



# INITIATIVE FOR RESPONSIBLE CARNAUBA

Progress on Key Performance  
Indicators (KPIs)

**JULY TO DECEMBER 2019**



UNION FOR  
ETHICAL  
BIOTRADE

**SOURCING®**  
WITH RESPECT

**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 semi-arid (Caatinga) biome of northeast Brazil.

Environmental and social challenges have come to light in some of the carnauba wax extraction areas in northeast Brazil, including high rates of deforestation (of the native carnauba palm trees), 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** includes a variety of stakeholders from local processing companies of Carnauba, buying companies, international and sustainability standards organisations. Moreover, stakeholders in the initiative can rely on a network of local experts when specific expertise are needed to tackle social, economic and environmental issues.

To date, the IRC has developed an action plan focusing on good harvesting practices, traceability and transparency of Carnauba wax origins, and shared learning and training. The IRC implements promising approaches and tries to involve as many supply chain actors as possible, to increase the participation of suppliers and buyers, and to include social interest groups as well.

## 2 THE RESULTS

The IRC is monitoring the results of its promoted actions. Some KPIs (Key Performance Indicators) are defined in a participatory way by the stakeholders involved.

They concern the socio-economic and biodiversity aspects tackled by the initiative (Table 1). Stakeholders in the IRC are asked to provide information, which is verified and summarized into reports. Reports are drafted every six months to summarise progress. Impact studies will be conducted to assess the impact of the IRC's actions.

Those are to ascertain what are the effects of those actions on the socio-economic and biodiversity conditions in the carnauba collection areas.

At publication date of this report (June 2020) there were 22 members in the IRC. Three of them were Brazilian processing companies, the rest included buyers of Carnauba, a standard organisation and an international organisation. Information reported in the following section covers 19 members that were part of the IRC by the cut-off date of 31 December 2019. Among them, 4 organisations had entered the IRC during the reporting period (i.e. between 30 June 2019 and 31 December 2019) and therefore did not yet have information to report for indicator 3.

**Table 1 Initiative for Responsible Carnauba–KPIs**

Areas of assessment	Aspects to be assessed	KPIs
<b>Overall performance of the Carnauba initiative</b>	Organisations involved	<b>1</b> Number of carnauba local processing companies (in Brazil) member to UEBT/IRC
		<b>2</b> Number of IRC members, divided by trader, manufacturer, final brands users and support organisations
	Resources invested	<b>3</b> Estimated value in Euros of IRC member's investment in carnauba supply chain improvement actions (divided by private and/or public resources)
<b>Socio-economic</b>	Volume Responsible Produced Carnauba (RPC) <sup>1</sup>	<b>4</b> <b>4.1</b> Total volumes (MTs) under the scope of the RPC
		<b>4.2</b> Percentage of RPC as part of the total volume sourced by local processing companies participating in the IRC
		<b>4.3</b> Percentage of RPC compared to total volume of the sector
<b>Socio-economic</b>	Improvement in working conditions	<b>5</b> <b>5.1</b> Number of supply chain actors – local processing companies, local processing companies employees and workers, farm owners, carnauba field workers – benefitted by actions (training, protective equipment, etc.)
		<b>5.2</b> Number of carnauba processing companies employees under the RPC scope
		<b>5.3</b> Number of carnauba processing companies workers under the RPC scope
		<b>5.4</b> Number of suppliers (land owners, subcontractors) under the RPC scope
		<b>5.5</b> Number of carnauba field workers under the scope of the RPC
<b>Biodiversity</b>	Sustainable use of biodiversity	<b>6</b> <b>6.1</b> Hectares under the scope of the RPC
		<b>6.2</b> Percentage of hectares under the scope of the RPC compared to hectares required for production of carnauba of the local processing companies members to the IRC
		<b>6.3</b> Percentage of hectares under the scope of the RPC compared to hectares used by sector as a whole

Approved 29 October 2019, modified 12 June 2019

<sup>1</sup> The group decided to only count as Responsible Produced Carnauba (RPC) the ingredient that is UEBT certified. The group is also opened to consider other different certification schemes to be potentially recognised as RPC for the IRC.

This will be discussed by the group in case new certification schemes are implemented by the IRC local processing companies. The group has already defined that organic certification cannot be counted as this certification scheme doesn't consider social aspects.

# 3 PROGRESS AGAINST KPIS

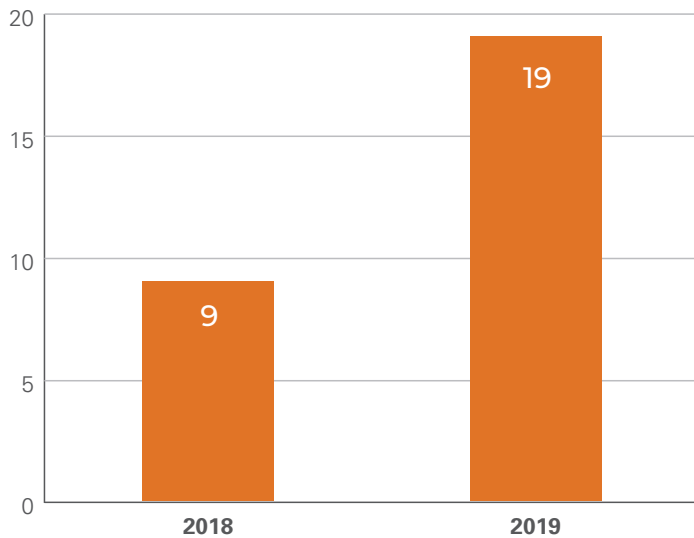
Information below is for the reporting period July through December 2019 and compared against the prior reporting periods, for calendar year 2018 and the first semester of 2019.

