



INITIATIVE FOR RESPONSIBLE CARNAUBA

KEY PERFORMANCE INDICATORS (KPIs)

January to December 2022

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 is needed to tackle social, economic and environmental issues.

The initiative has developed an action plan focusing on human and workers' rights, good harvesting practices, traceability and transparency of Carnauba wax origins, and shared learning and training. In 2022, the IRC supported the [Safe Carnauba Machines project](#), implemented by UEBT in collaboration with four Carnauba processing companies, with the aim to reduce the risks of injuries of workers (*see cover page and below*).

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.

Cover page: *Refitted beating machine with operators in PPE in use.*

Below: *Training session using a beating machine now fitted with safety guards and warnings.*



PROGRESS AGAINST KPIS

KPIs (Key Performance Indicators – Table 1) 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. 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> <ul style="list-style-type: none"> 2.1 Percentage of Carnauba purchased that complies with IRC requirements¹ 2.2 Percentage of Carnauba purchased as verified or certified against IRC recognized standards <i>Carnauba wax sourced in reporting year by Brazilian processing companies that are members of the IRC:</i> <ul style="list-style-type: none"> 2.3 Percentage of Carnauba sourced that complies with IRC requirements 2.4 Percentage of Carnauba processed as verified or certified against IRC recognized standards
Working conditions and human rights	3 <ul style="list-style-type: none"> 3.1 Percentage of suppliers involved in the production of Carnauba that complies with IRC requirements sourced by Brazilian processing companies in the IRC 3.2 Percentage of suppliers involved in the production of verified or certified Carnauba sourced by Brazilian processing companies in the IRC 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 3.4 Percentage of field workers involved in the production of verified or certified Carnauba sourced by Brazilian processing companies in the IRC
Sustainable use of biodiversity	4 <ul style="list-style-type: none"> 4.1 Percentage of hectares associated with the production of Carnauba that complies with IRC requirements sourced by Brazilian processing companies in the IRC 4.2 Percentage of hectares associated with the production of verified or certified Carnauba sourced by Brazilian processing companies in the IRC
Resources invested	5 Estimated value (in Euro €) of IRC members' in-kind and cash investments in Carnauba supply chain improvement actions

Revised 28 January 2021

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 UEFT 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.

Information in Table 2 is for the reporting period January to December 2022 and compared against the prior reporting period (calendar year 2021). Information for indicators 2.3, 2.4, 3 and 4

were collected but are not reported to respect confidentiality². Information reported covers the companies who were part of the IRC by the cut-off date of 31 December 2022.

Table 2 Progress against KPIs

KPI	Indicator definition	2022	2021
1	Number of IRC members	17	18
	<i>Brazilian processing companies</i>	2	2
	<i>Distributors</i>	6	7
	<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>	91%	97%
	2.2 <i>Percentage of Carnauba purchased by distributors or final product manufacturers as verified or certified against IRC recognized standards</i>	11.4%	4.4%
5	Estimated annual value (in Euro €) of IRC members' in-kind and cash investments in Carnauba supply chain improvement actions (non-cumulative)	€323.444	€340.475

Some highlights from the results presented above

- One international distributor left the IRC in 2022.
- 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: the rest is investment received from other companies that are part of the IRC, or by public funds.
- Purchase of verified or certified Carnauba is slowly taking off, and is mostly driven by purchases from final product manufacturers.
- Examples of investments in actions for Carnauba supply chains improvements in 2022 are:
 - Implementation of the [Safe Carnauba Machines project](#), during which 70 Carnauba beating machines were made compliant with health and safety regulations, reducing risks to the safety of an estimated 400 workers, and 279 workers were trained in health and safety applied to the operation of the beating machine.
 - Training of workers regarding labor rights, good collection practices, occupational health and safety.
 - Distribution of guidance materials to workers and producers.
 - Distribution of PPE such as gloves, protective goggles, safety clothing, and helmets.
 - Internal verification of the supply chains to ensure basic responsible principles are guaranteed.
 - Company supported projects on income diversification, local development, education of local communities.
 - 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.
 - Reduction of the environmental impacts at the level of offices and factories with renewable energy.
 - Fairtrade certification.
 - Support and advisory services to IRC members.
 - Time spent in meetings and activities 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.



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