The consultation on this document is open from 15th of April till 15th of July 2020. For more information and to submit your inputs and feedback, please visit the consultation page.
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1. Introduction and Context

Initiatives that aim to improve sustainability performance at a jurisdictional scale\(^1\) are being implemented in regions around the world. Linking these jurisdictional initiatives to supply chains creates potential market incentives for improved performance. This Good Practice Guide helps to ensure that sustainability claims made by jurisdictions and the companies that source from or invest in them are credible.

The Guide lays out good practices and supporting guidance for what needs to be in place to underpin the most common types of jurisdictional claims and communications. It is relevant for any type of communication that is used to inform different end uses, from producer-facing claims to purchasing or investment decisions. The purpose of this Guide is to build alignment and uptake around these good practices to ensure that these sustainability claims and communications are applied rigorously and consistently. As such, the primary audiences for the Guide are the individuals and organisations engaged in the development, implementation, investment and sourcing from jurisdictional initiatives.

There are a wide range of jurisdictional sustainability initiatives currently being developed and implemented. These initiatives are practical collaborations focused on a specific jurisdiction, often with leadership from, or in close collaboration with local governments. In complement to this groundswell of new jurisdictional pilots, a few initiatives are developing frameworks that will guide these pilots and facilitate reporting on progress. This Good Practice Guide is intended to complement and act as a reference for these initiatives, serving as a straw model to stimulate discussion and alignment about what practices need to be in place to ensure credible verification and claims.

Jurisdictional approaches are attractive because they have the potential to address critical sustainability issues such as deforestation, biodiversity and land rights at a scale that is meaningful. However, they are not a standalone solution and should be implemented in conjunction with existing tools like sustainability standards and certification, which provide a framework to exercise control through the supply chain. In jurisdictions that are still making progress on critical sustainability issues, sustainability standards are also an important tool to recognise the improvements and performance achieved by individual enterprises.
2. Scope and Structure

Credible claims and communications are underpinned by good data and information about actions and performance.

As such, this guide focuses on the practices that underpin three types of jurisdictional sustainability claims and the integrity of the data behind those practices:

- Claims made about the process of developing a jurisdictional initiative; **process claims** (section 4)
- Claims made about the actions that supply chain companies take in support of these jurisdictions; supporting **action claims** (section 5)
- Claims made about the performance or results achieved by the jurisdictional initiative; **performance claims** (section 6)

The guide is structured around these three types of claims. Section 3 provides introductory detail about each of the three types of claims.

The subsequent three sections form the core of this guide and lay out, in turn, the actions informing each type of claim, verification guidelines, and implications for the claims that can be made as a result of the actions and verification.
3. Overview of Jurisdictional Claims

3.1. PRINCIPLES

The diversity of sustainability claims and their applications is extensive (e.g. from product claims aimed at customers to reporting on sustainability actions aimed at investors), but those that are credible are grounded in a common core set of principles that ensure they are meaningful and appropriate. These principles are equally relevant to jurisdictional claims and should be considered as a reference point when determining what actions are needed to inform a specific claim.

A credible sustainability claim is one that is:

- **Truthful**: communicates clear, accurate and substantiated information;
- **Relevant**: addresses material or significant sustainability issues and does not distract from more important issues;
- **Proportional**: places the claim in context of the relative scope and scale of progress;
- **Transparent**: makes performance data and information behind claims freely available and accessible; and
- **Robust**: is based on a sufficiently rigorous process that results in good quality, trustworthy data.

3.2. TYPES OF CLAIMS

While there are many different types of sustainability claims that can be made about jurisdictional initiatives, we have grouped these claims into three categories as defined in the scope. These claims are made primarily by the jurisdictional initiatives themselves or by the companies and institutions that support them. Some of these claims are directly about progress made (e.g. about the process being implemented or performance improvements achieved), while others characterise the actors involved (e.g. being a ‘committed’ sourcing area or ‘committed’ sourcing company):

3.2.1. PROCESS CLAIMS

Bringing about sustainability improvements at a jurisdictional scale can be a long-term endeavour that requires coordinated action among a range of stakeholders, including local governments. Jurisdictional initiatives are interested to make claims about the progress that is being made in the development of their initiative. Sourcing companies might also want to communicate about their support for a jurisdictional initiative in development. These latter claims are covered under the section on company action. While this is not yet about sustainability performance or improvement, claims about the process can inform commitment and likely success of the jurisdictional initiative.
Additionally, jurisdictional initiatives and the entities that support them (e.g. sourcing companies, investors, etc.) may seek to make more general claims about performance, such as being responsible or sustainable. While these terms are largely subjective and their credible application limited to very specific cases, they can broadly be defined as follows:

- **Responsible**: we are addressing critical sustainability issues in the jurisdiction and have a path to further improvement; and
- **Sustainable**: we meet high standards of sustainability performance for all material issues in the jurisdiction.

More information about monitoring and verification of practices and the prerequisites required to use these types of claims is presented in section 6.

### 3.2.2. SUPPORTING ACTION CLAIMS

This set of claims applies to entities such as sourcing companies, financial institutions, governments and NGOs that are taking action to support improved sustainability performance in jurisdictional initiatives:

- **Contribution**: we support improved practices in a measurable way, through a defined set of interventions;

- **Committed sourcing company**: we are meaningfully supporting a jurisdictional initiative to improve;

- **Anecdotal / story**: we are sharing an example of change that our actions have brought about; and

- **Attribution**: our actions have resulted in specific, measurable improvements in sustainability performance.

More information about the types of actions taken and verification of practices required to inform the use of these types of claims is presented in section 5.

