bushlands to make way for beef.

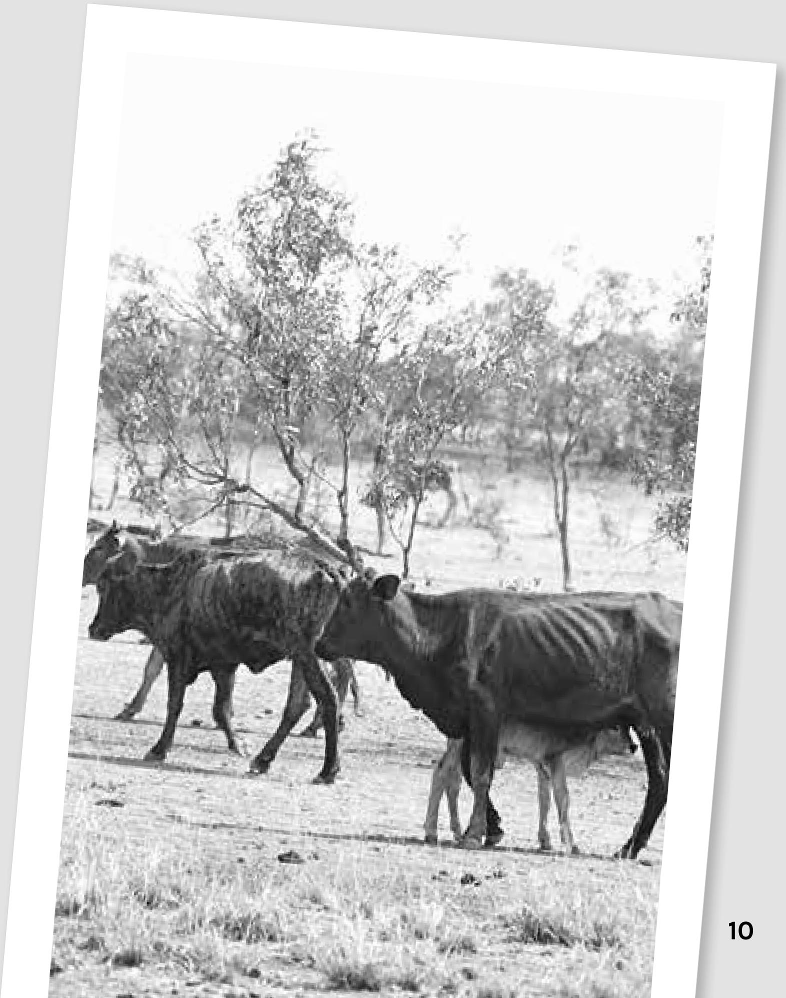
Queensland's forests and bushland are home to plants and animals found nowhere else on Earth and are essential to the ongoing health of our iconic natural wonders and communities. Forests and bushland in Queensland are key refuges for endangered species like the koala and the northern quoll. Forests and bushlands in the Great Barrier catchments stabilise and protect this already threatened marine environment from erosion, chemical and sediment run-off; and, in turn, from smothering corals[30]. Queensland's forests and bushlands store carbon important to mitigating dangerous climate change and hold great significance for regional communities.

Despite being listed as one of the Australian Federal government's priority places[31], deforestation and land clearing for beef remains the biggest threat to Brigalow Country. Healthy, intact Brigalow Country provides vital food and shelter for the eastern glossy black cockatoo and the sugar glider, among at least 32 threatened or priority species[32]. The majority of land clearing and deforestation occurs in the Brigalow Belt. Deforestation for beef deprives native animals of their habitat, leaving them injured, homeless or, at worst, on the brink of extinction. Tens of millions of native animals are killed each year by land clearing across Australia[33]. Over 700,000 hectares of mapped known or likely koala habitat in Queensland was destroyed for beef production in five years leading up to 2020. The koala was listed as endangered in Queensland, New South Wales and the ACT in 2022[34].

Hundreds of threatened species are under pressure from deforestation for beef: 342 federally listed threatened species were known or likely to live in areas impacted by land clearing for beef in Queensland between 2019-2020[35]. This includes 28 critically endangered species.

In the latest SLATS reporting period (2020–2021) deforestation and land clearing in Great Barrier Reef catchments made up 47% of the destruction in Queensland[36]. Analysis shows that between 2015–2020 in Great Barrier Reef catchments, at least 87% of deforestation and land clearing was linked to beef production[37].

The red meat industry was responsible for 10.7 per cent of Australia's emissions in 2019[38].



NATIVE FOREST LOGGING FOR PULP AND TIMBER: A KEY THREAT TO AUSTRALIA'S UNIQUE FORESTS

Supply Chain Snapshot

The native forestry industry grew out of the beginnings of colonisation but accelerated from the 1960s, as the industry became increasingly mechanised and industrial in scale[39].

Currently, in Australia, native forests and plantations are cut down to produce pulp and paper and timber products. Eighty-eight per cent of wood products currently come from plantations[40].

Higher quality native forest sawlogs, whether softwood or hardwood, are sawn in order to make timber products such as flooring, cladding, decking or furniture. Lower quality pulplogs, and sawlogs improperly graded as pulplogs, are chipped and made into lower value products such as pulp and paper or cardboard.

Trees from softwood plantations, such as radiata pine, are either turned into sawnwood for construction and furniture material, or into woodchips for exports and domestic paper, paperboard and panel production[41].

Hardwood trees grown in plantations are mainly turned into pulplogs for export, to be turned into pulp and paper products[42].

Logs taken from native forests include both sawlogs and pulplogs from hardwood trees, with a small proportion of softwood trees.

A range of native forest species are sourced, including mountain ash, silvertop ash, blackbutt, messmate, alpine ash, shining gum, spotted gum, Sydney blue gum, brushbox, jarrah and cypress pine.

