

HOW TO

# Use the Implementation Reporting Framework to report in alignment with AFi best practice

8 Minute Read



Accountability  
Framework



Delivering on  
ethical supply chain  
commitments

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[accountability-framework.org](https://accountability-framework.org)

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This resource is provided by the Accountability Framework initiative (AFi) to help companies and other users apply the Accountability Framework to assess company commitments and implementation systems for ethical supply chains. It is based on the full Accountability Framework version 1.0 (released in June 2019), which was created through a consultative process following applicable good practices for multi-stakeholder initiatives and which represents the consensus of the AFi Steering Group members that participated in its development. Current AFi Steering Group members (as of the publication date) include:



The AFi Backbone Team (secretariat) is co-led by the Rainforest Alliance and the Meridian Institute.



The AFi is funded by:



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This document clarifies *how companies can use the Implementation Reporting Framework* to report on the sustainability attributes of commodity volumes in alignment with the Accountability Framework.

Over the past decade, hundreds of companies have made commitments to ethical and responsible supply chains, and many are making progress toward implementing and fulfilling these commitments. However, in order to be held accountable to those commitments and recognized for their achievements, companies must be able to demonstrate progress towards these goals. Accurate, thorough, and timely reporting allows commodity buyers, investors, financiers, and other stakeholders to make decisions based on reliable information. This creates clearer incentives for responsible commodity production and trade.

The **Accountability Framework** provides consensus-based principles and guidance to help companies set goals, take action, and demonstrate progress toward ethical agricultural and forestry supply chains.

The **Implementation Reporting Framework** is one tool that companies can use to report against the best practices and outcomes specified in the Accountability Framework, using a methodology that align's with AFI's guidance on effective reporting.

## The Accountability Framework’s guidance for company reporting

The Accountability Framework’s Core Principle 12 states that companies should report regularly on progress toward their supply chain commitments. The associated Operational Guidance on Reporting, Disclosure, and Claims identifies four essential components to include in such reporting:

1. Company exposure to environmental and social risks
2. Management systems and activities to implement commitments and policies
3. Degree of traceability and/or control in the company’s supply chain
4. Performance relative to company commitments and targets, including:
  - a) progress toward or fulfilment of each commitment or target
  - b) associated on-the-ground outcomes for land use, deforestation/ conversion, and human rights

The Framework encourages companies to use existing reporting systems or standards to guide their reporting and clarifies how some common reporting systems address and align with the Framework’s scope and guidelines. However, the Framework **does not prescribe any one specific reporting system that companies must use.**

Historically, reporting platforms and standards have placed a strong emphasis on tracking company risk exposure, commitments, and internal policies. As assessment of company performance relative to supply chain commitments matures and gains traction, there is increasing focus on evaluating **implementation** activities designed to fulfill supply chain commitments as well as the **outcomes and impacts** of these activities. Additionally, there is recognition that reliable performance measures will require greater standardization of how companies account for progress across different segments of their large and multi-tiered supply chains. The Accountability Framework guides progress on all of these fronts.

## The Implementation Reporting Framework

First developed by Proforest, the Implementation Reporting Framework (IRF) has been most rapidly operationalised in the palm oil sector, largely through the Palm Oil Collaboration Group. Convened by PepsiCo and Cargill, and with inputs from other private sector and NGO partners, the **Implementation Reporting Framework (IRF)** is an example of a volume-based reporting tool that can be used to report on all four of the Accountability Framework's recommended reporting components listed above. Volume-based reporting is an approach that allows companies to develop aggregate measures of progress toward supply chain goals even when buying commodity volumes without full traceability back to the producer. Unlike many other reporting tools, the IRF focuses on implementation actions and breaks them down into discrete steps.

This allows companies to report on the extent to which the volumes of commodities they buy are compliant with their social and environmental commitments, and to track progress towards compliance over time across all their volumes. This creates a structured way to manage and monitor continuous improvement processes toward 100% responsible supply chains.

Using the IRF, companies report progress toward meeting supply chain commitments by categorizing volumes into several stages of progress: Unknown, Known, Awareness, Commitments and Starting Actions, Progressing, and Delivering. (See Figure 1 below for a summary of these categories, and the [NDPE IRF guidance document](#) for additional detail.)

This structure helps companies monitor progress, identify gaps, and drive improvement through specific actions to move from each stage to the next.

**FIG. 1.**

Categories of progress for supply chain volumes for palm oil at mill level in the Implementation Reporting Framework



The IRF allows companies to report on how their activities—including supplier engagement, third party suppliers' inclusion, and certification—contribute to policy implementation across different segments of their supply chain. The IRF may draw on a range of data sources and accepted implementation systems and indicators. For example, for the palm oil NDPE-IRF this includes certification, grievance mechanisms, HCV-HCSA assessments, and supplier action plans. Companies can use the IRF to integrate information from other reporting and assessment mechanisms (e.g., the RSPO Annual Communication of Progress [ACOP], HCSA, and other assessments or their own supplier reporting checklists) to develop a more holistic picture of progress toward supply chain commitments that includes all of these activities and tracking mechanisms.