### 3.2.3. PERFORMANCE CLAIMS

Performance claims are about reporting on outcomes that have been achieved. These are the claims that sourcing companies are most interested in as they represent concrete sustainability performance improvements. Reporting on outcomes can be accomplished in a number of ways, the most common of which are claims about:

- **Improvement**: we have made progress relative to a baseline (% improvement over time); and

- **Absolute performance**: we have achieved an absolute status of progress measured against a sustainability target.
### 3.2.4. EXAMPLES OF JURISDICTIONAL SUSTAINABILITY CLAIMS

The following table presents examples of each of the 11 types of claims described above.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>TYPE OF CLAIM</th>
<th>DEFINITION</th>
<th>EXAMPLE CLAIM BY JURISDICTIONAL INITIATIVE</th>
<th>EXAMPLE CLAIM BY SOURCING COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROCESS</td>
<td>Engagement</td>
<td>Statement reflecting engagement in development of a jurisdictional initiative</td>
<td>We are developing a jurisdictional initiative</td>
<td>We are supporting the development of a jurisdictional initiative</td>
</tr>
<tr>
<td></td>
<td>Committed</td>
<td>Statement based on jurisdictional initiative having established governance and implementation plans</td>
<td>We are committed to a jurisdictional improvement process to meet defined sustainability goals</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Sourcing</td>
<td>Monitoring</td>
<td>We are in a position to measure improvements against timebound milestones</td>
<td>N/A or possibly: we are supporting credible measurement of progress</td>
</tr>
<tr>
<td>SUPPORTING ACTION</td>
<td>Contribution</td>
<td>Related to actions taken that contribute to progress in the jurisdictional initiative</td>
<td>N/A</td>
<td>We supported training of 500 smallholders in better production practices</td>
</tr>
<tr>
<td></td>
<td>Committed</td>
<td>Based on a company have taken action at a sufficient scale to show commitment to support jurisdictional improvement</td>
<td>N/A</td>
<td>We are committed to support improved performance in the jurisdiction through preferential sourcing and financial support for producer training</td>
</tr>
<tr>
<td></td>
<td>sourcing</td>
<td>Anecdote</td>
<td>A story that recounts an entity’s contribution and, potentially, the results achieved</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>company</td>
<td>Attribution</td>
<td>Claim that an entity’s intervention resulted in a change in outcomes or impacts</td>
<td>N/A</td>
</tr>
<tr>
<td>PERFORMANCE</td>
<td>Improvement</td>
<td>Progress statement about the change that has resulted relative to a baseline or target</td>
<td>Deforestation has been reduced by 75% in the last 5 years</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Absolute</td>
<td>Factual statement of specific performance levels, potentially placed in context</td>
<td>15,000ha were deforested in 2019. This is lower than harvest levels in other regions</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>performance</td>
<td>Responsible</td>
<td>Jurisdictional initiative meets acceptable performance levels for critical sustainability issues</td>
<td>We have met performance targets for all critical sustainability issues and have a path to further progress</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sustainable</td>
<td>Jurisdictional initiative meets good performance levels for all material sustainability issues</td>
<td>We meet high standards of sustainability performance for all critical sustainability issues</td>
</tr>
</tbody>
</table>
4. Process Claims

Process claims recognise the steps that jurisdictional initiatives have taken to engage stakeholders and put in place the structures, management systems and monitoring frameworks that are necessary to ensure coordinated action to improve sustainability performance in a jurisdiction.

While the process of developing and implementing a multi-stakeholder jurisdictional initiative is varied and context-dependent, there are a number of common elements that should be in place as prerequisites for effective implementation of the jurisdictional initiative. These elements are often developed progressively as a jurisdictional initiative matures and are grouped here into three categories: governance, planning and monitoring.

4.1. Characteristics of Jurisdictional Processes

4.1.1. Governance

All jurisdictional initiatives need to have a multi-stakeholder governance structure and operating agreements in place to effectively manage the development and implementation of the initiative. The elements of a credible operating structure include:

- **Scope**: the initiative has clearly defined its scope and geographical boundaries;
- **Coordinating body / Secretariat**: there is a legal entity that is responsible for managing the jurisdictional initiative and its activities;
- **Stakeholders**: there is a transparent process to engage stakeholders in a bottom-up multi-stakeholder development process, that builds from a mapping of interested stakeholders;
- **Governance**: there is a clear and transparent governance process that includes defined roles, responsibilities and decision-making for different groups and stakeholders;
- **Dispute resolution**: there is a transparent, independent and reliable process to receive and assess complaints and to take effective action;
The monitoring framework consists of a number of elements including what is being measured, the sources of data for doing so, and the system for managing the data:

- **Metrics**: a set of metrics have been defined that will enable meaningful assessments of progress towards targets and milestones on each of the defined material issues;

- **Data sources**: there is a list of information sources from which to derive insights about metrics performance. This can include both primary and secondary sources of data;

- **Data management system**: there are data governance systems and procedures in place to credibly gather, store, analyse and use the data that is collected;

- **Baseline data**: a baseline assessment of the state of performance at the outset of the jurisdictional initiative has been completed. Performance improvements will be measured against this baseline; and

- **Reporting progress**: there is a reporting framework for communicating out accessible information on a regular and recurring basis about results achieved and future actions to be taken.

### 4.2. PROCESS VERIFICATION

Verification of the process is about determining if there are sufficient structures and procedures in place for the jurisdictional initiative to effectively manage the development and implementation of its approach. This is akin to a management system review whereby verification consists primarily of a review of documentation of these procedures. This ‘review’ can be achieved either through transparency, in which the jurisdictional initiative makes these documents easily and publicly accessible (e.g. through its website) or through a formal review of the documentation by a second (related) or third (independent) party.

