HIGH CARBON STOCK APPROACH
MEMBERS 2020
PROGRESS REPORT
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PROGRESS REPORT

Summary of findings from the HCSA Steering Group Progress Reporting on its Implementation of the Membership Code of Conduct

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INTRODUCTION

Over the last decade, a proliferation of multilateral no-deforestation commitments, as well as the corporate commitments of hundreds of major brands, commodity traders, manufacturers, plantation companies, banks, and investors, have created a groundswell of global effort among governments, the philanthropic, international aid, and sustainability communities to address deforestation.

Surprisingly, one of the most vexing problems with deforestation has been simply to define it and create a standard approach for halting it. Since forming as a multi-stakeholder platform in 2014, the High Carbon Stock Approach (HCSA or HCS Approach) has succeeded in bringing the most widely recognised and credible method for the implementation of tropical no-deforestation commitments to the market.

HCSA’s fundamental focus is to distinguish between natural rainforest that must be protected for conservation purposes and areas of degraded land that may be suitable for planting/development – while respecting the land rights and livelihoods of local peoples and workers.

The HCSA Toolkit allows this by offering clear, consistent definitions and practical methodologies for all parties – land use managers, surrounding communities, commodity buyers, global brands, and government bodies – to systematically plan for long-term land use and conservation of the rainforest and reverse the deforestation trend.

The benefits and advantages of meeting no deforestation commitments by implementing the HCSA are recognised by HCSA’s members, who represent interests from across commodity supply chains linked to deforestation, from global producers and consumer brands to small farmer organisations, social rights and environmental NGOs, forest monitoring specialists and practitioners.
In 2021, our members submitted for the first time detailed reports on 2020 progress on their commitments and actions to achieve our joint vision of eradicating deforestation through the implementation of the HCSA. A new report each year will allow us to compare both individual and collective progress.

The compilation of progress reports by HCSA members is significant because, while a few initiatives worldwide assess and report on the adoption of no-deforestation policy commitments by commodity producers, processors, traders, manufacturers, and financial institutions, the HCSA reports on-the-ground progress made by its members to identify HCV areas and HCS forest requiring protection and uphold the rights and livelihoods of local community and Indigenous Peoples affected by commodity production.

HCSA members are required to demonstrate how their no-deforestation commitments at a policy level are being translated into HCS Approach implementation through various actions such as: scaling up the commission of HCV-HCSA assessments in new developments, investments or supply chains; requiring and supporting its application by supply chain partners including by smallholder farmers and in landscape initiatives; submission of HCS-HCV maps to the HCSA’s forest monitoring system; public reporting on suppliers and progress; and advocacy efforts to improve and promote the HCS Approach.
THE HCS APPROACH IS USED GLOBALLY TO IDENTIFY AND MONITOR TROPICAL FORESTS CONSERVED UNDER ITS METHODOLOGY

Total area assessed: 3,478,284.76 ha
Total conservation area identified*: 657,149.47 ha
Total estimated tonnes of stored carbon: 52.5 million tonnes

* HCS forests and HCV areas in the process of being, or that have already been, set aside by companies for non-development and conservation via the application of the HCSA Toolkit.

Figure 1: Data as of March 2022.
HOW HCSA MEMBERS REPORTED ON HOW THEY IMPLEMENT THE HCS APPROACH

In 2021, HCSA Members submitted to the HCSA Secretariat evidence and information to assess how well they are actively promoting and implementing the HCS Approach (see Figure 2 below) to avoid deforestation, conserve forests, and uphold communities’ social and human rights. This first report will also serve as a baseline to measure progress against future annual reports.

Figure 2.

HCSA members are grouped into 5 categories – plantation companies (PCs), commodity users (CUs), non-governmental organisations (NGOs), technical support organisations (TSOs) and smallholder associations (SH).
The reporting requirements were tailored to each category of members, based on the [HCSA Membership Code of Conduct (COC)]. Table 1 below shows the different and common areas of reporting per HCSA membership group.

It is worth highlighting again that the reporting from plantation companies, commodity users and smallholders applies to their own lands where new developments involving land use change are planned, in addition to any lands managed by their suppliers and their investment holdings.

Table 1: HCSA Membership Code of Conduct reporting requirements per member category.