Over half of the native trees logged in Australia in 2021-2022 were either turned into woodchips for domestic pulp and paper or export, or turned into wood-based panels — while a smaller proportion were used in construction[43].

A significant proportion of the products sourced from native forest logging in Australia are marketed as 'Responsible Wood', certified under the PEFC scheme.

Native forest logs are predominantly sourced through the industrial clearfell logging and burning regime, though in some areas there are selective logging operations.

State government logging agencies predominantly undertake the logging of forests, on public land, to supply the sector. Victoria and Western Australian state governments have pledged to end native forest logging and transition to plantation forestry by 2024.

Australia is the world's largest exporter of woodchips by volume[44], with China and Japan its two major export markets[45].

Supply chain actors involved in the production of pulp and paper and timber include logging agencies; landowners; logging contractors; sawmills; pulp and paper mills; logistics, distribution and export companies; timber, paper and packaging processors and manufacturers; and retailers.

Repeated logging for timber, pulp and paper is compounding pressure on Australian forests.

Australia's native forests are home to unique flora and fauna. 18 to 28% of all vertebrates in Australia are dependent on tree hollows for habitat[46]. Native forest logging leads to habitat loss, which is the overwhelming threatening process for the majority of species in Australia[47]. Logging operations have been shown to impact 48 federally listed threatened forest-dwelling vertebrate fauna species across Australia's logging regions[48].

Logging threatens the survival of threatened species like the powerful owl, Leadbeater's possum, regent honeyeater, long footed potoroo, spotted-tail quoll, swift parrot, and giant freshwater lobster[49]. Many Australian native species, while still recovering from the impact of the 2019-2020 bushfires, are still under threat from logging. Deforestation for beef production predominantly leads to the conversion of a forest to another land use such as a pasture. Likewise, when native forests are logged, their attributes (forest species composition, structure or function) are fundamentally changed from the primary forest of the site, ecologically and structurally. Due to these impacts, logging is also deforestation[50], as it drives the loss of natural forest.

Logging also contributes to carbon emissions and exacerbates climate change. Most of the biomass carbon of logged forests isn't sequestered into long-term timber products, but rather ends up in the atmosphere[51]. Native forest logging reduces Australia's carbon sequestration capacity. Undisturbed forests in southeastern Australia have been shown to store 40–60% more carbon than those subject to logging[52].

For instance, native forest logging is the highest emitting industry in Tasmania, with annual emissions equivalent to 1.1 million cars[53]. Logging is also making forests more vulnerable to fire, causing forests to burn more frequently and severely[54].

The IPCC defines sustainable forest management as 'the stewardship and use of forests and forest lands in a way, and at a rate, that maintains their biodiversity, productivity, regeneration capacity, vitality and potential to fulfil, now and in the future, relevant ecological, economic and social functions, at local, national and global levels, and that does not cause damage to other ecosystems (Forest Europe, 1993).' Yet in Australia, native forest logging does not meet that definition on a range of factors, including that logging is known as a key threatening process causing the extinction trajectories of a range of endangered species.

The threats are compounding: only 1% Mountain Ash forest ecosystem remains unlogged and unburnt in Victoria's Central Highlands[55].

Studies have demonstrated the negative effects of logging on water quality and quantity[56]. Invasive plant species have been shown to be more present in areas where logging occurs, for example in WA[57].

BAUXITE MINING: THE MAJOR DRIVER OF DEFORESTATION IN WESTERN AUSTRALIA'S GLOBALLY SIGNIFICANT FORESTS

Supply Chain Snapshot

There are currently six bauxite mines in Australia, located in Queensland, Tasmania, the Northern Territory and Western Australia.

Some of the largest bauxite deposits in the world are located in South West Australia, where bauxite mining has been happening since the 1960s. It is carried out through strip mining, which destroys all existing habitat through removing all vegetation, topsoil and the entire lateritic gravel layer. The bauxite ore is the primary raw material that is refined into alumina. This alumina is later sent to smelters where it is processed into aluminium. Australia is the world's largest producer of bauxite, with 31% of global production in 2016[58]. Over 80% of bauxite production is exported[59], with China accounting for over 95% of the exports[60].

Aluminium is used in a variety of products including construction products like doors and window frames, transportation parts, household appliances, packaging and telecommunications infrastructure[61].

The merchantable trees on the bauxite mine sites are logged and sold as sawlogs, firewood and charcoal by the WA state-owned Forest Products Commission (FPC), and the remaining vegetation and stumps are bulldozed into heaps and burned.

The impacts of bauxite mining on Australia's forests

Bauxite mining has significant impacts on Western Australia's Northern Jarrah Forests, which are recognised as a global biodiversity hotspot. The forests are home to over 8,000 species — 80% of which are endemic to the area. Mining for bauxite is the leading cause of deforestation in the state. 62.5% of all deforestation in WA's tall and medium forests between 2010 and 2020 was a result of bauxite mining[62]. The bauxite industry has cleared at least 32,130 hectares of public forest over the period.

Bauxite mining results in habitat destruction as well as fragmentation for the species that rely on these forests. Notably, the area forms critical habitat for threatened species including quokkas and three of Australia's black cockatoo species. Black cockatoo populations are decreasing under the pressure of habitat loss and fragmentation, which bauxite mining contributes to. Mining has been shown to lead to temporary loss and long-term alteration of quokka habitat, and increased predator risk[63].

According to an IPCC report, the resilience and adaptive capacity of the Northern Jarrah Forest is being reduced by ongoing land clearing and degrading land management practices [64]. The rate of deforestation of public land in the Northern Jarrah Forest by bauxite mining companies has accelerated in recent decades[65].

As of July 2023, there are several proposals under assessment by the WA Environmental Protection Authority (WA EPA) to expand bauxite mining, which could result in the clearing of a further 13,672 hectares of the Northern Jarrah Forests over the next 15 years.