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**Agreement**: There is a Memorandum of Understanding or equivalent between lead participants that defines the intent of the jurisdictional initiative and what each signatory commits to; and

**Transparency**: Information about the structure, agreements, financing and actions of the initiative are made easily and publicly accessible.

### 4.1.2 PLANNING

The second component of the process sees jurisdictional initiatives develop the workplan and progress framework.

The elements of an effective planning process include:

- **Materiality assessment**: the initiative leads a stakeholder process to define and document which sustainability issues will be addressed based on their relevance and importance in the jurisdiction;

- **Progress framework**: a framework is developed through a multi-stakeholder process that includes clear impact goals or outcomes, timebound targets and milestones;

- **Action plan**: there is an action plan that lays out steps to be taken to meet milestones and outcomes. The plan includes roles, responsibilities, timelines, a budget and identification of resources needed; and

- **Land use planning**: there is collective agreement to work towards a jurisdictional land use plan with defined objectives, including the aim of having the plan formally adopted by relevant levels of government or codified into law, where necessary.

Ideally, all of these documents are made publicly available and accessible for stakeholders. In the planning stage it is already useful for stakeholders to consider the types of sustainability performance claims they would like to make as that will influence how the performance targets are set so that they match the ambition of the claims. Equally, setting expectations on company actions within the jurisdiction is also useful at this stage.

### 4.1.3. MONITORING

The final component of the development process involves putting in place an appropriate monitoring framework for measuring performance improvements across the jurisdiction.

The monitoring framework consists of a number of elements including what is being measured, the sources of data for doing so, and the system for managing the data:
The following evidence can be provided as a basis for evaluation:

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>REQUIREMENT</th>
<th>DESIRED OUTCOME</th>
<th>POSSIBLE EVIDENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GOVERNANCE</strong></td>
<td>Scope</td>
<td>Scope and boundaries of the initiative are clearly defined</td>
<td>- Statutes document</td>
</tr>
<tr>
<td></td>
<td>Secretariat</td>
<td>There is a legal entity responsible for managing the initiative</td>
<td>- Legal registration papers</td>
</tr>
<tr>
<td></td>
<td>Stakeholders</td>
<td>Stakeholders have defined opportunities to contribute to the initiative</td>
<td>- Operating procedures - Stakeholder map - Notes from stakeholder meetings - Records of how stakeholder input has been taken into account</td>
</tr>
<tr>
<td></td>
<td>Governance</td>
<td>Governance processes, including representation and decision-making, are clear and transparent</td>
<td>- Governance structure - ToRs and membership of governance bodies - Operating procedures / Code of Conduct</td>
</tr>
<tr>
<td></td>
<td>Dispute resolution</td>
<td>Stakeholders have a means to register their complaints and have these considered</td>
<td>- Dispute resolution mechanism - Records of complaint resolutions</td>
</tr>
<tr>
<td></td>
<td>Agreement</td>
<td>Stakeholders commit to an MoU (or similar) committing to collaboration</td>
<td>- Memorandum of Understanding (MoU) or similar agreement</td>
</tr>
<tr>
<td></td>
<td>Transparency</td>
<td>Key elements of the governance structure and action framework are reported openly</td>
<td>- Structure and process, including above documents, made freely and easily accessible on website or similar means</td>
</tr>
<tr>
<td><strong>PERFORMANCE</strong></td>
<td>Materiality assessment</td>
<td>Key sustainability issues of most relevance or risk in the jurisdiction identified by local stakeholders</td>
<td>- Materiality assessment - Confirmation of local stakeholder participation in the assessment process</td>
</tr>
<tr>
<td></td>
<td>Progress framework</td>
<td>Clear measures for what the jurisdictional initiative is intending to achieve with interim milestones</td>
<td>- Progress framework</td>
</tr>
<tr>
<td></td>
<td>Action plan</td>
<td>Agreed plan of action to achieve the defined goals and outcomes</td>
<td>- Action plan, including roles, responsibilities, timeline, budget and resourcing</td>
</tr>
<tr>
<td></td>
<td>Land use planning</td>
<td>Visual geospatial representation of proposed land use changes</td>
<td>- Land use planning agreement, with defined objectives including intended future legal standing</td>
</tr>
<tr>
<td><strong>MONITORING</strong></td>
<td>Metrics</td>
<td>Key sustainability issues of most relevance or risk in the jurisdiction identified by local stakeholders</td>
<td>- Materiality assessment - Confirmation of local stakeholder participation in the assessment process</td>
</tr>
<tr>
<td></td>
<td>Data sources</td>
<td>A set of measures enable monitoring of progress on material issues</td>
<td>- Jurisdictional metrics, with supporting detail (6.1.1)</td>
</tr>
<tr>
<td></td>
<td>Data management</td>
<td>Quality of the data collected is sufficient to enable meaningful conclusions to be drawn</td>
<td>- Data management system procedures, including data governance protocols, to ensure effective collection, storage, analysis, and use of data</td>
</tr>
<tr>
<td></td>
<td>Reporting progress</td>
<td>Performance against the prioritized sustainability issues are communicated regularly</td>
<td>- Reports framework for communicating about performance improvements</td>
</tr>
</tbody>
</table>
4.3. PROCESS CLAIM PREREQUISITES

Process claims can be made by jurisdictional initiatives or by companies and other entities participating in or supporting the development of these initiatives. The key question for process claims is how much progress across the governance, planning and monitoring components needs to be achieved for a credible process claim to be made:

- **Engagement**: we are supporting or participating in development of a jurisdictional initiative
  - Applies to all stakeholders participating directly in a jurisdictional initiative, as well as companies that participate in or support the initiative.
  - Process claims that are about supporting or participating in an initiative can be made once at least the governance elements (4.1.1) of a jurisdictional initiative are in place.