The current scope of the IRF focuses on commitments to no deforestation, no peatland conversion, labour rights and land rights, tackling no exploitation in (NDPE'). Trials are underway to adapt the criteria for the beef, sugar and soy sectors. To date, the IRF has been used primarily for business-to-business (B2B) reporting, but companies are now beginning to use it for public reporting as well.

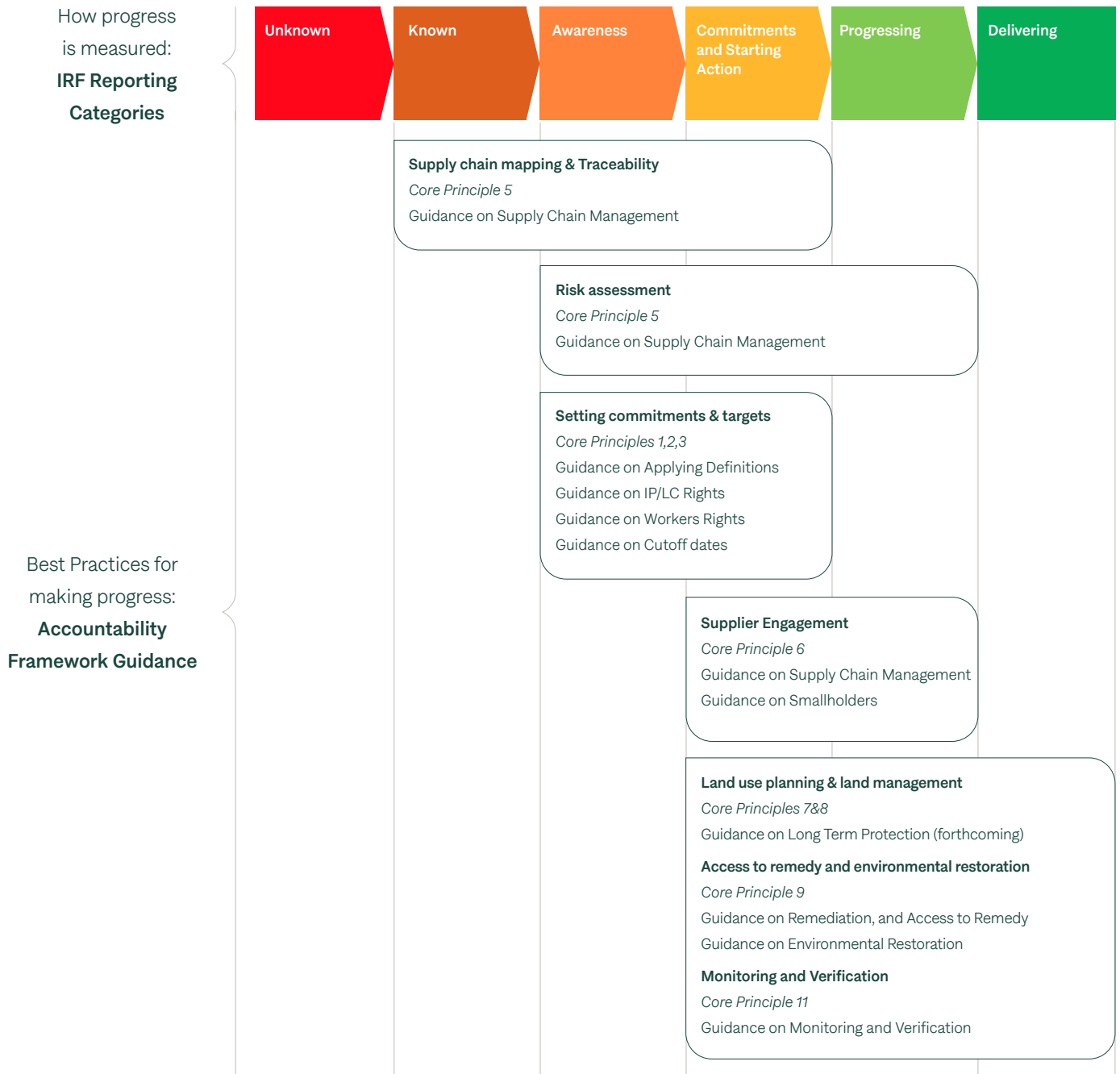
## How the IRF aligns with the Accountability Framework's Core Principles

The scope of the IRF—which covers deforestation, ecosystem conversion, land rights, and workers' rights—aligns with the scope of the Accountability Framework, as identified in Core Principles 1-3.