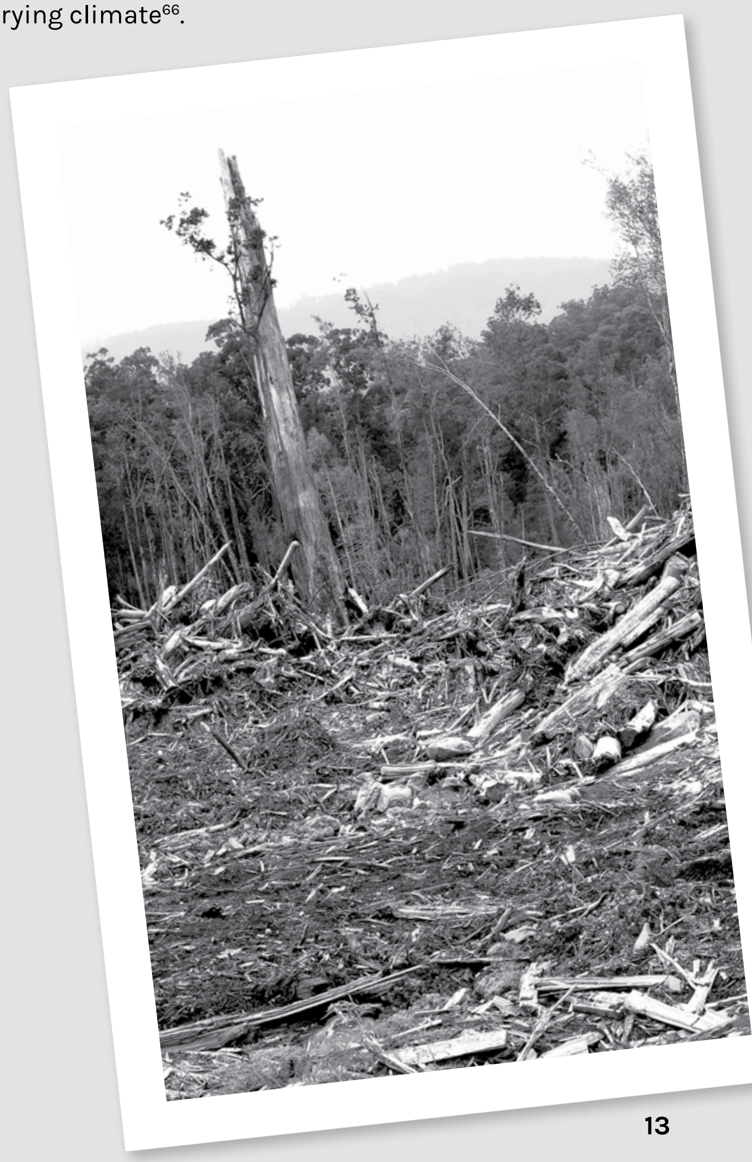
In 2021, the McGowan Labor government in WA committed to ending native forest logging by the end of 2024. This decision will be enacted through a new Forest Management Plan (FMP). The draft FMP still allows for bauxite (and other) mining in forest areas and 'thinning' of forests.

The Northern Jarrah Forests have been named by the Intergovernmental Panel on Climate Change (IPCC) as one of the Australian ecosystems at particular risk of collapse due to a warming and drying climate[66].

OTHER FACTORS CONTRIBUTING TO DEFORESTATION AND FOREST LOSS IN AUSTRALIA

Across Australia, remaining intact forests face increasing pressures from the incursion of invasive species, poor fire management, logging, urban development, cropping, overgrazing of cattle and sheep, infrastructure development and a rapidly changing climate.

Inadequate and poorly enforced laws at State and Federal levels, as well as a lack of international recognition of Australia's track record, are factors that allow the deforestation crisis to persist.



COULD COMPANIES GO DEFORESTATION FREE IN AUSTRALIA?

MOUNTING MARKET, REGULATORY AND CIVIL SOCIETY PRESSURES ARE LEADING SOME COMPANIES AND FINANCIAL INSTITUTIONS TO ADDRESS DEFORESTATION

Increasingly, companies with exposure to forest destruction risk are making commitments and developing policies to eliminate deforestation from their supply chains. They are under growing pressure to do so, as industry groups and jurisdictions in key markets express concerns over deforestation.

In 2021, 143 national governments signed up to the Glasgow Leaders Declaration[67] and committed to halt and reverse forest loss and land degradation by 2030. They reaffirmed this goal at COP15 in 2022, when governments adopted the Kunming-Montreal Global Biodiversity Framework (GBF) that aims to halt and reverse nature loss at COP15.

The EU adopted its landmark Deforestation Regulation (EUDR) in 2023, restricting its market to deforestation-free products[68]. Under the new rules, from December 2024, companies will have to conduct strict due diligence, including geolocation information of the plot of land where the commodities were produced, to demonstrate there was no risk, or a negligible risk, of deforestation.

The EUDR has been described as the most ambitious law yet on deforestation worldwide. It was backed by a historically high level of public support for the legislation across Europe: polling has shown that support for EU legislative action on deforestation was much higher than for other EU laws[69]. Both UK and US policymakers are considering the introduction of similar legislation to ban products made through deforestation.

While the EUDR's scope covers companies trading in high-risk commodities, including beef, pulp and paper and timber, the EU is considering extending the due diligence obligations to financial institutions. The law may also be expanded to ban not only deforestation, but conversion and degradation of other natural ecosystems.

The EUDR is just one of many signals that foreign markets are turning away from deforestation. For instance, the China Meat Association recently committed to "... avoiding land degradation, deforestation and conversion of natural vegetation in the livestock production value feed chains"[70] — a commitment that bears importance for the Australian red meat sector, for which China is a major export destination.