- **Committed sourcing area**: our process is sufficiently well-developed to show we’re serious about improving sustainability performance and we have a plan to do so
  - Applies to jurisdictional initiatives.
  - A jurisdictional initiative would need to have the governance and planning elements (4.1.1 and 4.1.2) in place before they would be considered to be a committed sourcing area. This recognises that the jurisdictional initiative has the structures, systems and procedures in place to start to make progress towards its performance targets.

- **Monitoring**: we have a monitoring system in place to measure future improvements in sustainability performance against timebound milestones (a structured improvement process)
  - Applies to jurisdictional initiatives. The monitoring system can be implemented by the jurisdictional initiative or outsourced in order to mitigate for potential conflicts of interest.
  - Claims related to monitoring require the jurisdictional initiative to have the systems in place to measure progress (4.1.3). While these claims are not yet about the actual progress being made, they are based on having timebound performance targets and a framework for collecting data against defined metrics that enables meaningful assessments of progress towards those targets.

- **Committed sourcing area**: our process is sufficiently well-developed to show we’re serious about improving sustainability performance and we have a plan to do so
  - Applies to jurisdictional initiatives.
5. Supporting Action Claims

While process and performance claims are focused on progress that is happening in a jurisdiction, sourcing companies, investors and other entities may also seek to make claims about how they are supporting that jurisdiction to improve.

There are a broad range of actions that these entities can take to strengthen the ability of a jurisdictional initiative to make progress, ranging from supporting the development of the jurisdictional process itself to financing to capacity building activities with enterprises within the jurisdiction. The range of possible actions are described here, along with how these actions can be verified and the types of claims that these entities can make, including what it means for companies to be considered a ‘committed’ sourcing company.

5.1 RANGE OF ACTIONS

Sourcing companies, investors and other entities will have to make decisions about where and how to engage, to support jurisdictions to improve. Factors that influence that decision include how important the jurisdiction is as a production region for specific commodities, investment opportunities, extent to which it is a supply shed for a sourcing company, and how big a player that company is among those that source from the jurisdiction. While the range of specific actions is varied, they can be categorised as follows:

- **Funding**
  - for a specific action in the landscape;
  - for the entire jurisdictional initiative;

- **In-kind support to jurisdictional initiatives**
  - Expertise and staff resources;
  - Supporting and measuring progress;
  - Communications and visibility;

- **Preferential sourcing**
  - Longer-term sourcing contracts;
  - Price floors or premiums;
  - Better upfront financing.
Verification of supporting actions is primarily about documenting whether a proposed action has been undertaken, though there are some cases where claims can be about future commitments, such as a company’s forward commitment to preferential sourcing from a jurisdiction. Ideally, these commitments are made publicly available, recognising that there may be challenges with data confidentiality and with antitrust regulations. Where information is able to be made public, verification of the actions is a process of comparing what has been achieved with the commitments made.

Much like verification of process claims (section 4), the verification of supporting actions will consist primarily of a review of documentation of these actions and comparison against the commitments. This ‘review’ can be achieved either through transparency, in which the company makes these documents easily accessible (e.g. through its website) or through a formal review of the documentation by a second (related) or third (independent) party. Where there are concerns about data confidentiality, competitive interests, or antitrust requirements, data rights disclosure agreements offer one solution. A formal and independent review, in which only the results are then made available, can also contribute to the confidentiality of raw information provided.

The following evidence can be made publicly available or used as inputs to a formal assessment:

<table>
<thead>
<tr>
<th>TYPE OF ACTION</th>
<th>TYPE OF EVIDENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUNDING FOR ACTION IN THE LANDSCAPE</td>
<td>– records of the amount and nature of investment</td>
</tr>
<tr>
<td></td>
<td>– signed agreements with implementers in the landscape</td>
</tr>
<tr>
<td></td>
<td>– other records of the activities such as workshop reports or meeting agendas</td>
</tr>
<tr>
<td>FUNDING FOR THE JURISDICTIONAL INITIATIVE</td>
<td>– records of the amount and nature of investment</td>
</tr>
<tr>
<td></td>
<td>– signed agreements with the jurisdictional entity</td>
</tr>
<tr>
<td>EXPERTISE AND STAFF RESOURCES</td>
<td>– job descriptions for staff seconded to a jurisdiction</td>
</tr>
<tr>
<td></td>
<td>– contracts with external experts</td>
</tr>
<tr>
<td></td>
<td>– records of in-kind support such as pro bono legal advice</td>
</tr>
<tr>
<td>SUPPORTING AND MEASURING PROGRESS</td>
<td>– monitoring methodology</td>
</tr>
<tr>
<td></td>
<td>– records of resources or contracts for data collection</td>
</tr>
<tr>
<td>COMMUNICATIONS AND VISIBILITY</td>
<td>– media articles, blog posts, and/or statements posted on a website</td>
</tr>
<tr>
<td>PREFERENTIAL SOURCING</td>
<td>– records of volumes of a particular commodity sourced from the jurisdiction</td>
</tr>
<tr>
<td></td>
<td>– contracts for future purchases from the jurisdiction with preferable terms</td>
</tr>
</tbody>
</table>
5.3. SUPPORTING ACTION CLAIM PREREQUISITES

ATTRIBUTION

Supporting action claims are significantly more challenging to make if a company or other stakeholder seeks to link its interventions or support to performance improvements in the jurisdiction. In theory, this causal link between actions taken and long-term outcomes or impacts achieved can be assessed through formal impact studies, potentially with counterfactuals, to show what would have happened in a similar situation with no company intervention. However, in practice such linkages can be difficult to prove due to a variety of methodological challenges, not to mention the time and cost involved in conducting these studies.