<table>
<thead>
<tr>
<th>HCSA Membership COC Reporting Requirements</th>
<th>PCs</th>
<th>CUs</th>
<th>NGO</th>
<th>TSO</th>
<th>SH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public commitment on No Deforestation, Exploitation, and/or Peat and to implement the HCS Approach</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Applying the HCSA Toolkit in own plantations, investment holdings, and by raw material suppliers</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Implementing a moratorium on clearance of potential High Carbon Stock forests</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>All contracts with suppliers commit to no deforestation and HCSA implementation</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lists of suppliers, to show they do not buy from those engaging in deforestation</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procurement guidelines that require suppliers to implement the HCS Approach and cascade this down the supply chain</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Submitting spatial data of land planted and conserved area (HCS forest and HCV areas)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managing a deforestation monitoring, alert &amp; response system</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of a non-compliance protocols</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A grievance mechanism aligned with the UN Guiding Principles on Business and Human Rights</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promoting HCSA externally</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Active participation in HCSA collaborative work</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Member contributing own spatial data relevant to the HCSA</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spatial data from clients to be shared confidentially with the HCSA Secretariat</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Providing services and support of uptake of the HCS Approach by clients</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support collaborative work that contributes to the implementation of HCS Toolkit, the protection of HCS forests or the rehabilitation or restoration of HCS forest</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration, use, quality assured and progress reports on the implementation of the implementation of the “Simplified HCS-HCV approach for Smallholders”</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Description of the geographic location and coordinates of smallholder members</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Submitting reports of deforestation within smallholder member network, and any corrective actions taken</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>
Plantation companies, broadly focused their reporting on demonstrating that they have enacted a moratorium to end deforestation in their operations, and the systems in place to assess and respond to deforestation taking place in the plantations of their suppliers, or in plantations of companies where they are investors.

Commodity users focused their reporting on how they ensure that their suppliers are not linked to deforestation, and their work in improving and promoting the HCS Approach.

NGOs and TSOs reported on how they have been collaborating in HCSA and promoting it externally, ensuring the use of the HCS Approach to implement No Deforestation commitments with stakeholders or clients.

HCSA’s smallholder members provided evidence of how they are supporting the development and trialling of a Simplified HCS and High Conservation Values (HCV) Approach to identify the areas of forest to conserve and areas to develop for commodity production in cooperation with the small farmers’ community.

**Members submission of maps and other spatial data**

All HCSA members were expected to submit spatial data, as part of their progress report, to enable the HCSA Secretariat to establish a forest monitoring system that can be used to independently monitor and support efforts to ensure rainforest areas identified for conservation using the HCS Approach are maintained in the long-term. Critical to the establishment of this system was the submission of spatial data, or digital maps, from the plantation company members to enable forest monitoring of their operations, and data from all members to enable monitoring of deforestation across the entire palm oil and pulp supply chains in priority geographies, such as Indonesia. Not all plantation companies have submitted the required data, and data shared by commodity users, NGOs and TSO was limited, so further action is needed to establish an effective monitoring system. This monitoring system is critical to the future success of the HCSA as it will enable the HCSA to verify the level of progress made to end deforestation in the operations, supply chains, and investments of its members and to raise alerts to ensure action is taken to stop deforestation or fires taking place in areas of HCS forests identified for conservation.
Figure 5: HCSA monitoring of HCS tropical forests. Data as of March 2021.

HCSA monitors the tropical forest conserved in land developments identified through HCV-HCSA Assessments

- **171** HCS Assessments
  - Registered in total since 2014
  - Aggregate number of HCSA stand-alone assessments + HCV-HCSA assessments

- **58** Peer-reviewed Assessments
  - HCSA Standalone assessments peer-reviewed since 2014

- **195,307 ha**
  - HCS forests globally identified for conservation through completed HCS Assessments
  - Aggregate area of HCS forest in HCSA assessments approved to date in peer-reviewed completed HCSA assessments and completed HCV-HCSA assessments

- **327,986 ha**
  - Reported by HCSA members as HCS forest protected in land managed by them or their suppliers
  - Aggregate area of HCS forest (own operations) and HCV areas & HCS forests identified and protected through the implementation of the HCSA and Integrated Conservation Land Use Plans agreed with communities (suppliers’ operations)

- **2.5 million ha**
  - Spatial data submitted by members
  - Aggregate area contributed as part of the 2020 HCSA SG Members Code of Conduct reporting

Figure 6: HCSA monitors potential deforestation and fires taking place in HCS forests to ensure the long-term maintenance of forest areas conserved through the HCSA. Data as of March 2021.