International corporate initiatives on deforestation have flourished and include commitments, networks, guidance and tools. Globally, some companies have promised to eliminate deforestation from their supply chains. Since 2014, a number of companies have signed onto the New York Declaration on Forests which aims to halt natural forest loss by 2030.

The Consumer Goods Forum, for example, leads a Forest Positive Coalition that aims to "drive collective, transformative change in order to remove deforestation, forest conversion and degradation from key commodity supply chains and support forest positive businesses"[71].

International corporate initiatives on deforestation have flourished and include commitments, networks, guidance and tools.

The Accountability Framework Initiative (AFI) provides consensus-based guidelines to companies in the agriculture and forestry sectors for supply chains that "protect forests, natural ecosystems and human rights"[72]. It is used by hundreds of companies and industry groups[73]. Global disclosure frameworks such as CDP have now aligned with the AFI guidance.

Deforestation is also becoming an increasingly important issue for the finance sector. The Kunming-Montreal Global Biodiversity Framework (GBF) includes goals related to nature-related disclosure and financial flows alignment.

An increasing number of banks and investors are starting to acknowledge nature loss as a financial risk, notably through the Taskforce on Nature-related Financial Disclosures (TNFD), in a first step that could see them screening out deforestation risk from their portfolios in the future.

An EY report commissioned by Wilderness Society published in August 2023 reveals that deforestation in Australia is a material risk for investors in Australia, Europe and North America, and provides guidance for financial institutions to eliminate deforestation from their portfolios[74]. This action plan involves asking companies in high-risk sectors to set and implement strong deforestation targets.

NET ZERO IS NOT POSSIBLE WITHOUT PROTECTING AND RESTORING FORESTS, WHICH MEANS ELIMINATING DEFORESTATION FROM SUPPLY CHAINS

Action on deforestation is essential to achieving global climate targets. Agriculture, forestry and other land use is responsible for at least 23% of global emissions[75], with these emissions mostly due to deforestation[76].

Yet while thousands of companies have set out to reach net zero emissions targets, few of these aim to eliminate deforestation as part of their net zero plans — or even account for these emissions in their calculations.

The global Race to Zero campaign, which aims to build momentum around the shift to decarbonisation, recognises that organisations must pledge to halt deforestation and protect biodiversity as part of any meaningful commitments[77].

The Glasgow Financial Alliance for Net Zero clearly states that "the world is unlikely to reach net zero by 2050 unless we halt and reverse deforestation within a decade" and that "transition plans that lack objectives and clear targets to eliminate and reverse deforestation are incomplete"[78].

Global Canopy's Forest 500, which tracks the policies of 500 companies and financial institutions linked to deforestation, states that "there is no net zero without ending deforestation and conversion".

The Science-Based Targets Initiative (SBTi), that aims to enable companies and financial institutions to set emissions reductions targets in line with climate science, is increasingly focusing on deforestation. It is in the process of requiring companies in the Forest, Land and Agriculture (FLAG) sector to commit to no-deforestation as part of their net zero plans in order to have their targets validated by the initiative[79].

These examples show that protecting nature and eliminating deforestation is becoming more and more important in order to do business globally. This is a strong signal for consumer goods companies, especially in global deforestation hotspots like Australia.

HOW TO ELIMINATE DEFORESTATION FROM SUPPLY CHAINS: A ROADMAP FOR AUSTRALIAN COMPANIES

Individual companies may start addressing deforestation by conducting internal assessments or audits of the prevalence of deforestation risks in their supply chains. This is an important initial step, and the first of a series of actions that to ensure success, will need to involve many stakeholders, within and beyond the companies.

Through this overview, Wilderness Society recommends a roadmap for Australian companies to consider and pursue. This roadmap identifies the steps needed to eliminate deforestation from supply chains.

Essential steps towards international best practice in the Australian context for companies concerned about deforestation include:

1) Setting strong, public commitments to eliminate deforestation and conversion of natural ecosystems from all supply chains.

A strong deforestation commitment means:

- Robust definitions: companies should use broad, credible definitions of forest-related terms that are drawn on credible frameworks like the AFI while capturing the diversity of Australia's landscapes, such as the definitions outlined on page 22. Importantly, commitments should target both deforestation and the conversion of all other natural ecosystems.

- Legal and illegal: commitments should aim to remove all deforestation, legal and illegal, from all supply chains, including eliminating conversion and degradation of all natural forests including High Carbon Stock and High Conservation Value forests.

- Scope: commitments should explicitly apply to all company operations, including subsidiaries and joint ventures, as well as the whole supply chains including all direct and indirect suppliers.

- Timelines: target dates should be as soon as possible, and no later than 2025.

2) Collaborating with other stakeholders to limit deforestation by:

- Publicly supporting forest protection and the introduction of state and/or federal regulations to stop deforestation.

- Joining respected global initiatives that have commitments to remove deforestation from supply chains relevant to Australia, endorse those commitments and communicate about the initiative's goals. Key initiatives with strong deforestation commitments include the Consumer Goods Forum's Forest Positive Coalition, the Science-Based Targets or the New York Declaration on Forests.
  The Accountability Framework initiative also provides detailed guidance on deforestation commitments.

- Supporting and requiring the introduction and implementation of sector-wide commitments on deforestation.

3) Publishing implementation plans to remove deforestation from the supply chains of each commodity, including:

- Transparent, time-bound and measurable milestones that explain how companies will eliminate deforestation for each commodity in each jurisdiction from where they are sourced.

- Detailed procurement requirements for suppliers, with deforestation cut-off dates no later than 31 December 2020 and mandatory data reporting obligations for suppliers.

- A supplier non-compliance procedure, including a clear path and timeframe for suspension and exclusion of non-compliant suppliers.

4) Implementing commitments through due diligence systems and ongoing monitoring and verification of supply chains.