There are three approaches that a supporting entity can take to attribution:

– **No causal link**: Most commonly, entities will make claims or statements about the nature of their intervention and, independently, can communicate about the performance improvements in the jurisdiction as per guidelines in the performance claims section. However, this creates a high potential for ambiguous communication that should be avoided, e.g. that the company presents information in a way that implies a causal link.

– **Contributed to**: Entities can state that their intervention contributed to improved performance (on a specific issue) if they have collected data about the causality of the improvement, e.g. by interviewing workers on why changes were made.

– **Resulted from**: Entities seeking to make claims of attribution about their interventions and the resulting performance improvements need to have data from formal impact assessments that show causality and ideally draw conclusions based on the use of a counterfactual example.

COMMITTED SOURCING COMPANY

One final claim that a sourcing company in particular can seek to make is that they are ‘committed’ to supporting a jurisdictional initiative or initiatives. This statement of commitment is the jurisdictional equivalent of a ‘committed sourcing area’. Expectations of committed sourcing companies go beyond just making purchases from the jurisdiction. Sourcing company also needs to take a series of steps to show they are committed:

### CONTRIBUTION

Companies, investors and other entities can make claims about the contributions they are making through specific activities, processes, investments, or participation in jurisdictional initiatives. Entities that are seeking to make claims related to these actions should:

– ensure that the action contributes to the outcomes agreed by the jurisdictional initiative;

– ensure that it is part of the agreed and documented action plan;

– be a signatory to the jurisdictional MoU; and

– where the interventions are ongoing, publish information at least once a year that summarises these actions.

While not part of the contribution claim itself, it is also important to understand whether the contribution made by a company is consistent with its other operations. For example, companies should not benefit from the sustainability halo associated with specific contributions if these are overshadowed by irresponsible practices in other parts of a company’s supply chain or sourcing.

### ANECDOTE OR STORY

Anecdotal stories about specific examples of an action and the change that has resulted are common in company communication materials. Stories about the actions taken by a company are similar to contribution claims and should be given the same considerations as described in the previous section.

Stories that seek to link the action with any changes that have resulted need to be able to make a causal link between the action and the result. Where the result is an immediate output from the action, no additional effort is required to draw the causal link, e.g. we supported training of 500 smallholders which strengthened their knowledge of good agricultural practices. However, where the proposed link is between an action and longer-term outcomes or impact (such as that the decreases in soil erosion and chemical use resulted from the training), the attribution considerations in the next section need to be taken into account, including collection of supplemental data through formal studies.
– Understand and document where they source from and in what volumes, as well as the sustainability hotspots and priorities in those jurisdictions.
  • This will require that the company has instituted some form of traceability system to map the origins of its supplies. This mapping will also help the company to understand how significant the jurisdiction is within its sourcing portfolio, as well as how significant a player they are in that jurisdiction;

– Define and communicate the commitments they are making, e.g. preferential sourcing, financial incentives, non-financial. This should include the size of investments and timescale over which the investment is made; and

– Be transparent about the jurisdictions they source from and the commitments they have made, as well as any investment or participation in jurisdictional processes beyond support to projects.
  • The extent of a company’s combined sourcing commitments and additional investment in a jurisdiction needs to be assessed against the volumes sourced from that jurisdiction and the relative importance of the jurisdiction as a sourcing region for the company.
  • A sourcing company can be ‘committed’ in the context of a single jurisdiction if the investment is commensurate with the company’s sourcing volumes, but can also be ‘committed’ if the entirety of their investments across all the jurisdictions from which they source are commensurate with the overall scale of their sourcing.
6. Performance Claims

Performance claims reflect the status of sustainability performance or the improvements that have been achieved within a jurisdiction, including progress towards defined goals and targets.

There are many different ways in which performance and progress can be reported and we have categorised these broadly into improvement claims and claims of absolute performance. Improvement claims measure and communicate a change in performance, most often against a baseline or as progress towards a target, while absolute claims are about the actual measure of performance at a point in time. We also consider what is necessary to employ more subjective claims like ‘responsible’ and ‘sustainable’. Good practices that underpin a credible monitoring process are described in section 6.1.

Verification of the quality and integrity of the monitoring process and of the data that is collected are then explored in section 6.2.

6.1 PERFORMANCE MONITORING

The veracity of jurisdictional performance claims is informed by the quality of the monitoring process, specifically the quality and relevance of the data that is collected, how well it is collected and managed, and the way that conclusions are drawn from the data.

6.1.1. METRICS

Metrics are what gets measured. To be effective at measuring changes in performance, metrics must be chosen that will reflect performance at the jurisdictional level and that will provide direct or proxy information about progress towards the defined goals and targets. Given that it is likely to take some time before measurable progress can be seen at a jurisdictional scale, these metrics can be supplemented by metrics that are relevant for more granular, project-level interventions, such as is commonly defined in sustainability standards, where progress might be more immediately visible.

