

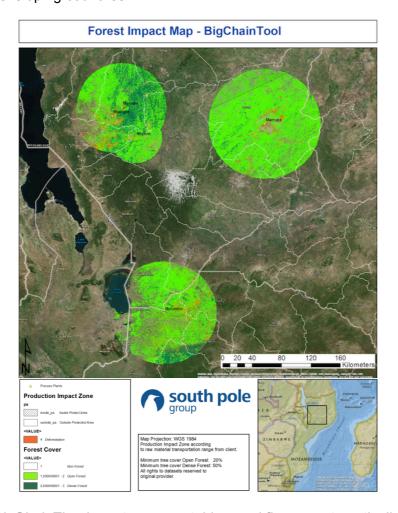


Future-proofing revenue and brand equity: New tool reveals deforestation 'hot spots' along consumer good supply chains

South Pole Group's new BigChainTool generates quick deforestation and greenhouse gas estimations of the production of more than 175 commodities in any region of the world

Zurich, Switzerland, 5 December, 2016 - Until recently, actionable information on forest trends has been scarce, with little data available on the causes and effects of deforestation in corporate commodity sourcing. According to the latest corporate forest report by CDP, launched today, only 30% of the manufacturers and retailers who participated in the study are able to trace deforestation-linked commodities back to the point of origin. The inability to assess exposure to deforestation has been a challenge especially for the fast-moving consumer goods industry, where companies are increasingly pushed to take action on forest and greenhouse gas (GHG) emission related risks along their supply chains.

This is the key obstacle that the <u>BigChainTool</u> tackles: by integrating cloud-sourced big data with satellite mapping and premium GHG accounting, the tool delivers high-quality maps and automatically generated reports on a specific commodity production zone. Developed by South Pole Group, with the support of Open Forests and with co-finance from EIT Climate-KIC, the tool opens the black box of corporate forest management in the most remote regions of developing countries.



The BigChainThool creates maps, tables, and figures automatically for 175 agrocommodities across the globe

"This tool is based on a solid, scientific methodology and works for any place on earth," underlines BigChainTool lead co-developer Pablo Llopis Benito. "It is unique in the sense that it can generate commodity-specific deforestation estimates in a very short timeframe. We just need to know the quantity of the commodity and the geographical location of the point of procurement."

"Suppliers and buyers of key agricultural 'forest risk' commodities are under growing pressure to ensure that their supply chains do not destroy forests," continues Florian Reimer, BigChainTool lead co-developer, South Pole Group. "The BigChainTool offers a robust way to generate deforestation and greenhouse gas estimations of the production of more than 175 agro-commodities - including livestock - in any region of the world."

Despite corporate commitments to sustainability, going green is not always easy: many of today's businesses deal with complex, global supply chains and numerous growers and suppliers, making the adequate tracking of commodities difficult. Already 81% of agricultural producers reporting to CDP - the companies who sit at the top of global commodity supply chains - say they have experienced deforestation-linked impacts in the past five years that have led to substantive changes to their business. The BigChainTool is unique in its ability to specifically allocate deforestation to the supply chain of a certain company and provide a Scope 3 GHG emission calculation of the deforestation of relevant suppliers.

"The relation of raw materials sourced from various suppliers and their forest impact is unclear to many consumer goods companies," says Christian Dannecker, Director of Sustainable Supply Chains. "By translating our expertise in forest, sustainable land use, and GHG accounting into the form of the BigChainTool, we can enable companies to develop effective mitigation strategies and better environmental reporting towards investors. In other words, they can strengthen relationships with suppliers and achieve higher efficiency with a lower environmental impact."



The BigChainTool helps companies develop sustainable sourcing and mitigation strategies

The BigChainTool has now been successfully operationalised and South Pole Group invites interested companies to reach out to the Group's experts for more information.

Notes to editors

The BigChainTool allows for the rapid screening of any location in the world. The outputs delivered are specific to the raw material sourcing of a targeted supply chain. In addition to the decrease of forest cover based on satellite imagery, the tool takes into account the impact of selected suppliers for specific raw materials. It delivers numbers, figures, maps and the climate impact (in terms of CO2 emitted) related to the sourcing of materials, and separates the impact of different crops. The tool has been created by South Pole Group's experienced supply chain specialists and combines key deforestation drivers, Big Data sets, and automated processing. As one of the most reputable climate change consultants in the world, South Pole Group has leveraged its GHG accounting capacity and expertise to provide clients with a snapshot of the climate impact associated with the sourcing of raw materials from a specific region or along an entire supply chain (scope 3).

Read more about the BigChainTool here.

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About South Pole Group

South Pole Group is a leading provider of global sustainability solutions with over a decade's worth of experience of working with a wide range of public, private and civil society organisations. The company's core competence covers the areas of corporate sustainability, investment climate risks, sustainable supply chains, green finance, as well as renewable energy and energy efficiency. South Pole Group helps companies in the consumer goods, extractives, agricultural and forestry sector to design strategies and monitoring approaches for results-based sustainability action, building on its expertise in identifying, quantifying and understanding operational impacts on natural capital such as forests, water and other land use resources. A pioneer in emission reduction and renewable energy projects, South Pole Group's portfolio is at present the largest available on the market. For more information, visit www.thesouthpolegroup.com or follow the company @southpolegroup