While necessary systems will vary depending on each company and deforestation commodity, they might include:

- Ongoing mapping of priority risk countries, regions and commodities.
- Ongoing engagement with suppliers to obtain full traceability of the supply chain of each commodity, as part of due diligence obligations.
- Supplier assistance in order to bring their practices in alignment with the company's commitments.
- The development of a traceability system that ensures all products are traceable back to the point of origin (site, farm or coupe).
- Verification through on-ground assessment via a GIS-based land use change monitoring system that allows for the detection of deforestation and land clearing on property levels, especially for beef and bauxite.
- For pulp and paper and timber supply chains, restricting sourcing to FSC Full Forest Management, FSC 100% certifications or fully recycled sources.
- Credible third-party verification of compliance in relation to deforestation commitments.
- An accessible grievance mechanism that allows for the raising of issues concerning deforestation policies, including non-compliance.

5) Transparency in progressing towards deforestation-free supply chains.

For the purposes of achieving deforestation commitments, companies should publish:

- Volumes of each commodity in its supply chain, including the percentage or volume that is still at risk of deforestation.
- Lists of direct suppliers of key deforestation risk commodities.
- Detailed information on instances on non-compliance, non-compliant suppliers and remediation plans in place.
- Annual progress reports tracking against deforestation commitments.
- Credible third party-verified audit and verification reports on deforestation commitments.

AUSTRALIAN COMPANIES ARE BEHIND IN GLOBAL RACE TO ZERO DEFORESTATION

The assessment reveals that companies in Australia are currently in very different positions on the roadmap to zero-deforestation laid out above. While some already have strong commitments and traceability systems in place, based on publicly available information others fail to recognise Australia's deforestation problem or are yet to accept they have a choice in either perpetuating it, or a role in addressing it.

Or, some companies address a slice of the deforestation problem, but don't address the problem across all aspects of their business. Some have good policies but fall short on their implementation and verification.

Over the coming months, Wilderness Society will publish scores for a range of companies across beef, pulp and paper, timber and bauxite — from the companies that are leading the pack, to those that have neither policies nor plans. These scores will be released via a series of bulletins, which together comprise the Wilderness Society's Corporate Deforestation Benchmark. Each bulletin showcases a group of companies based on how they are responding to Australia's deforestation crisis according to their publicly available policy commitments:

- **Those who attempt:** companies who need to better apply their policies and commitments in Australia. These companies already have commitments to remove deforestation from their supply chains, and have some tools in place to apply these commitments. However, they need to better implement their deforestation commitments in Australia through robust verification of their supply chains, transparency and traceability.

- **Those who disguise:** companies who need to make sure their commitments don't remain empty promises. These companies have commitments on deforestation with varying robustness, but very limited to no information about how, when and where these will be implemented. They need to strengthen the ambition of their deforestation commitments, publish clear and time-bound implementation plans to get there, and start setting up the necessary systems to monitor their supply chains.

- **Those who avoid:** companies who need to ramp up their ambition to protect forests. These companies express concerns about sustainability but their commitments fall way short of what's needed to address deforestation. They need to acknowledge their responsibility and set clear, ambitious zero-deforestation goals.

- **Those who say nothing:** companies who need to catch up with sustainability action. These companies deny or ignore Australia's deforestation crisis and their potential involvement. They need to acknowledge the issue, investigate their supply chains and work towards the establishment of policies and commitments to eliminate deforestation from their supply chains.

The benchmark reveals that companies operating within deforestation risk supply chains in Australia are lagging in terms of genuine sustainability action.

At the time of assessment:

- The average company score was 20.7/100. The median score was 7.8/100. The highest company score was 96.7/100, and the lowest company score was 0/100.

- Strikingly, **50% of these influential companies involved in risk supply chains in Australia had no commitments on deforestation**. Only 26% of companies assessed had a strong overall commitment to eliminate deforestation from their supply chains. 24% had weak commitments on deforestation — for example, commitments that only covered a limited classification of forests, or only one of the commodities they are sourcing. 59% of companies had no commitments to protect other natural ecosystems.

- This shows that companies operating in Australia are lagging behind international best practice. In the Forest 500 tropical deforestation assessment, 31% of companies assessed were found not to have a commitment to protect tropical forests in 2023. This comparison highlights that companies in Australia have plenty of untapped potential to better protect forests.

- Out of the 50% of companies that did have commitments to eliminate deforestation from 18 their supply chains, 41% had no information available about how they would implement their commitments. Another 41% had implementation plans that either lacked details, clarity, time bounds or measurable milestones. Only 18% either had already eliminated deforestation from their supply chains or had strong implementation plans.

- Importantly, on the basis of publicly available information, apart from three forestry companies that only currently source from plantation or recycled fibre in Australia, none of the assessed companies had satisfactory monitoring and verification systems in place to demonstrate and ensure that their supply chains were free of deforestation. In this assessment, Wilderness Society found that some of the publicly available information on deforestation commitments was vague, unclear or otherwise was not backed by clear information on plans or progress.

- Of all the sectors, multi-commodity players like supermarkets and fast food chains (assessed for their packaging and beef policies) have been found to have the most track record of addressing deforestation, with an average score of 25.3/100[80]. Pulp and paper-only companies followed with an average score of 25/100. Timber-only companies scored an average of 20/100. Bauxite companies scored an average of 10.3/100. Beef-only companies scored an average of 8.3/100.

BENCHMARKING METHODOLOGY

PURPOSE OF THE ASSESSMENT

Wilderness Society's benchmark assessment paints a picture of the state of Australia's forests that are under threat from key drivers of deforestation, the range of ways some companies are responding to Australia's deforestation crisis, and what policies and actions are needed to meet these challenges.