Appropriate metrics for assessing performance improvements relative to targets should:

- measure specific elements of defined goals and targets;
be standardised and applied consistently to facilitate comparability of findings over time and between initiatives;

be sensitive enough to detect relevant changes from a baseline state;

be consistent with SMART guidelines (i.e., specific, measurable, attainable, relevant, and time-bound) so that they can be objectively measured;

be cost efficient and simple enough that they do not require a high level of technical expertise to assess; and

be defined in quantitative terms whenever appropriate but supplemented by qualitative information, when necessary.

6.1.2. DATA SOURCES

Collecting good data is challenging without good data sources. A data source is often an existing set of data collected by a secondary entity like a regional or national government or an academic institution. The accessibility of these data sources needs to be weighed against the quality, relevance and timeliness of the data. An available data source that doesn’t give up-to-date insights on the metrics that are being measured is not of much value.

Data sources for monitoring should be appropriate to the commodity, geography, and production context, and to the nature of the issues being assessed. This may require collection of primary data in some cases where relevant secondary data sources do not exist. The following factors should be taken into account when choosing which data sources to work with:

Relevance: First and foremost, the data must be relevant to the issues, targets and metrics that have been defined by the initiative.

Integrity: This is indicative of the quality of the data. Reliability of the data is based on whether it comes from a reputable source that is resourced to collect the data, how complete the data set is, the quality of the data (how much cleaning or processing is required), and whether there is historical data that gives insight to the consistency of the data over time.

Resolution: The appropriate resolution for a data source depends on a number of factors including how well it matches up with the jurisdictional boundaries and the resolution at which the related sustainability issue is meaningfully measured (e.g. water stress or availability can be measured across a jurisdiction while incidences of child labour require data collected at a production unit or community scale).

Coverage: The data source should provide high quality data (i.e. no missing data attributes or elements) across the jurisdiction, potentially based on sampling. Ideally it would be part of a broader data set that could allow for comparison of performance across jurisdictions.

Timeliness: The data source includes up-to-date data. The frequency of updating (intermittency of measure) is sufficient that the data’s relevance is maintained over time. Appropriate frequency will vary depending on the nature of the issue and the metric, with data being updated anywhere from close to real time to once every few years.

Cost and availability: This is often the most significant trade-off as data sources that are free and easily accessible may not be reliable or relevant enough to be of value. The alternative is to invest in primary collection of relevant data. However, where the costs of this would be significant, available data that is of limited value is sometimes better than no data. In these cases, the limitations on the relevance and reliability of the data need to be made explicit.

When determining which data sources to use, it can be a useful exercise to rank each of the potential data sources based on the extent to which they fulfil each of the above criteria.

6.1.3. DATA COLLECTION

The goal of data collection is to ensure the quality of the data that is collected by employing a consistent and appropriately robust approach to monitoring. A consistent approach to monitoring is based on defining, documenting, and following a protocol or methodology for data collection, cleaning, organising, and storage. Monitoring methodologies should be made publicly available and published alongside the data themselves. The methodology should take note of any differences in approach between managing primary data collection and managing secondary data collection.

For each sustainability issue, monitoring should take place at intervals that are sufficient to assess progress against a baseline, targets and goals, while also being frequent enough to capture any negative changes in performance. The frequency and intensity of monitoring or data collection for any given issue is dependent on a few related factors:
the significance or materiality of the sustainability issue in the jurisdiction;

the rate of change in performance for that issue;

the scale at which data collection is feasible (and commensurate costs); and

the nature of the data sources available (including how frequently the data is updated).

Ideally, the frequency with which data sources are updated matches the frequency with which performance needs to be monitored. Where this is not the case, primary data collection or identification of additional secondary data sources might be needed to supplement existing data sets.

6.1.4. PERFORMANCE MONITORING DOCUMENTATION

In support of consistency and quality, the entity responsible for measuring performance (e.g. often but not always the jurisdictional initiative) should maintain a register of all metrics and commensurate data sources that includes the following information for each metric:

- The metric itself;
- Data sources for that metric;
- Any restrictions on use of the data, e.g. from licenses attached to the data;
- Description of the data to be provided, including data formats and who is the originator of the data;
- Time period covered and intermittency of measure;
- How the data is analysed or synthesized to arrive at a measure of the metric;
- Any limitations on the quality or veracity of the data sources.

In addition to a register of metrics and data sources, the responsible entity should define a data collection and management methodology that will support consistency and competence in data collection. This methodology applies in particular to primary data collection but is relevant also for interrogating the quality of secondary data sources. This methodology should include:

- The frequency and intensity of data collection required, and the resulting sampling methodology, e.g. how intensive the sampling needs to be;
- Definition of who collects the data and at what level of granularity;
- Knowledge and skills required of the data collectors (and any evaluation of this competence);
- Whether data is validated by local stakeholders;
- Any special considerations for the collection and recording of baseline data;
- How the data is recorded (to support consistency of data);
- How data quality is evaluated and how shortcomings are addressed (data gaps, poor quality, inconsistent data), including how data is cleaned;
- Data governance, including how and where data is stored, who is responsible for it, how its integrity is maintained, and who has rights to use it; and
- Data privacy, impartiality and confidentiality at collection, storage, analysis and use stages.

6.2. PERFORMANCE VERIFICATION

Performance verification is about assessing the integrity of data and how the data are analysed or summarized to report performance or progress. Jurisdictional initiatives are likely to carry out their own monitoring and data collection but the users of that data – sourcing companies, financing institutions, NGOs, and governments – may require external verification to ensure its quality. Verification can be carried out by a variety of entities, from formal certification bodies to sufficiently qualified NGOs or second-party organisations. Qualifications for verification entities are described in the sections below.

