AGENDA
“Impact Incentives Launch Webinar”

1. Welcome and Introductions
2. Impact Incentives and Partnerships
3. Impact Alliance
4. Alliance member programs
5. Guest speakers
6. Q&A
impact?
the strong effect or influence that something has on a situation or person.
something that encourages a person to do something.

incentive?
IMPACT INCENTIVES

impact

SDG's commitment

CSR targets

incentives
"Impact Incentives are a tool for brands to deliver their expectations back to the start of the supply chain and provide financial rewards to incentivize them."
CLICK TO WATCH IMPACT INCENTIVES VIDEO

Join us!
Together, we are mo
HOW TO MAKE IMPACT HAPPEN?
AGENDA

"Making impact happen"

IMPACT INCENTIVES

"Impact incentives refer to the certificates that are traded in support of a sustainability claim."

IMPACT PARTNERSHIP PROGRAMS

"The program partners deliver training, verification, and collect data with the farmers, while offering stories, data and credibility back to the brands."

IMPACT ALLIANCE

"By working together, we can leverage our separate and shared sources and markets. We can combine our efforts to create more efficient systems, and report out on a much larger impact that we ever could individually."
What are Impact Incentives?

Impact Incentives refer to the certificates that are traded in support of a sustainability claim. The certificates represent a specified quantity of verified material that has been produced but has not been physically traded as verified goods.
VERIFIED MATERIALS BECOME IMPACT INCENTIVES

IMPACT INCENTIVES CAN BE TRADED

BRANDS ARE ABLE TO INVEST
We need a powerful solution

We decided to bypass the cost and complexity of tracking supply chain, and to instead invest in certificate trading as the main tool for brands to signal their expectations and support of best practices at the start of their supply chains.

We call the certificates Impact Incentives, and the approach offers a number of important advantages:

- The thinking and technology to support certificate trading already exists; we are simply applying it to known critical sourcing areas of different commodities.
- We can avoid the time it would take for brands to map their supply chains and find ways to trace materials.

fast

- Incentives can be used across multiple commodities that have overlapping supply chains and/or impacts (e.g.: leather and beef are linked to cattle, both cattle and soy have impacts on deforestation)

flexible

Making impact happen.
& efficient

Rather than paying farmers a premium for best practices, then having every stage along the supply chain add their margin to that premium, the end buyers (brands or retailers) can transfer their support directly to the critical sourcing areas, with just a small fee paid for the transfer of the incentives.
Impact Incentives can also be sold by programs that are working with farmers to improve practices and meet minimum levels of best practices. They are a tool to help brands work with on-the-ground program partners to support farmers to meet the best practices and set themselves up for incentive trading and/or physical trading.

What about marginal farmers that cannot meet a standard?
ON-THE-GROUND PROGRAMS BECOME PARTNERS

1. ON-THE-GROUND PROGRAMS BECOME PARTNERS
2. BRANDS ARE ABLE TO INVEST
3. DEVELOPMENT ON-THE-GROUND
Impact Partnership is an efficient tool to help more marginal farms to improve their practices and participate on the schemes.

Brands can also make long-term commitments to support specific programs that match their goals.
A brief overview...

- **Farm**
  - Meets requirements? Data

- **Verification Body**

- **Impact Partnership**

- **Verification Trading Platform**

- **Incentives**
  - Impact incentives
  - Impact reports
  - Shared data

- **Facilitator**

- **Incentives & Data**

- **Brands/Retailers**

- **Incentives**
  - Export data to NGO's, Government, etc
  - Interface with third parties

- **Incentives**

- **Impact Alliance**
What is the Impact Alliance?

IMPACT ALLIANCE

The Impact Alliance is a voluntary collaboration between sustainability standards owners that provides oversight on the use of Impact Incentives.
The more that join us, the more powerful we can all be.
Results on the ground

SCOPES
All Impact Incentives support farms that are verified to meet the Accountability Framework definitions of Zero Gross Deforestation or Conversion.

