

October 2014

## ‘Soft Commodities’ Compact Implementation Group Update October 2014

The BEI has created a Compact Implementation Group, the purpose of which is to support an industry-level approach to implementation of the section of the ‘Soft Commodities’ Compact with the Consumer Goods Forum that relates to ‘Raising Industry-wide Banking Standards’. The group is convened and co-ordinated by the University of Cambridge Institute for Sustainability Leadership (CISL).

The group’s scope is determined by two minimum criteria; issues to be addressed must add to the effectiveness or credibility of the Compact initiative as a whole and must fall within the boundaries of Competition Law, thus ensuring independence of activity, collaboration only on non-competitively sensitive issues, and confidentiality of information. Participating banks therefore undertake their own decisions on if and how to implement the proposals of this group.

On this basis, the group has decided that certain issues will fall within its scope – for example, approaches to defining zero net deforestation, understanding the mechanisms of different standards and their means of verifying ‘zero net deforestation’, communications with stakeholders – and that certain issues will not fall within its scope – namely all those matters relating to the internal implementation of the Compact by individual banks.

The group has decided that all Compact Banks should communicate their commitment to the Compact via their own website and other formal channels and not rely on CISL. Each Compact Bank should then take its own view about what, when and how it will communicate its implementation plans to its own stakeholders, noting that there will be an expectation on industry leaders to be as transparent as commercially possible.