While it is most common to employ assessors or verifiers to conduct assessments, it is also possible to assess the integrity of the performance data through increased transparency of the monitoring methodology, data and analysis. By making this information publicly available, stakeholders and the general public have the opportunity to carry out their own assessments by interrogating the data and drawing their own conclusions. However, this approach is limited by the knowledge and competence of lay stakeholders to make meaning from the data and to be able to draw conclusions about the adequacy of the monitoring system. Regardless of this limitation, it is still useful for jurisdictional initiatives to make more of their monitoring data publicly available.
6.2.1. WHAT TO VERIFY

Verifying the integrity of monitoring data and how that data is analysed is a recommended step in all cases where claims are made about sustainability performance. Verification will assess the quality of the data that is collected as well as the integrity of the monitoring process. First, the quality of the monitoring data can be assessed by the extent to which it meets the following parameters (see also 6.1.2):

- **Relevance**: Data collected are good measures of the issue and are applied at the appropriate scale;
- **Integrity**: Data are protected from deliberate bias or manipulation for political or personal reasons. The source of the data has a high degree of veracity;
- **Consistency**: Data are collected consistently in the required formats. Definitions and methodologies are the same when doing repeated measurements over time;
- **Resolution**: Data have sufficient detail to measure what is intended; and
- **Coverage**: Data are complete (i.e. no missing data attributes or elements);
- **Timeliness**: Data are representative of current conditions, up-to-date, and available when needed.
- **Availability**: Data are accessible, so they can be validated and used for other purposes.

Second, in terms of the monitoring process, the following elements should be included in the verification assessment:

- Integrity of the process to define the metrics against which to assess performance (are they representative of the critical sustainability issues within the jurisdiction?);
- Relevance and integrity of the data sources;
- Sufficiency of the monitoring methodology and supporting documentation (see 6.1.4);
- Extent to which the monitoring methodology is implemented in practice;
- Credibility of the analysis of the data sets to draw conclusions about jurisdictional performance; and
- Accuracy in how the conclusions from the analysis are communicated.

6.2.2. HOW TO VERIFY

Verification of performance data and of the monitoring process should be rigorous enough to provide a sufficient level of confidence in the quality and reliability of the conclusions drawn from the data. Since it is challenging to prescribe one verification approach for all situations, it is important that all verification approaches strive to align with the following principles:

- **Consistency**: A documented methodology and decision-making protocol are applied for making determinations of the integrity of the monitoring process and data. The verification methodology should include steps for how the monitoring process and data quality are assessed, as per the elements in 6.2.1.
- **Competence**: Verification auditors or evaluators have the appropriate skills, knowledge, experience, and expertise for the topics and context being verified. Qualifications can be based on the following elements:
  - Content or subject matter expertise, e.g. with natural resource conservation assessments
  - Knowledge of data collection tools and procedures, including data analytics
  - Understanding of the verification procedures
  - Project management skills, including good communication and stakeholder facilitation
  - Personal qualities, such as being ethical, open-minded, a critical thinker and problem-solver, diplomatic, observant, perceptive, versatile, professional, respectful, and having a high level of professional judgement and scepticism. These qualities help to build trust with stakeholders
  - Fluency in relevant languages
- **Impartiality**: People or organisations are free from affiliation or relationships that could impair their objectivity. This applies to the impartiality of both the data collectors and data managers, and the individuals carrying out the verification.
  - Threats to impartiality can arise from the following sources: personal benefit, personal loyalty (to the company or jurisdictional actors), financial incentives, and lack of independence (checking your own work).
**Transparency**: Relevant information resulting from the verification assessment is made available in a manner that is accessible and understandable by interested stakeholders. Being transparent helps to foster external review and scrutiny of the verification process. Among the types of information that can be made available are:

- Monitoring and verification procedures, including methodologies or approaches taken, and metrics and data collection tools used.
- Information related to grievance mechanisms, including a summary of grievances received, status and outcomes.

Verification of the integrity and quality of the performance data and monitoring process is primarily a desk-based exercise. However, if the assessment process identifies shortcomings in the data itself or in how the data was analysed or managed, then further interrogation may be required. This should include correlating the data or any questionable results by cross-referencing it with other sources of data. Where other, appropriate secondary sources of data do not exist, this may require additional primary data collection through low-level sampling.

### 6.2.3. INTENSITY OF VERIFICATION

While a basic level of verification is always recommended to assess the integrity of the data and conclusions, the intensity and independence of that verification process can vary depending on the intended use of the data, such as what claims are to be made. The following adaptations to the verification approach are recommended based on how the monitoring data is intended to be used:

**Low consequence** (e.g. monitoring data is used for internal tracking of progress):

- no additional external (independent, third-party) verification of the monitoring data is required. The entity seeking to use the monitoring data can employ internal or second-party evaluators to review its quality.

**Medium consequence** (e.g. performance improvements are publicly communicated through an online performance dashboard):

- External verification is required though the intensity of that verification can be quite light. The intention is primarily to provide a second set of eyes to ensure the monitoring process is sufficiently robust.
- The verification assessment can be conducted by second-party assessors (e.g. employees of the company seeking to make a claim or an investment decision) but the assessors should not have any links to the jurisdictional initiative or to the monitoring that has taken place.

- The assessment should involve some ground-level sampling of the monitoring data to ensure it is accurate, as well as a review of how that data was analysed to draw conclusions about changes in sustainability performance.

