



INITIATIVE FOR RESPONSIBLE CARNAUBA



KEY PERFORMANCE INDICATORS (KPIs)

January to December 2021



giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

On behalf of:



Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety

of the Federal Republic of Germany

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1 BACKGROUND

The Initiative for Responsible Carnauba (IRC) is supporting Carnauba processing companies in Brazil to improve conditions in the Carnauba wax sourcing areas, as well as finding new approaches to the many social and environmental challenges in the associated sector.

Ultimately, the aim is to foster a responsible Carnauba wax supply chain that respects people and helps preserve biodiversity in Carnauba wax producing areas in the unique Caatinga and Cerrado biomes of northeast Brazil.

At the start of the initiative in 2018, environmental and social challenges had come to light in some of the Carnauba wax extraction areas in northeast Brazil, including high rates of deforestation, degradation of local biodiversity, persistent drought, rapid expansion of invasive species, as well as poor working conditions and low pay. These problems are often systemic, with a wide range of factors involved that contribute to the challenges.

The [Initiative for Responsible Carnauba](#) currently includes a variety of stakeholders from local processing companies of Carnauba, international purchasing companies, government and civil society institutions. Stakeholders in the initiative also rely on a network of local experts when specific expertise are needed to tackle social, economic and environmental issues.

The initiative has developed an action plan focusing on good harvesting practices, traceability and transparency of Carnauba wax origins, and shared learning and trainings. A [manual](#) and [videos](#) on good practices targeted at workers were produced with support of the IRC. IRC members also work together to develop projects that will directly benefit the local communities.

2 RESULTS

The IRC is monitoring the results of its promoted actions.

KPIs (Key Performance Indicators) have been defined in a participatory way by the stakeholders involved to monitor progress of members towards their commitments, and other efforts made towards improved living and working conditions of Carnauba

communities and respect of the unique local biodiversity (see Table 1). Members of the IRC are asked to provide information, which is verified by the IRC Secretariat and summarized into a public report, published every year to inform stakeholders of progress.

Table 1 Initiative for Responsible Carnauba–KPIs

Areas of assessment	KPIs
IRC membership	1 Number of IRC members <ul style="list-style-type: none"> ■ Brazilian processing companies ■ Distributors ■ Final product manufacturers/brands ■ Support organizations
Carnauba volumes	2 <i>Carnauba wax purchased in reporting year by distributors and final product manufacturers that are members of the IRC:</i> <p>2.1 Percentage of Carnauba purchased that complies with IRC requirements¹</p> <p>2.2 Percentage of Carnauba purchased as verified or certified against IRC recognized standards</p> <hr/> <i>Carnauba wax sourced in reporting year by Brazilian processing companies that are members of the IRC:</i> <p>2.3 Percentage of Carnauba sourced that complies with IRC requirements</p> <p>2.4 Percentage of Carnauba processed as verified or certified against IRC recognized standards</p>
Working conditions and human rights	3 <p>3.1 Percentage of suppliers involved in the production of Carnauba that complies with IRC requirements sourced by Brazilian processing companies in the IRC</p> <p>3.2 Percentage of suppliers involved in the production of verified or certified Carnauba sourced by Brazilian processing companies in the IRC</p> <p>3.3 Percentage of field workers involved in the production of Carnauba that complies with IRC requirements sourced by Brazilian processing companies in the IRC</p> <p>3.4 Percentage of field workers involved in the production of verified or certified Carnauba sourced by Brazilian processing companies in the IRC</p>
Sustainable use of biodiversity	4 <p>4.1 Percentage of hectares associated with the production of Carnauba that complies with IRC requirements sourced by Brazilian processing companies in the IRC</p> <p>4.2 Percentage of hectares associated with the production of verified or certified Carnauba sourced by Brazilian processing companies in the IRC</p>
Resources invested	5 Estimated value (in Euro €) of IRC members' in-kind and cash investments in Carnauba supply chain improvement actions

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¹ IRC requirements are that Carnauba shall be sourced from a local processing company that has signed the Brazilian regulatory agreement (called the TAC) that ensures basic labour rights, is a member of UEET or equivalent (membership demonstrates certain commitments and six minimum social/environmental requirements + an approved workplan), has demonstrated traceability of Carnauba up to the level of field collectors and family farmers, and has committed to submit to random internal audits of a minimum percentage of their Carnauba products. These are the same requirements for a local company to join the IRC, so Carnauba sourced from an IRC member also meets these requirements.

3 PROGRESS AGAINST KPIS

Information below is for the reporting period January through December 2021 and compared against the prior reporting periods (calendar years 2018 and 2019), when possible.

Information for indicators 2.3, 2.4, 3 and 4 were collected but are not reported to respect confidentiality². One company failed to report in 2021 on indicators 2.1, 2.2 and 5.

Table 2 Progress against KPIS

KPI	Indicator definition	2021	2020
1	Number of IRC members	18	19
	<i>Brazilian processing companies</i>	2	2
	<i>Distributors</i>	7	8
	<i>Final product manufacturers/brands</i>	7	7
	<i>Support organizations</i>	2	2
2	Carnauba volumes		
	2.1 <i>Percentage of Carnauba purchased by distributors or final product manufacturers that complies with IRC requirements</i>	97%	89%
	2.2 <i>Percentage of Carnauba purchased by distributors or final product manufacturers as verified or certified against IRC recognized standards</i>	4.4%	0.03%
5	Estimated annual value (in Euro €) of IRC members' in-kind and cash investments in Carnauba supply chain improvement actions (non-cumulative)	€340.475	€258.729

Some highlights from the results presented above

- One distributor left the IRC in 2021.
- A large part of the private investments are from local companies taking local action. Approximately half of these investments are from local companies' own funds, and the rest is investment received from other companies that are part of the IRC and public funds.
- Purchase of verified or certified Carnauba has begun to slowly start, after a few years' delay.
- Examples of investments in actions for Carnauba supply chains improvements are given below:
 - Distribution of guidance materials to workers.
 - Internal verifications of supply chains to ensure basic responsible principles are guaranteed.
 - Training of workers regarding good collection practices, occupational health and safety, and labor rights.
 - Distribution of PPE such as gloves, protective goggles, safety clothing, and helmets.
 - Contribution to local development projects, including renovation of a school.
 - Actions to control the spread of an invasive species damaging Carnauba forests and natural ecosystems.
 - Environmental education of the supply chain actors and local communities and contribution to local reforestation projects.
 - Implementation of projects for income diversification of local communities.
 - Reduction of the environmental impacts at the level of offices and factories with renewable energy.
 - Fair trade certification.
 - Publication of a case study on the [Initiative for Responsible Carnauba](#).
 - Support and advisory services to IRC members.
 - Time spent in meetings for the IRC.
 - Organization and management of IRC Secretariat.

² The protocol signed by the members of the IRC states that information is shared in an aggregated form, and in a way that cannot be traced back to the organization providing it. This implies that at least three Carnauba processing companies from Brazil need to be involved before information can be reported at their level.



About GIZ and UEBT

This report was compiled by UEBT for the Initiative for Responsible Carnauba.

UEBT is a non-profit association that promotes sourcing with respect. Its mission is to support and validate best practices of companies committed to ethical sourcing and innovation of natural ingredients for the benefit of people and biodiversity.

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Picture references Carnauba palm and collection (*Copernicia prunifera*) © GIZ, Louisa Lösing



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