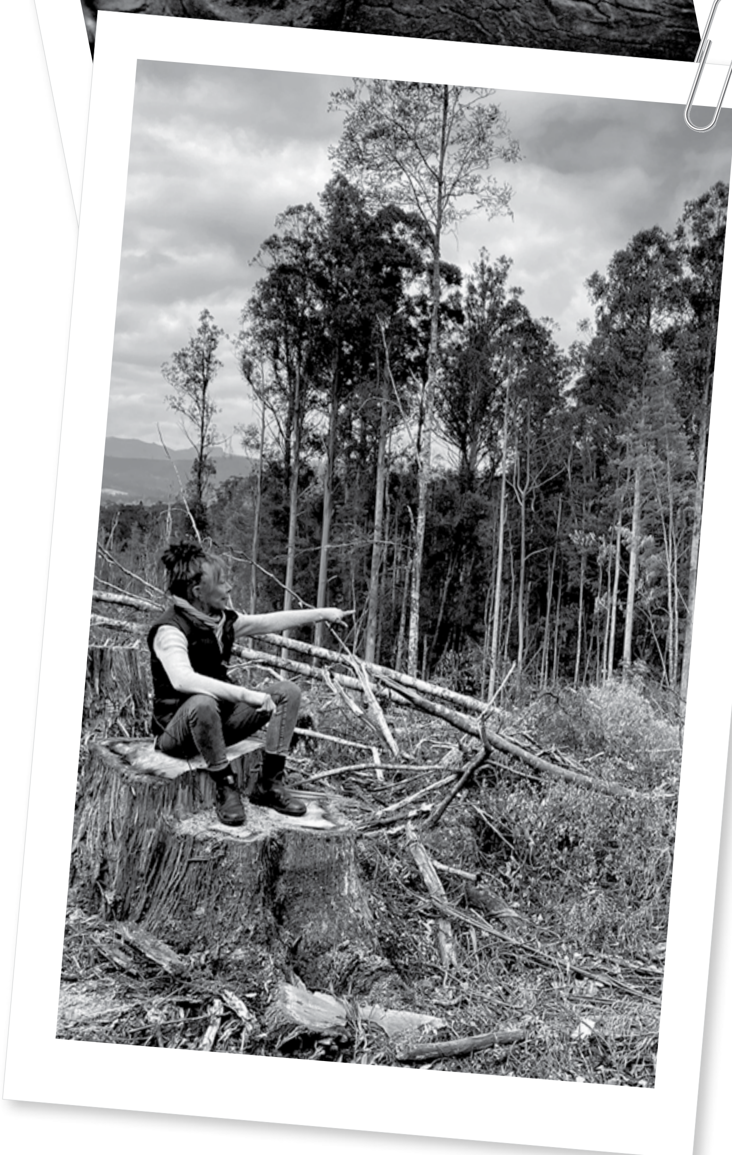
Wilderness Society assessed almost three dozen influential retailers, manufacturers, processors and producers with deforestation exposure in Australia across the supply chains of timber,pulp and paper, beef and leather, as well as bauxite.

Based on a review of publicly available information, such as any formal commitments policies or statements available on official websites, companies were scored against a series of indicators that underpin best practice for mitigating deforestation risk.

This publicly available information was supplemented by a verification process with the companies themselves, whereby they were invited to add to the information used as the basis for their scores.

The results of the assessment shows what public commitments and plans influential companies have in place to remove Australian deforestation from their supply chains.

All assessed companies have received a score out of 100 points based on the best practice criteria below, which reflect how they are addressing deforestation risk according to publicly available information.



DEFINITIONS

Industrially-driven forest loss in Australia takes many forms, from native forest logging and degradation to forest and bushland clearing, through to the conversion of natural ecosystems to pasture, plantations or other uses.

Wilderness Society uses the following definition of deforestation. Accounting for the different ways in which forests and bushlands can be lost as a result of human activity, it is the most credible in the context of Australia's rich and diverse forests and bushlands.

Different views on forest definitions should not be an obstacle to progress. Regardless of the definitions chosen, to be credible in the Australian context, any corporate approach of deforestation should address:

- The diversity of Australia's vegetation, from tall forests to savannahs, shrubs, grasslands and woodlands;
- Forest degradation;
- Conversion to another land use; and
- Deforestation that takes place on agricultural properties.

Wilderness Society uses and recommends the following definitions:

Deforestation

Loss of natural forest as a result of:

i) conversion to a non-forest land use;

ii) conversion to a plantation forest; or

iii) human activity that reduces forest species composition, structure or function so that it is significantly ecologically and structurally different from the primary forest of the site. It includes conversion for agriculture, resources and mining, infrastructure, urban development and thinning of forests for non-forest uses. This definition includes forest conversion as well as forest degradation, particularly through logging. It is aligned with the Accountability Framework Initiative, and has been retained for the purpose of this assessment

Forest

Land spanning more than 0.2 hectares with an overstory of trees higher than two metres and/or a canopy cover of more than 10%, or trees able to reach these thresholds in situ.

Natural Forest

A forest that is a natural ecosystem.
This includes primary forest and areas of high conservation value.

Natural ecosystem

An ecosystem that substantially resembles — in terms of species composition, structure, and ecological function — one that is or would be found in a given area in the absence of major human impacts. This can include human-managed ecosystems where much of the natural species composition, structure, and ecological functions are present.

Areas of high conservation value (HCV)

(A) Naturally regrowing trees or natural ecosystem that

(1) has not been cleared for 15 years, and/or

(2) supports rare or threatened ecological communities or species, and

(3) which has the potential to form forest with similar species composition, structure and function to primary forest if left undisturbed, and/or

(B) Regrowing trees of any age that is critical to the prevention of land and water degradation such as riparian and wetland areas, on fragile soils, steep slopes or land proneto salinity,

(3) High Conservation Value areas as defined by the HCV Resource Network.