**High consequence** (e.g. performance improvement claims are made to consumers or are used to inform purchasing or investment decisions):

- Robust external verification is required. This means that independent assessors carry out a complete assessment of the monitoring data, the management system (data collection, storage and governance), and the analytics and conclusions.
- An assessment of the monitoring data will include ground-level sampling of the original data sources to assess their validity. Analysis will also be conducted on the veracity, truthfulness, and comparability (e.g. alignment with common conventions) of the conclusions drawn from the data analysis.

### 6.3. PERFORMANCE CLAIM PREREQUISITES

As noted in section 3.2.2, performance claims can be made that reflect the quantitative conclusions drawn from the monitoring data as well as more subjective claims that imbue the results with a value characterisation, such as ‘responsible’ or ‘sustainable’. Each of the four types of performance claims require a different set of prerequisites to be in place:

**Improvement**: e.g. we have made progress relative to a baseline (% improvement over time)

- Improvement claims are about the change in performance that has accrued over time. These claims require a baseline reference level to be in place or can function in relation to a performance target. Improvement claims are also more robust when they include a timeframe under which the improvement has taken place, e.g. ‘the rate of deforestation in the jurisdiction has been reduced by 75% in the last 5 years’ (baseline reference), or ‘we are 50% of the way towards meeting our 2025 target of zero net deforestation in the jurisdiction’ (performance target).
Absolute performance: e.g. this is the current performance status of an issue, potentially measured against a sustainability target or reference point.

- Absolute performance claims are the most objective because you are stating actual data. They describe the current performance status of a sustainability issue, e.g. ‘In this jurisdiction in 2019, only 3% of residents were living in extreme poverty. This compares to 17% for the state overall and 12% for the country overall’. However, a limitation of these claims is that absolute performance figures may be challenging for stakeholders to interpret without the additional context of change over time, i.e. is the 3% in the example above an improvement over the previous year?

- Where baseline data already measures a positive level of performance for one or more issues, e.g. that there is no child labour present in a jurisdiction, this can also be the subject of absolute performance claims. This example highlights a limitation of these types of claims which is that they do not give any context of the extent to which an intervention has caused improvement in performance levels.

Responsible: e.g. we are addressing critical sustainability issues in the jurisdiction and have a path to further improvement

- To be able to claim you are a responsible sourcing region or that you are a company that is sourcing responsibly, the monitoring data needs to show that minimally acceptable performance levels for all critical sustainability issues have been achieved. The crux of the issue is to determine what are acceptable performance levels and what counts as a critical sustainability issue in a given jurisdiction. One approach is to look at the materiality of an issue in the jurisdiction (i.e. is it relevant in that jurisdiction and is it of interest to local stakeholders and/or supply chain actors?). Where an issue is considered to be highly material, the jurisdictional initiative would have to bring performance up to a minimally acceptable level for that issue. This puts the onus on local stakeholders to define which issues are highly material.

- Alternatively, if that bar is too high, another approach to be considered responsible is that for each material sustainability issue, the jurisdictional initiative has set meaningful, time-bound targets and is making improvements in line with those targets. This could be credible if the time-bound targets are vetted with local stakeholders and considered ambitious enough.

- In addition to the above, any claims of responsible production or sourcing must be based on a monitoring system and data that has been externally verified.

Sustainable: e.g. we meet high standards of sustainability performance for all material issues in the jurisdiction

- To be able to make claims of sustainable production or sourcing, there are two options. The first option is that the jurisdictional initiative needs to be certified against a multi-stakeholder standard in which the scope covers all critical sustainability issues for that sector and in which the performance levels required to be certified are sufficiently high to indicate that those issues have been adequately addressed.

- The second option is that high target performance levels are set for all material or critical issues through a multi-stakeholder process convened by the jurisdictional initiative, and that the jurisdictional initiative can show that they have achieved those performance targets across the full suite of issues.

- In both cases, any claims of sustainable production or sourcing must be based on a monitoring system that has been externally verified.

Where companies are making any types of performance claims about their sourcing from a jurisdiction, they will need to have sufficiently robust traceability, supply chain mapping, and/or effective control mechanisms in place that are capable of linking products or supply chains to sources within the jurisdiction.”
About ISEAL

ISEAL is the global membership organisation for credible sustainability systems.

We support and challenge our members to continually improve their impact for the benefit of people and planet. Our members are sustainability standards and related systems, which collaborate in order to scale and demonstrate positive impact. Our regularly updated codes are a recognised framework for best practice, and compliance with them is a mark of credibility.

We support and challenge our members to continually improve by providing forums for collaboration, collective action and sharing of experience; delivering expertise, advice and training; facilitating access to funding to promote innovation; and advocating for the adoption of better, more credible sustainability systems.

For businesses, governments and NGOs, we provide opportunities to connect with sustainability systems, as well as information, resources and events to encourage the use of credible schemes.

REFERENCES

1. Jurisdictional initiatives are a type of landscape approach that is developed within the administrative boundaries of sub-national or national governments, usually with engagement or leadership from government in public policy and land-use planning. While this guidance is tailored specifically to jurisdictional initiatives, much of it remains valid for other landscape approaches that are not strictly tied to administrative boundaries.

2. E.g. LandScale, IDH Verified Sourcing Areas, SAN Blueprint for a Sustainable Landscape, Accountability Framework (AFi)

3. Adapted from Proforest Info Note 3 – Engaging with Landscape Initiatives

4. Adapted from AFi Operational Guidance on Reporting, Disclosure and Claims

5. Adapted from Proforest for IDH Verified Sourcing Areas

6. Adapted from AFi Operational Guidance on Monitoring and Verification

7. See AFi Operational Guidance on Supply Chain Management, section 2 for more detail on what is expected

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