HCSA monitors risks of deforestation and fires in conservation areas designated by the HCS Approach

- **96%** of the HCS forest identified in assessments that is monitored has not experienced deforestation

- **80,269 ha**
  - of HCS/HCV/Other conservation areas within members’ land concessions for production of palm oil, pulp & paper & cocoa that HCSA monitors for deforestation and fires

- **10x10 m**
  - Smallest area that the HCSA Monitoring & Alert platform can detect deforestation
  - 1x per 6 days

- **375x375 m**
  - Smallest area that the HCSA Monitoring & Alert platform can detect fires
  - 2x per day
2020 REPORT RESULTS BY HCSA MEMBERSHIP CATEGORY

All 27 HCSA Members at the time of reporting submitted a report.

**Plantation companies**

All seven HCSA plantation companies’ members – Asia Pulp & Paper, Asian Agri, Cargill, IOI Corporation, Kuala Lumpur Kepong, Golden Agri Resources and Musim Mas – submitted a report and a summary of the evaluation is provided in Figure 7, which shows some highlight aggregated figures from what our plantation members reported.

Plantation companies reported on 31 different technical aspects related to how they implement in practice the HCS Approach. These can be seen grouped and summarised in Table 1.

For evaluation purposes, all those commitments were grouped into indicators. Chart 1 shows the number of plantation companies that met, or partially met each 8 separate indicators.

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**Chart 1: Plantation Companies’ progress against HCSA Membership Code of Conduct (COC) Indicators.**

<table>
<thead>
<tr>
<th>COC Indicators</th>
<th>Number of HCSA Plantation Company Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moratorium exists &amp; spatial data submitted for own operations</td>
<td>Not met</td>
</tr>
<tr>
<td>HCSA Toolkit applied in own operations</td>
<td>Met</td>
</tr>
<tr>
<td>Signed contractual ND/PE/ HCSA commitment with processors/traders</td>
<td>Par-Met</td>
</tr>
<tr>
<td>List of processors and direct &amp; raw material suppliers</td>
<td>Not met</td>
</tr>
<tr>
<td>Spatial data of raw material suppliers</td>
<td>Not met</td>
</tr>
<tr>
<td>Deforestation monitoring, alert, and response system</td>
<td>Not met</td>
</tr>
<tr>
<td>Non-compliance protocol to address deforestation</td>
<td>Not met</td>
</tr>
<tr>
<td>Grievance mechanism aligned with the UN Guiding Principles on Business and Human Rights</td>
<td>Not met</td>
</tr>
</tbody>
</table>

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1 Not all members reported on all areas, so aggregated figures are indicative and not exhaustive. All figures as of March 2021.

2 Integrated Conservation & Land Use Plan.
The existence of moratoria only applied to one grower member, who had moratoria in place for all of its relevant plantation entities. This indicator did not apply to the other six grower members who, either had HCS assessments ongoing or completed to identify HCS forest to maintain in some entities, or no further development was planned in the rest of them.

Across the list of indicators, plantation companies met most of the indicators related to their own operations (see Chart 2). For most plantation companies, the HCSA Toolkit is adequately applied in members’ own operations’ development areas. All have a publicly available grievance mechanism link available for stakeholders if they need to make a complaint, but only two of these grievance mechanisms were found fully aligned with the UN Guiding Principles on Business and Human Rights. They all submitted lists of the complaints received and a satisfactory summary of follow up actions per its grievance mechanism.

The report also looked at the suppliers of the plantation company members that are also raw material producers and processors or traders of forest-risk commodities, such as pulp and palm oil.

Most plantation companies were able to submit full lists of the suppliers that provide them with materials from their palm oil or saw mills and, for the suppliers that were listed, the member proved that they have contractual commitments requiring their suppliers to

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**Chart 2:** Plantation Companies’ progress in the implementation of the HCS Approach in their own operations.
actively implement the HCS Approach and/or comply with their ND/PE policies (see Chart 3).