Primary forest

Natural forests that have not been subject to major human impacts** in recent history and forests that were subject to major impacts no less than 45 (or from earliest available spatial imagery) years ago, where the main causes of impact have ceased or greatly diminished. The ecosystem possesses many or most of the characteristics of a forest native to the given site, including species composition, structure, and ecological function.
** Impacts could include: Resources/mining, infrastructure, urban development, agriculture, livestock raising, thinning, tree plantations, intensive logging, deliberate fire. First Nations cultural practices and management of Australian ecosystems have been intricately linked for tens of thousands of years and form the primary template for sustainable land and natural resource management. These definitions are not intended to

imply that traditional management practices, including activities such as fire management, should be considered degrading impacts.

Woodland

All woody vegetation over 10% canopy cover (or has the potential to reach that threshold in situ) that does not meet the definition of forest.

High Carbon Stock Approach (HCSA)

The HCS Approach stratifies the vegetation in an area of land into six different classes using analyses of satellite data and ground survey measurements. These six classes are: High Density Forest, Medium Density Forest, Low Density Forest, Young Regenerating Forest, Scrub, and Cleared/Open Land. The first four classes are considered potential High Carbon Stock (HCS) forests.

Conversion

Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or function. Deforestation is one form of conversion. Conversion includes severe degradation or the introduction of management practices that result in a substantial and sustained change in the ecosystem's former species composition, structure, or function.

Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal.

WHAT ARE COMPANIES SCORED ON?

In order to conduct a fair and reliable assessment, Wilderness Society has commissioned external experts to develop the benchmarking system.

The indicators are based on real-world international best practices for zero deforestation goals, and drew on guidance developed on tropical deforestation commitments by Global Canopy; the work of the Carbon Disclosure Project (CDP); and the Accountability Framework Initiative (AFi). In a world-first, the indicators have been adapted to the Australian context.

Each company's score has two components.

The first section addresses general policies and commitments, as well as awareness of the issue, and makes up 40% of the points. It includes the following indicators:

- Whether the company has a public commitment to protect forests.
- Whether the company has a public commitment to protect other natural ecosystems.
- Whether the company's commitments apply to all suppliers and all company operations including subsidiaries and joint ventures.
- By when the commitments are set to be implemented.
- Whether the company traces its supply chains to the point of origin for deforestation risk commodities in Australia.
- Whether the company publicly supports stronger state or federal regulation to stop deforestation in Australia, and whether the company has made statements about the importance of protecting forests and natural ecosystems in Australia.
- Whether the company is a member of any global initiatives committed to eliminate deforestation from supply chains.

The second section looks at commodity-specific commitments on beef and leather, pulp and paper, timber and/or bauxite: implementation, verification and transparency. This section makes up 60% of the points (15% for action plans, 20% for monitoring and verification systems, and 25% for transparency). It includes the following indicators:

- Whether the company has a time-bound, detailed implementation plan for removing deforestation from this commodity's supply chain.

- Whether the company applies a cutoff date that is aligned with international best practice for this commodity.

- Whether the company is producing or distributing any products that are third party-verified by credible systems: for beef and aluminium, credible systems mean GIS-based land use change monitoring to ensure no deforestation has taken place in the production process. For timber and pulp and paper, credible certification systems are defined as FSC 100%, Forest Management or FSC Recycled.

- Whether all the products the company produces, markets or distributes are third party-verified to be deforestation or conversion-free, either by the above systems, or by a robust monitoring and verification system to ensure this commodity doesn't originate from deforestation (as per best practice cutoff dates).

- To which level (production area, region, country) the company ensures traceability of this commodity in Australia.

- How the company addresses supplier non-compliance on deforestation for this commodity, and whether it publishes a list of non-compliant suppliers as well as details of non-compliance events.

- Whether the company discloses the volume of this commodity from Australia in its supply chains.

- Whether the company discloses direct or indirect suppliers of this commodity in Australia.

- Whether the company publishes progress reports towards deforestation commitments for the commodity.

- Whether the company publishes audit and verification reports on its deforestation commitments for the commodity.

Companies were allocated a score out of 100 based on the strength of publicly available policies and commitments and their implementation for each relevant commodity. Where actors were involved in multiple commodities, they have been scored on each relevant commodity and the score has been adjusted to be comparable to single-commodity companies.

To illustrate this adjustment, see the examples below:

Company A was scored on a single commodity. It obtained a score of 20/40 of the general policy points. It obtained 20/60 for its commodity-specific points. Its general score is therefore 20 + 20 = 40/100.

Company B was scored on two commodities. It obtained a score of 20/40 for the general policy points. It obtained 20/60 for its commodity 1 section. It obtained 20/60 for its commodity 2 points. Its general score is therefore ((20 + 20)/2) + 20 = 40/100.

Its general score has been adjusted so that the weight of each commodity section is reduced while its general policy section remains at the same weight. The total points it can earn for the entirety of the commodity specific points.
The bauxite companies have the specificity of currently sourcing from their own mines in Australia. Their indicators have been adjusted to reflect the current absence of suppliers of this commodity in Australia. Three indicators have been removed from their assessment, leading to a total of 44 maximum scorable points in the commodity-specific section instead of 60.

Similarly to the adjustments explained above, their totals have been adjusted for the final scores to be comparative to the rest of the companies with the following formula: (commodity-specific score obtained/44) x 60.

TRANSPARENCY IN ZERO-DEFORESTATION EFFORTS

For the purpose of this assessment, Wilderness Society has used publicly available information. This means any information published on the companies' websites at the time of the assessment, as well as Carbon Disclosure Project most recent forest responses provided by the company, where available and certification schemes' websites.

Using only publicly available information means the scores only reflect companies' public efforts to address deforestation. Behind the scenes, a company might be doing more than they're letting on to tackle deforestation. Alternatively, they could have commitments that are not followed through with action, thus failing at following their own promises.