Because the Impact Alliance represents multiple sectors, we have the opportunity to amplify impacts in high-risk landscapes. For example, incentives can be sold for soy, beef and cattle in the Amazon Biome.
All Impact Incentives support farms that are verified to meet a baseline of animal welfare that represents the OIE guidelines. Many standards will go beyond this, but we felt that it was important to establish an inclusive minimum threshold.
Results on the ground

MEMBER PROGRAMS

By commodities
The Leather Impact Accelerator (LIA) is a Textile Exchange program that enables members of the leather value chain to work towards shared expectations in a coordinated way. It provides tools to align their actions towards meaningful global impacts.

The goal of LIA is to leverage and add value to the work that is already being done in the beef and leather industries. To that end, LIA uses benchmarks to set a minimum threshold for practices and give recognition to those who meet or exceed them. Brands can use Impact Incentives to provide direct financial support to farmers that meet LIA benchmarks. The Claims Framework provides guidance for all LIA participants to make credible claims.
Textile Exchange is looking at using Impact Incentives and Impact Partnership Incentives as an efficient way for brands to support farmers to adopt improved practices and move towards fully regenerative systems.
The Global Roundtable for Sustainable Beef is looking at using Impact Incentives and Impact Partnership Incentives as an efficient and alternative way to advance continuous improvement in sustainability of the global beef value chain, focus on environmental impacts, animal welfare and other societal concerns.
Global Food Partners’ Impact Incentives are a mechanism to help egg farmers who meet or exceed animal welfare criteria to gain financial incentives. These criteria include: cage-free production, environmental enrichment, adequate stocking densities (space per bird), and third-party welfare certification.

Cage-free farms that meet the criteria will be able to sell credits for their volume of output, and food businesses can purchase these credits to balance out their use of these output materials.

Food businesses can publicly narrate the impact their cage-free incentives have on higher welfare cage-free farming in a specific geography, through photos, videos, and farmer narratives, and over a period of time transition to buying physical cage-free eggs.

Global Food Partners’ Impact Incentives have received endorsement from key stakeholders, including animal advocacy groups, as a means for companies to fulfill their cage-free sourcing commitments.
As a vast global market for sugarcane derivatives keeps the industry booming, this water-intensive crop has a significant impact on many sensitive regions, been connected to several environmental and social issues.

When buying responsible sugar incentives, you can be sure that supplying companies have been verified and/or certified if they respect the following points:

- Human rights and good labour practices such as workplace safety, equal opportunities, and particular attention to preventing child and forced labour;
- Good agricultural practices, regarding soil fertility, water management and continuous efforts to reduce the use of fertilisers and pesticides;
- Deforestation, and High Conservation Values
The ProTerra Foundation sees in the Impact Alliance a powerful tool to improve transparency and traceability throughout the supply chain and support businesses to contribute to the protection of biodiversity by switching to sustainable production, conserve natural resources and ensure that local communities are treated with dignity and respect.

RESPONSIBLE SOY
WHY SHOULD YOU BE PART OF IT?
WHY SHOULD YOU BE PART OF IT?

Sheila Senathirajah
ISEAL Senior Manager for Innovations
What is ISEAL

ISEAL is the global membership organisation for ambitious, collaborative and transparent sustainability systems.

We promote credible approaches through our Codes of Good Practice in:

- Standard Setting
- Assurance
- Impacts

Visit us at:
Isealalliance.org
The ISEAL Innovations Fund

Empowering sustainability systems to practically test innovations that drive efficiency and effectiveness since 2016.

Portfolio includes projects on:
- Data capture and management;
- Risk-based approaches to assurance;
- Outcome-based standards and M&E;
- Traceability models;
- Scalable solutions.

For more information on the fund and our portfolio, visit: isealalliance.org/fund
The need for scalable solutions

Our latest funding round challenged ISEAL members to experiment with working models that would support the uptake of more sustainable practices at a landscape-level.
WHY SHOULD YOU BE PART OF IT?

Jean-François Timmers
WWF Policy and Advocacy manager, DCF Supply Chains
WHY SHOULD YOU BE PART OF IT?

Isabelle Aelvoet
MARS Petcare
Global Sustainability Director
WHY
SHOULD
YOU BE
PART OF IT?

Your voice?
THANK YOU
Let’s make the impact happen!

Know more at: impactincentives.org