All plantation companies have in place monitoring, alert and response systems for deforestation and fires. Some, but not all, have a documented non-compliance protocol that outlines the actions they would take in cases of breaches by their suppliers. All grower members, however, submitted a list of suppliers breaches and described how they were addressed.

The report highlighted the need for some members to demonstrate how their own monitoring, alert and response systems work in practice and for others documenting their non-compliance protocols and their effectiveness to eliminate suppliers that have caused deforestation since sector specific cut-off dates and the publication of the HCSA Toolkit in 2015.

In summary, plantation companies were very good at meeting their commitments to actively implement the HCS Approach across their own operations when compared to their supply chains (see Chart 4). One outcome of the evaluation, however, was identifying the need to further clarify how to report on own operations versus their investment holdings. This will be improved for the next reporting period so plantation company members can share evidence of how they replicate their commitments in their investment holdings.

**Chart 3:** Plantation Companies’ progress in the implementation of the HCS Approach in their supply chains.

<table>
<thead>
<tr>
<th>Suppliers</th>
<th>Number of HCSA Plantation Company Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>List of processors, direct and raw material suppliers</td>
<td>0</td>
</tr>
<tr>
<td>Signed contractual ND/PE/ HCSA commitment with direct supplier</td>
<td>1</td>
</tr>
<tr>
<td>Contractual commitments with 90% of direct suppliers</td>
<td>2</td>
</tr>
<tr>
<td>Due diligence &amp; verification to identify raw material suppliers</td>
<td>3</td>
</tr>
<tr>
<td>Spatial data provided for listed entities</td>
<td>4</td>
</tr>
<tr>
<td>Demonstrated monitoring, alert and response system</td>
<td>5</td>
</tr>
<tr>
<td>Documented non-compliance protocol applicable to supply chain</td>
<td>6</td>
</tr>
<tr>
<td>List and actions on non-compliance protocol breaches</td>
<td>7</td>
</tr>
</tbody>
</table>

**Chart 4:** Percentage of indicators Met, Partially Met or Not met by Plantation Companies’ for indicators applying to their own operations and investment holdings compared to those applying to their supply chains.
Commodity Users

All six HCSA commodity user members – Barry Callebaut, BASF, Ferrero, Nestlé, Procter & Gamble, and Unilever – submitted a progress report and a summary of the evaluation of these reports can be found below.

Commodity users were asked to report on 19 technical aspects related to how they implement in practice the HCS Approach. These can be seen grouped and summarised in Table 1 above.

For evaluation purposes, all those commitments were grouped into 7 indicators. Chart 5 shows the number of commodity users that met, or partially met, each separate indicator:

Chart 5: Commodity User members progress against HCSA Membership Code of Conduct (COC) Indicators.

Commodity users (CUs) members demonstrated that they work proactively towards achieving no deforestation by ensuring that the HCS Approach is implemented across their supply chains, that they promote HCSA externally and that they participate actively in collaborative work, such as engaging in working group discussions on: the HCSA methodology and quality assurance mechanisms; the HCSA social requirements; trials of the simplified HCSA smallholders toolkit; and HCS forest protection and landscape approaches.

CU members submitted evidence that they ensure that each of their identified suppliers is required to have a public no-deforestation policy or commitment to implement HCSA. Members showed that they have made the implementation of the HCS approach a requirement for their suppliers’ within their procurement guidelines.

CUs members demonstrated that they have published or submitted complete lists of their direct suppliers in different commodity supply chains. Only one CU submitted additionally complete lists for secondary processing and raw material suppliers. Information was shared on the reasons why lists of raw material...
suppliers could not be submitted, such as: the lack of 100% traceability to the plantation of farm levels; restrictions on the sharing of raw material supplier data from their suppliers; and confidentiality requirements related to disclosure of smallholder farmer identities. Nevertheless, four out of six CU members reported that the suppliers’ lists that they provided covered between 98-100% of the raw materials processed in their supply chain.

Overcoming these barriers is an area where CU members are working together to find ways to make progress. One commodity user member, for example, has now integrated the request for traceability to all raw material suppliers into their palm oil sourcing policy, and are engaging with their direct suppliers to find ways to share sensitive data, including traceability information, with the HCSA Secretariat. Commodity users could also work together with HCSA plantation company members on this, since most of them apply due diligence and verification processes to identify raw material producers.