That's why publicly available information on verification and monitoring systems, as well as transparency measures, are important indicators in this benchmark.

Wilderness Society has chosen to utilise only publicly available information to reflect the importance of transparency in both general commitments and their implementation.

This decision aligns with Global Canopy's Forest 500 assessment and with the AFi's recent call to 23 companies to publicly disclose their progress towards deforestation and conversion-free supply chains[81].

Transparency is also essential to avoid greenwashing, which is defined as "environmental claims that are false or misleading"[82] and is unlawful under Australia's consumer law. In particular relevance to this assessment, the ACCC encourages businesses to avoid making claims about one's sustainability transition which are vague or unclear. According to the ACCC, businesses should be direct and open about their sustainability transition. Environmental claims made by businesses, including on deforestation, should be accurate and truthful, evidence-based, not leave out important information, clearly explained and easy to understand. Businesses should avoid broad and unqualified claims and visual elements that give the wrong impressions[83].

Important notes about the methodology

- The above definition of deforestation was utilised.
- This assessment looked at both legal and illegal deforestation. In the Australian context, due to poor legislation and enforcement, legality is currently not a sufficient assurance of the absence of deforestation risk.
- This exercise looks at the risk of deforestation in Australia, not globally. While global commitments have been taken into account, the implementation indicators looked specifically at whether the commitments were applied in forests, forest loss, and specific supply chains in Australia.
- When no information was publicly available on an indicator, even after it was directly sought, no points were awarded.
- The assessment was conducted between April and August 2023.
- Wilderness Society welcomes ongoing dialogue with companies about their deforestation policies.

CONSULTATION PROCESS

All companies included in published assessments have been directly approached via written correspondence and invited to provide additional references and source materials on the public record to ensure no information was missed.

They were sent an explanatory letter, their provisional score, a summary of indicators used as well as the information sources — including all URLs accessed to draw information about their company's policies and commitment on deforestation. Meetings were held between the companies and the Wilderness Society team upon request.

Any relevant additional publicly available information sent by the companies has been taken into account in the final scores that comprise the benchmark.

BEST PRACTICE: 'COMPANY X' A COMPANY GOING DEFORESTATION-FREE

The Wilderness Society's assessment showcases what practical steps companies operating in sensitive supply chains in Australia can do to mitigate deforestation risk.

Below is a case study of 'Company X', a fictional company operating in the beef and packaging supply chains in Australia that obtained close to the full score.

This represents the "finish line" for many of the companies in this assessment: this is what an exemplary company would be doing to ensure they have truly established and maintained deforestation-free supply chains through time, thus helping to turn the tide for Australian forests.

The only way companies can reach the 100 points is if they are already implementing strong deforestation-free commitments for all relevant commodities, i.e. they are already fully deforestation and conversion-free (meaning no deforestation or conversion of natural ecosystems occurs for the purpose of making the products they source, manufacture or use).

Yet the great majority of the points are achieved by having clear and credible commitments, strong and detailed plans, verification and transparent reporting on progress towards zero deforestation.

That's why fictional Company X, while not already fully deforestation-free, earns a total of 98.3 points/100.

Overall policies and commitments

Company X has a public commitment to remove deforestation and degradation from its supply chains and to protect all forests and natural ecosystems. It uses a wide definition of deforestation and forests that captures the diversity of Australian landscapes and the ways deforestation occurs.

This commitment applies to all company activities and commodities; all company operations, including subsidiaries and joint ventures; as well as to all direct and indirect suppliers. The commitments are set to be implemented in 2025.

Company X has developed fully traceable supply chains for its Australian deforestation risk commodities to the point of origin. It requires full geographic location details of the source products it buys from its suppliers.

Company X publicly advocates for the introduction of regulations at a federal and state jurisdiction level to protect forests, and is a member of national and/or global initiatives that have strong commitments to end deforestation, including the

Consumer Goods Forum's Forest Positive Coalition and the Science-Based Targets Initiative.

Commodity specific policies

Company X is putting words into action: it is implementing its general commitment for all relevant commodities in each of its supply chains. It has public, specific deforestation-free implementation plans including measurable, timebound milestones for each commodity.

Company X applies a cut-off date in line with international best practice: it does not accept products made from land deforested after 2020.

Company X already produces, markets or distributes credibly certified and deforestation-free products: all its packaging products are originating from FSC Forest Management certified forests, FSC 100% or fully recycled sources. It doesn't accept other certification schemes (like FSC Mix, Responsible Wood or others). For all its beef sourcing, it uses GIS-based land use change monitoring to ensure no deforestation has taken place in the production process.

Company X has developed a full traceability system that tracks all relevant commodities back to their production area, and publishes detailed information about its methodology.

Company X uses a range of tools to ensure the ongoing verification of its beef and packaging supply chains, including supplier procurement policies, third party audits, credible third party certifications and satellite monitoring.

Company X has clear public guidelines that address non-compliance by its Australian suppliers — including contract cancellation pathways, which have been actioned on numerous occasions.

Information about Company X's commitments and actions is both transparent and easily accessible for consumers, regulators and broader civil society. Company X discloses the total volume of Australian commodities in its supply chain annually, and if any, the percentage or volume that might still be at risk of being exposed to deforestation.

It also maintains a public list of direct suppliers for these commodities, as well as information about instances of non-compliance and remediation plans. It publishes progress reports annually tracking towards its deforestation commitments, as well as third party verification audits or reports for relevant commodities.

The Wilderness Society acknowledges First Nations Peoples across the continent as the traditional custodians of Country, over which sovereignty was never ceded. We pay our respects to Elders and Ancestors who have cared for Country through millennia and acknowledge the unbroken connections to culture and Country which continue to endure today.

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