



INITIATIVE FOR RESPONSIBLE CARNAUBA



## KEY PERFORMANCE INDICATORS (KPIs)

January to December 2020



**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

On behalf of:



Federal Ministry  
for the Environment, Nature Conservation  
and Nuclear Safety

of the Federal Republic of Germany

# CONTENTS

<b>1</b> BACKGROUND	2
<b>2</b> RESULTS	3
<b>3</b> PROGRESS AGAINST KPIs	4
<b>4</b> NEXT STEPS	5

## 1 BACKGROUND

The Initiative for Responsible Carnauba (IRC) is supporting Carnauba processing companies in Brazil to improve conditions in the Carnauba wax sourcing areas, as well as finding new approaches to the many social and environmental challenges in the associated sector.

Ultimately, the aim is to foster a responsible Carnauba wax supply chain that respects people and helps preserve biodiversity in Carnauba wax producing areas in the unique Caatinga and Cerrado biomes of northeast Brazil.

At the start of the initiative in 2018, environmental and social challenges had come to light in some of the Carnauba wax extraction areas in northeast Brazil, including high rates of deforestation, degradation of local biodiversity, persistent drought, rapid expansion of invasive species, as well as poor working conditions and low pay. These problems are often systemic, with a wide range of factors involved that contribute to the challenges.

The [Initiative for Responsible Carnauba](#) currently includes a variety of stakeholders from local processing companies of Carnauba, international purchasing companies, government and civil society institutions. Stakeholders in the initiative also rely on a network of local experts when specific expertise are needed to tackle social, economic and environmental issues.

The initiative has developed an action plan focusing on good harvesting practices, traceability and transparency of Carnauba wax origins, and shared learning and trainings. A [manual](#) and [videos](#) on good practices targeted at workers were produced with support of the IRC. IRC members also work together to develop projects that will directly benefit the local communities.

## 2 RESULTS

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

A revision of the governance and rules of the initiative took place in 2020, followed by a revision of the KPIs to adapt them to the new rules and commitments of members. The KPI reporting concerns the socio-economic and biodiversity aspects tackled by the initiative (Table 1). Members of the IRC are asked to provide information, which is verified by the IRC Secretariat and summarized into a public report, published every year to inform on progress.

Impact studies are foreseen as well as a deeper assessment of the impact of the IRC's actions, thereby complementing the KPI reporting. A [baseline study](#) was conducted in 2019 to assess the socio-economic situation of field workers and the biodiversity status in Carnauba sourcing areas. This will allow for understanding of the effects of the IRC's actions on the socio-economic and biodiversity conditions in the Carnauba collection areas.

At the publication date of this report (June 2021) there were 19 members in the IRC. Two of them were Brazilian processing companies, the rest included international buyers of Carnauba, a standard organisation and an international organisation. Information reported in the following section covers these 19 members, who were all part of the IRC by the cut-off date of 31 December 2020.

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

Areas of assessment	KPIs
<b>IRC membership</b>	<b>1</b> Number of IRC members <ul style="list-style-type: none"> <li>■ Brazilian processing companies</li> <li>■ Distributors</li> <li>■ Final product manufacturers/brands</li> <li>■ Support organizations</li> </ul>
<b>Carnauba volumes</b>	<b>2</b> <i>Carnauba wax purchased in reporting year by distributors and final product manufacturers that are members of the IRC:</i> <p><b>2.1</b> Percentage of Carnauba purchased that complies with IRC requirements<sup>1</sup></p> <p><b>2.2</b> Percentage of Carnauba purchased as verified or certified against IRC recognized standards</p> <hr/> <i>Carnauba wax sourced in reporting year by Brazilian processing companies that are members of the IRC:</i> <p><b>2.3</b> Percentage of Carnauba sourced that complies with IRC requirements</p> <p><b>2.4</b> Percentage of Carnauba processed as verified or certified against IRC recognized standards</p>
<b>Working conditions and human rights</b>	<b>3</b> <p><b>3.1</b> Percentage of suppliers involved in the production of Carnauba that complies with IRC requirements sourced by Brazilian processing companies in the IRC</p> <p><b>3.2</b> Percentage of suppliers involved in the production of verified or certified Carnauba sourced by Brazilian processing companies in the IRC</p> <p><b>3.3</b> Percentage of field workers involved in the production of Carnauba that complies with IRC requirements sourced by Brazilian processing companies in the IRC</p> <p><b>3.4</b> Percentage of field workers involved in the production of verified or certified Carnauba sourced by Brazilian processing companies in the IRC</p>
<b>Sustainable use of biodiversity</b>	<b>4</b> <p><b>4.1</b> Percentage of hectares associated with the production of Carnauba that complies with IRC requirements sourced by Brazilian processing companies in the IRC</p> <p><b>4.2</b> Percentage of hectares associated with the production of verified or certified Carnauba sourced by Brazilian processing companies in the IRC</p>
<b>Resources invested</b>	<b>5</b> Estimated value (in Euro €) of IRC members' in-kind and cash investments in Carnauba supply chain improvement actions