What remained a challenge was to easily identify which of the CU’s suppliers have conducted HCV-HCS assessments. To help our members with this challenge, HCSA is working to develop an information management system that will enable us to match lists of their suppliers to the companies that have registered HCV-HCS assessments with the HCSA or High Conservation Value Network—a requirement of the HCSA’s quality assurance process.

The identification of the CU’s suppliers that are applying the HCSA and conducting HCV-HCS Assessments will be more meaningful once the members have submitted more complete supplier lists. Out of a total of 2,909 suppliers listed by our 6 CU members, only 1,287 were unique suppliers. This data shows that CU members are sourcing from many of the same suppliers for whom the HCV-HCS assessment information is the same.

All CU members have reported having an alert and monitoring system for detecting deforestation in place. A few CU members have established comprehensive corporate group wide monitoring systems with the support of other HCSA members that provide forest monitoring system services and report on the use of non-compliance protocols. However, despite managing monitoring, alert, response systems and non-compliance protocols several CU members struggled to show evidence of an adequate response system to breaches. Also to having clear publicly available non-compliance protocols to address breaches of moratorium or HCS Approach implementation failures by global suppliers. To improve performance across the board, HCSA will aim to provide a pre-competitive space to learn from each other’s best practices.
NGOs

All 7 HCSA NGO members at the time of reporting – Conservation International, Forest Peoples Programme, Greenpeace, Mighty Earth, National Wildlife Federation, Rainforest Action Network and WWF – submitted a report and a summary of the evaluation of these NGOs can be found below.

NGOs were asked to report on 4 aspects related to how they promote and support the implementation of the HCS Approach. These can be seen grouped and summarised in Table 1.

Chart 6 shows the number of NGOs that met each separate indicator. Five NGOs did not have maps to share, so that indicator did not apply to them. Those with available spatial data submitted it unless it was prevented by non-disclosure agreements.

Overall, our NGO members are very active supporters of the HCSA initiative and its uptake for implementation on the ground. All 7 NGO members of the HCSA submitted a progress report on their efforts to work constructively towards achieving no deforestation and how they actively support the HCSA.

All HCSA NGO members are part of governance committees and working groups. They also provide feedback to trials and promote their innovative and adaptive nature, such as the trial in Indonesia of the Simplified HCS-HCV Approach for Smallholders. NGO members shared evidence too of how their involvement in the promotion of HCSA not limited to palm oil production but also cocoa, pulp and paper, and rubber in Southeast Asia, West & Central Africa, the Pacific, and South & Central America. They are also helping with the development of guidance for an HCSA landscape/jurisdictional approach.

NGO members are strong advocates for the adoption of the HCSA as a means to achieve No Deforestation No Peatland and No Exploitation (NDPE) commitments and are encouraging HCSA adoption in policymaking in some African countries. Some NGO members are actively lobbying adoption of HCSA in the proposed future EU NDPE regulation and others were actively involved in the integration of HCSA into RSPO standards in 2018, which made the use of the HCSA more widespread globally.

Chart 6: NG0 members progress against the HCSA Membership Code of Conduct (COC) Indicators.
Technical Support Organisations (TSOs)

All 6 HCSA TSO members – Aidenvironment, Daemeter, Earthworm Foundation, Ekologika, Proforest and Rainforest Alliance – submitted a report and a summary of the evaluation of these TSOs can be found below. TSOs were asked to report on 4 aspects related to how they implement in practice the HCS Approach. These can be seen grouped and summarised in Table 1 above.

Chart 7 shows the number of TSOs that met each separate indicator. Three TSOs had not produced maps that they could share or seek from clients, so that indicator did not apply to them. Almost every TSO member is actively engaging in the HCSA in working groups and all are supporting the Steering Group through the uptake of the HCS Approach by their clients.

Members have published articles, some of them peer-reviewed, related to HCSA methodology and implementation, or about other guidance related to NDPE policies, such as non-compliance guidelines. Another member, along with one HCSA commodity user member and some partners, conducts HCV-HCS screening of landscape in West Kalimantan, N. Sumatra and have also developed a landscape-level programme where one of the activities is to increase awareness on HCV-HCS.