Information for indicators 4, 5 and 6 were collected but are not reported to respect confidentiality<sup>2</sup>.

**Table 2** Progress against KPIS

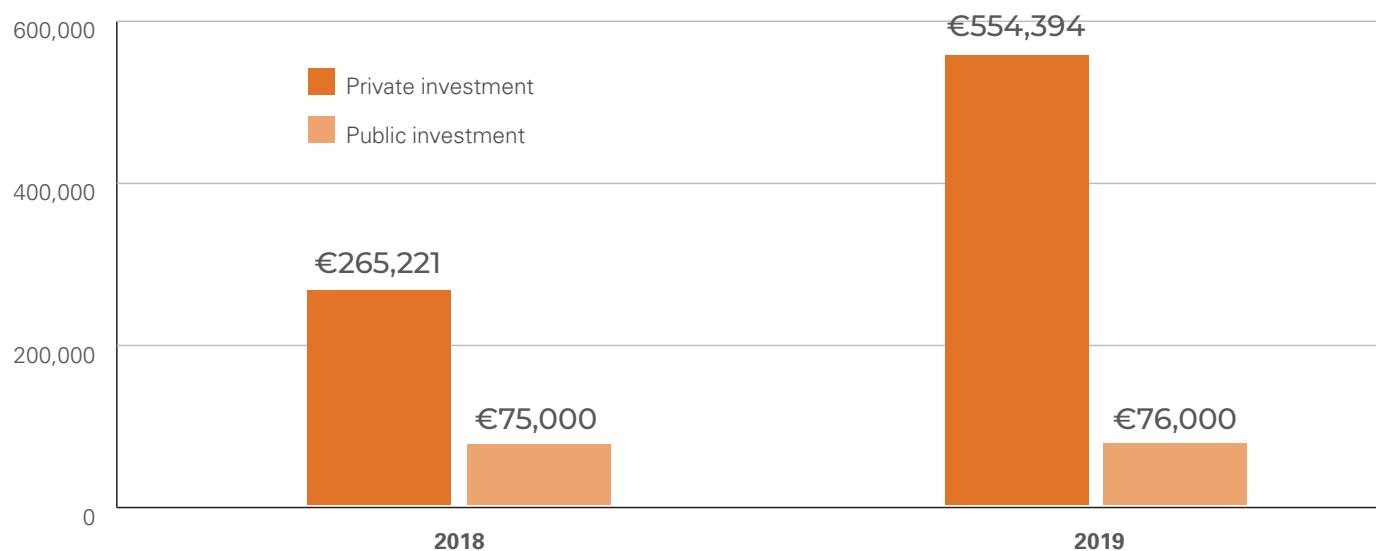
KPI	Indicator definition	2018	2019 1st semester	2019 2nd semester
1	Number of carnauba local processing companies member to UEBT/IRC	1	2	3
2	Number of IRC members	9	15	19
	<i>trader</i>	2	3	7
	<i>manufacturer</i>	5	7	12
	<i>final brand</i>	3	4	6
	<i>support organisation</i>	2	2	2
3	Reported estimated value of IRC members' investment in carnauba supply chain improvement actions			€
	<i>private</i>	€265,221.00	€360,583.62	€193,810.20
	<i>public</i>	€75,000.00	€40,000.00	€36,000.00

**Figure 2** Number of IRC members



<sup>2</sup> The protocol signed by the members of the Initiative states that information is shared in an aggregated form, and in a way that cannot be reconnected to the organisation providing it. This implies that at least three carnauba processing companies from Brazil need to be involved before information can be reported.

**Figure 3** Reported estimated value of IRC members' investment in Carnauba supply chain improvement actions



### Some highlights from the results presented above

- The numbers of IRC members have more than doubled since 2018, both in numbers of local processing companies and other IRC members.
- The private investments have also doubled from 2018 to 2019, while public investments remained at the same level.
- Most part of the private investments is done by the local processing companies in Brazil, with or without the support of their clients.
- Examples of investments in actions for carnauba supply chains improvements are given below:
  - Development of guidance materials (manuals, videos)
  - Training of workers in field, distribution of PPEs
  - Implementation of UEBT Biodiversity Action Plan, including study on invasive species and development of methods to combat the invasive species, and actions for reforestation (through establishment and maintenance of a seed bank, seedling nursery of native species, etc.)
  - Implementation of a research and training center in Brazil
  - Environmental education
  - Fairtrade certification
  - Support and advisory services for IRC members
  - Time spent in meetings and trips for IRC
  - Development of communication materials and marketing
  - Promotion of the IRC (e.g. during events)



## 4 NEXT STEPS

The IRC is discussing the revision of its Joint Agreement, including aspects such as governance of the IRC, membership requirements and transparency. Joint actions are discussed to further improve social and biodiversity aspects in the field.

### About GIZ and UEBT

This report was assembled by Union for Ethical BioTrade (UEBT) for the Initiative for Responsible Carnauba.

**UEBT** is a non-profit association that promotes sourcing with respect. We work to regenerate nature and secure a better future for people through ethical sourcing of ingredients from biodiversity. We aim to contribute to a world in which all people and biodiversity thrive.

**Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH** participates through the Project 'Private Business Action for Biodiversity', commissioned by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) in the framework of the International Climate Initiative.

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### Picture references

Cover: Carnauba Palm (*Copernicia prunifera*) © UEBT. Others: IRC members visit carnauba fields © GIZ, Louisa Lösing.



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