Furthermore, the specific activities captured in the IRF align with many of the implementation processes and activities laid out in the Accountability Framework's Core Principles 4-11 and associated guidance. Activities incorporated into the IRF and addressed in the Accountability Framework include supply chain risk assessment and traceability, supplier engagement, land management, remediation, and monitoring. Each IRF progress stage is demonstrated by meeting specific criteria (defined in the IRF) that address corresponding elements of the Accountability Framework.

Figure 2 below illustrates how progress toward the fulfillment of commitments, as indicated through the IRF's progress stages, can be guided by relevant sections of the Accountability Framework.

**FIG. 2.**  
Relationship of the IRF progress stages to relevant sections of the Accountability Framework





## How the IRF helps companies fulfill the Accountability Framework's reporting expectations

The IRF can help companies report on progress toward their NDPE commitments in alignment with the Accountability Framework's reporting guidance. Table 1 on the following page provides an overview of the metrics and tools used in the IRF reporting process to address each of the components of effective reporting identified by the Accountability Framework: risk exposure, management systems and activities, traceability, and outcomes.

**TABLE 1.**

IRF approach (palm NDPE criteria) related to the Accountability Framework’s reporting guidance

**Essential components of reporting per the Accountability Framework**

**IRF alignment and approach**

1. Company **exposure** to environmental and social risks.



IRF alignment and approach The IRF allows companies to enter relevant information on location, nature, and extent of a company’s operations and sourcing, increasing the transparency of companies’ exposure to environmental and human rights risk in their supply base. The tool allows refineries and other first aggregators to identify specific mills in their supply chain, as well as information on mill ownership (group or independent), certification status, and origin of product (from own operations or 3rd parties) - all of which give an indication of potential risk associated with each mill.

The tool also allows users to consider local context to focus on the most salient NDPE risks in their operations or supply chain. For example, risk of peatland conversion is considered only if peat ecosystems are present in a mill’s supply shed. In the absence of differentiated risk data, the IRF takes the precautionary approach of assuming that risks are present, e.g. for workers’ rights issues, which can be widespread.

2. **Management systems** and activities related to the implementation of commitments.



The IRF is explicitly designed to facilitate reporting on company activities - from initial activities such as stakeholder workshops, HCV-HCSA assessments, supplier trainings, mill visits, mill self-assessment, and development of management systems to the use of satellite monitoring systems, certification, supplier due diligence systems, and grievance mechanisms.

3. Degree of **traceability** and/or control in the company’s supply chain.



Advancing through the IRF progress stages from Unknown to Delivering requires companies to acquire and report information about the volumes, mills, and other intermediary suppliers in their supply base. The IRF enables users to attribute progress information to mills, refineries and/or traders. This approach encourages companies to progressively improve traceability while still enabling volume-based progress reporting when full traceability is not yet achieved, or is not feasible given the nature of the supply chain. This is consistent with the guidance of the Accountability Framework, including by encouraging buyers to support and promote improvement across a supplier’s entire business or supply shed from which the buyer might be procuring materials.

4. **Performance relative to company commitments and targets**, including:

- a) progress towards or fulfilment of the commitment or target;
- b) associated on-the-ground outcomes for land use, deforestation/conversion, and human rights



Use of the IRF generates supply chain performance profiles that give companies an overall picture of progress towards achievement of commitments across their business and supply chain. These profiles can be generated quarterly or annually, consistent with the Accountability Framework’s guidance that progress be reported at least once per year. While the IRF is currently a self-reporting tool, a data verification protocol will soon be made available.

The IRF also allows companies to report on outcomes on the ground such as monitoring of HCV and HCS areas and independent verification of supplier compliance with deforestation and conversion commitments.

## Looking ahead

Alignment between the Accountability Framework and IRF provides several benefits to users of both tools:

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For companies using the IRF to assess and demonstrate progress, the Accountability Framework provides clear guidance on the actions required to move through the IRF progress stages and achieve “Delivering” status.

For full IRF guidance and technical documents please visit [www.ndpe-irf.net](http://www.ndpe-irf.net)

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For companies following the Accountability Framework to help establish responsible supply chains, the IRF is a practical tool to report on progress. Because it is closely aligned with the Framework’s best practices and reporting guidance, it brings greater credibility to company reporting, in line with civil society expectations and business requirements of downstream buyers, financiers, and investors.

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Companies, civil society, and monitoring and reporting initiatives are all working to further harmonize and align their targets, metrics, and best practices.

As this process continues, companies will find it easier to demonstrate progress toward ethical supply chain goals in a credible and effective way.