Some members in this category are very active in implementing HCSA trials. One member is leading on two HCSA trials in 2020 in Ghana (cocoa) and Mexico (palm oil) and co-leading on another trial for developing a landscape-level HCS-HCV approach in a smallholder context in Peru.

Another member has led and completed an HCSA trial in Indonesia. Additionally, this member has been successfully including in all template benchmark policy text that they provide to numerous clients the adoption and implementation of no-deforestation commitments and using the HCS Approach as the means to achieve it.

Another TSO member has promoted and supported the adoption of no-deforestation production and sourcing in line with the HCSA and worked to integrate Accountability Framework Initiative- and HCSA-aligned standards and guidelines into existing sustainability standards, such as the Global Platform for Sustainable Natural Rubber.

So far, only one member was able to contribute with HCSA relevant spatial data, produced by themselves for their own purposes, of proxy ecosystem maps for Papua and West Papua, Indonesia, which has been used by a national park to design their long-term national management plan.

The rest of the TSOs were unable to share spatial data from their clients to be shared confidentially with the HCSA Secretariat for a variety of reasons including legal barriers. HCSA members will work together to find solutions to the challenges of submitting spatial data contributions, such as producing readily available non-disclosure agreements (NDAs) or confidentiality agreements for the TSOs to use with their clients.

**Chart 7: TSO members progress against the HCSA Membership Code of Conduct (COC) Indicators.**
Smallholders

The HCS Approach was not originally designed for smallholders. A Simplified HCS-HCV Approach for Smallholders is expected to be available for Indonesia by mid-2022 after being developed through trials led by HCSA member Serikat Petani Kelapa Sawit (SPKS), an Indonesian smallholder palm oil association.

As most of the smallholder Membership Code of Conduct requirements are connected to the completion of a Simplified HCS-HCV Approach for Smallholders, it is not expected that SPKS nor any other smallholder can fully meet the HCSA Smallholder membership requirements until then.

Nevertheless, SPKS’s efforts and achievements with the trial, building awareness among smallholders of the HCS Approach and developing maps of the trialed areas deserve full recognition. SPKS submitted a full report – see summary below.

Smallholders will be expected in the future to report on 8 aspects. Chart 8 shows how SPKS was evaluated in relation to how they have been implementing the “Simplified HCS-HCV approach for Smallholders”.

SPKS submitted all information requested met every indicator that applied to them.

The contributions of SPKS to providing the spatial data generated thus far under the trials are very useful and constitute an example for other members and trial participants to follow. Probability maps produced from the trial locations and the initial indicative HCS-HCV forests/areas to be conserved were submitted. However, until a quality assurance process for the simplified approach is developed, only geo-coordinates of smallholders could be added to the HCSA monitoring platform.

Additionally, the results indicate the need for HCSA to identify what awareness building activities and support can be done, regarding the importance of committing to no-deforestation and the conservation of HCS forests and HCV areas, in preparation for the launch of the HCS-HCV Simplified Approach.

Chart 8: Smallholder members progress against the HCSA Membership Code of Conduct (COC) Indicators.

<table>
<thead>
<tr>
<th>COC Indicators</th>
<th>Number of HCSA Smallholder Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Simplified HCS-HCV approach for Smallholders assessment(s)</td>
<td>0</td>
</tr>
<tr>
<td>Assessment reports submitted for HCSA Quality Assurance review</td>
<td></td>
</tr>
<tr>
<td>Contributed own spatial data</td>
<td></td>
</tr>
<tr>
<td>Geographic location of smallholder group members submitted</td>
<td>1</td>
</tr>
<tr>
<td>Geographic coordinates of smallholder group members submitted</td>
<td></td>
</tr>
<tr>
<td>Reported on Simplified HCS-HCV approach for Smallholders implementation</td>
<td></td>
</tr>
<tr>
<td>Used Simplified Approach to identify, manage and monitor HCVs/HCS forest</td>
<td></td>
</tr>
<tr>
<td>Reported deforestation corrective actions taken with group members</td>
<td></td>
</tr>
</tbody>
</table>

Met | N/A | Not met
OPPORTUNITIES FOR ADVANCING HCSA MEMBER PROGRESS

The submission of reports by all members of the HCSA Steering Group detailing the progress that has been made to implement HCSA membership code of conduct requirements is an important milestone for the HCSA. These reports demonstrate the actions that have been taken to implement no deforestation commitments by some of the most influential commodity users and plantation companies, non-governmental organizations, technical support organizations and a smallholder farmer support organization and importantly shine a light on the additional steps that need to be taken, individually and collectively, to achieve our joint vision of eradicating deforestation through the implementation of the HCSA.