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<sup>1</sup> IRC requirements ask that the Carnauba shall be sourced from a local processing company that has signed the Brazilian regulatory agreement (called the TAC) that ensures basic labour rights, is a member of UEFT or equivalent, has demonstrated traceability of Carnauba up to the level of field collectors and family farmers, and has committed to submit to random internal audits of a minimum percentage of their Carnauba products. These are the same requirements for a local company to join the IRC, so Carnauba sourced from an IRC member meets these requirements.

### 3 PROGRESS AGAINST KPIS

Information below is for the reporting period January through December 2020 and compared against the prior reporting periods (calendar years 2018 and 2019), when possible.

Information for indicators 2.3, 2.4, 3 and 4 were collected but are not reported to respect confidentiality<sup>2</sup>.

**Table 2 Progress against KPIS**

KPI	Indicator definition	2018	2019	2020
1	Number of IRC members	9	19	19
	<i>Brazilian processing companies</i>	1	3	2
	<i>Distributors</i>	2	7	8
	<i>Final product manufacturers/brands</i>	3	6	7
	<i>Support organizations</i>	2	2	2
2	Carnauba volumes			
	2.1 Percentage of Carnauba purchased by distributors or final product manufacturers that complies with IRC requirements	— <sup>3</sup>	— <sup>3</sup>	89%
	2.2 Percentage of Carnauba purchased by distributors or final product manufacturers as verified or certified against IRC recognized standards	— <sup>3</sup>	— <sup>3</sup>	0.03%
5	Estimated annual value (in Euro €) of IRC members' in-kind and cash investments in Carnauba supply chain improvement actions (non-cumulative)	€340,221	€630,395	€258,729 <sup>4</sup>

#### Some highlights from the results presented above

- The numbers of IRC members have remained stable between 2019 and 2020.
- The annual amount invested has decreased in 2020, mostly due to the pandemic which caused several actions and processes to be slowed down or put on hold.
- A large part of the private investments is done by the local processing companies in Brazil, with or without the support of their clients.
- Examples of investments in actions for Carnauba supply chains improvements are given below:
  - Development of guidance materials for workers (manuals, videos)
  - Training of workers in the field regarding good collection practices, occupational health and safety, labour rights, distribution of PPE and hygiene kits for COVID-19
  - Contribution to local development projects, including education projects
  - Environmental education of the supply chain actors and local communities
  - Reduction of the environmental impacts at the level of offices and factories through the use of renewable energy
  - Fair trade certification
  - Support and advisory services to IRC members
  - Time spent in meetings for the IRC
  - Development of communication materials and marketing
  - Organisation and management of IRC Secretariat

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

<sup>3</sup> Indicator introduced in 2020.

<sup>4</sup> Investment amounts were significantly impacted by COVID-19 in 2020.



## 4 NEXT STEPS

After the revision of its governance, the IRC is focusing on the development of projects in sourcing areas to contribute to improvements in the supply chain and among local communities. Additional Biodiversity Action Plans are being defined by the local processing companies to promote the regeneration of the unique ecosystems in which they work.

### About GIZ and UEBT

This report was compiled by the Union for Ethical BioTrade (UEBT) for the Initiative for Responsible Carnuba.

**UEBT** is a non-profit association that promotes sourcing with respect. Its mission is to support and validate best practices of companies committed to ethical sourcing and innovation of natural ingredients for the benefit of people and biodiversity.

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On behalf of:



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**Picture references** Carnuba palm and collection (*Copernicia prunifera*) © GIZ, Louisa Lösing



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