In 2021, significant steps were taken to establish the HCSA’s forest monitoring system through the submission of spatial data by some HCSA members and HCSA Toolkit users in their progress reports. A major finding from its evaluation is that many members faced common challenges in submitting comprehensive data, for a wide range of reasons (legal, contractual, traceability of suppliers, quality of maps and more). Given that the ability to map and monitor HCS forest identified for conservation will be a central part of HCSA’s ability to demonstrate the progress made to protect forests from deforestation, it is clear that these challenges must be overcome to be able to truly understand and communicate the impact of the HCSA’s collective work.

Three key opportunities have emerged from the review of the progress reports to improve the underlying spatial data using in the HCSA’s monitoring system, in addition to plantation companies fulfilling their requirements to submit spatial data as outlined in the membership requirements. They are:

1. The HCSA could require the submission of spatial data that is readily available to its members and other plantation companies using the HCSA. This could include requiring, in the future, practitioners to submit the spatial data that is collected during HCSA assessments and HCSA trials to the HCSA Monitoring Platform.

2. Another opportunity to leverage spatial data could be by tapping into the GeoRSPO mapping platform so spatial data of RSPO certified suppliers of HCSA Commodity User members could be used, since this spatial data is publicly available for download as shapefiles.
Another opportunity is for the technical support organisations to work with the HCSA secretariat to approach their clients to seek permission to share spatial data confidentially with HCSA, supported by legal assistance from HCSA to do so. Also, both NGOs and TSOs could seek to leverage maps from before 2020, developed for their own projects and initiatives, or for their clients in the case of TSOs, since these are acceptable as a baseline for the first COC requirements evaluation. Contributions of spatial data are not limited to indicative mapping efforts or concession boundaries – many other types of data including landcover maps or field plot data would be valuable.

Another major learning from the review of the progress report was that commodity users struggled to provide spatial data of their suppliers to the level of raw material producer or smallholder farmer/s. However, some of the direct suppliers to the commodity user members are plantation companies that are HCSA members that have submitted spatial data from their own operations or their suppliers and investment holdings to the HCSA Monitoring Platform. This spatial data could be leveraged to support the commodity users in showing their contributions to HCS forest conservation. HCSA has committed to developing an Information Management System that can be used to link up the supplier data submitted by commodity users to data submitted by other HCSA members and plantation companies that have completed HCSA assessments.

There are other opportunities for advancing HCSA member progress not related to spatial data. For example, a few commodity user members have comprehensive corporate group-wide forest monitoring and response systems and report having non-compliance protocols in place to guide their response to cases of non-compliance in their supply chains. The HCSA could work together with all member categories to provide a pre-competitive space to learn from each other’s best practices.

Some members have been participating in trials of the implementation of the HCS Approach with commodities other than palm oil, in a range of geographical contexts, and scales. All this learning could be captured as case studies that could be discussed and shared among members in the HCSA’s new Landscape and Jurisdictional Approach Working Group.

There is much scope for the promotion of HCSA in joint communication and outreach activities such as publications, videos or webinars that could raise the profile of both HCSA and the participating members, as well as reaching current and new audiences and stakeholders.

Finally, HCSA gained many insights on practical ways to improve the reporting templates, clarify what evidence is sought from members, what systems are needed to support the analytics, and different approaches to evaluate the submissions based on the learnings from the first HCSA members annual progress report.

This work undertaken by the HCSA and its members has been possible due to the commitment of its members and the support of the David and Lucile Packard Foundation. In the future, the HCSA will use annual progress reports to set up agreed performance targets that are easier to measure progress and report against. It remains our hope that our efforts to report our collective and individual impact will create the motivation for members to find new and innovative ways to overcome challenges in fully implementing no deforestation commitments and to improve their own progress and reporting against their HCSA Code of Conduct requirements and No Deforestation, No Peatland and No Exploitation policies.
FURTHER INFORMATION

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