



***Member  
Handbook***  
***A guide to  
working with  
TFT***

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## **Background to TFT**

TFT is an international non-profit organisation registered as a charity in the UK. We exist to make business a force for harmony for people and nature. We enable companies to source raw materials responsibly by ensuring their values are met throughout their supply chains.

From our founding in 1999, we have harnessed the power of international timber supply chains to promote responsible forestry. Working closely with timber-buying companies and forest communities in Asia and Africa, we helped transform the way commercial timber is taken from forests, to empower vulnerable communities and protect large areas of threatened tropical forest.

In recent years we have expanded our action to engage in other commodity supply chains that have a significant impact on nature and people's lives. These include palm oil, pulp and paper, stone, metal, rubber, charcoal and cotton.

Our members believe business can only flourish in harmony with people and nature. They are taking big steps towards making that a reality and our global team supports them on their change journey with practical, commercially viable solutions to complex problems.



## Ways to engage: membership and clients at a glance

Companies can work with TFT in two ways: membership or as a client. There are clear differences between the two.

TFT **members** commit to long-lasting change in their supply chains. They engage with TFT at the senior level that sets corporate policy and strategy, and at operational levels where supply chain transformation happens day-to-day. As explained in this publication, members have certain obligations. They also benefit from a dedicated TFT relationship manager and services including communications.

**Clients** work with TFT is on specific time-bound projects that we see as positive first steps towards change. These are generally the first steps towards membership and further-reaching engagement.

This publication focuses on membership. If you would like to discuss becoming a client, please contact your local office using the information at the end of this document.



## A shared vision

Our vision is a world where businesses are a force for harmony for people and nature. We work to transform tensions among people, the natural world and companies into positive energy that brings long-lasting change. We do this on the basis of long-term memberships and demanding change journeys, accompanying our members on the path of transformation. Our role is to guide with clarity and integrity towards credible and practical steps on the journey.

To maintain this strong sense of direction, our every action is guided by the vision and values expressed in the TFT Coat of Arms:



We work between **nature and people**, in places where they conflict, and we use this energy for change. We act with **businesses and communities** on issues mainly related to **land** use.



We have five main values we work by and expect our members to adhere to in our relationship:

**Truth:**

Bringing long-lasting change demands we always tell the truth about a situation on the ground, even if it is uncomfortable.

**Respect:**

We always treat people and organisations with respect and, no matter what they have done previously, we respect their commitment to change.

**Courage:**

Solving complex problems requires the courage to walk towards the unknown, to challenge the status quo within a company, within an industry.

**Humility:**

No large issue can be solved on one's own; there is no lone hero in complex situations. Humility gives the space for others to engage and support the process.

**Compassion:**

Real progress is only possible through genuine understanding of others and the context they face, and more generally compassion for people and nature.

Our motto, '**To Protect, To Heal**' is about the ultimate objective of our work with our members, to both protect and heal nature and people.

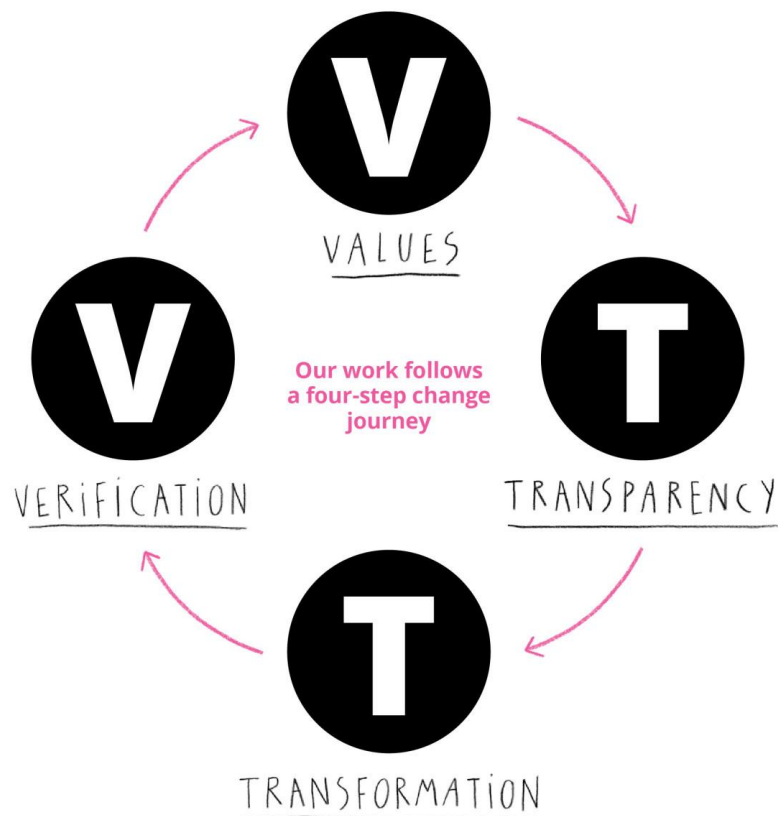


## How we will work with you

Becoming a TFT member means embarking on a journey: making a strategic commitment to constantly innovate and turn supply chain responsibility into a source of value for both business and society. Membership is always focused on an ambitious commitment and measurable progress that clearly moves the company towards responsible sourcing of raw materials.

TFT members all trade products made from raw materials grown or extracted from the land, but members vary in size, location, history, products and their position in the supply chain. Each member is unique and travels its own path towards transforming how its products are sourced. Our role is to guide and support. We agree with our members a relevant set of actions and solutions that really bring change. We do not impose a one-size-fits-all solution.

We work together on a change journey that follows the 'Values, Transparency, Transformation and Verification' model:



## How we will work with you:

### Values

We start by discussing your core values and what they mean for your product supply chain. We help you translate those values into credible and relevant policies, ensuring that you address the key environmental and social issues that may exist in your supply chain. It is then time to announce your commitment and take responsibility for your supply chain impacts.

The key values we share with our members include at a minimum the following:

- Protection of nature, including ensuring that supply chains are protecting ecosystems and biodiversity.
- Respect for human rights; including respect for the right of indigenous people and local communities to Free, Prior, Informed Consent to any activities taking place on their traditional or customary lands, and respect for workers' rights, health and safety.

Each product group has further developed these values based on the particularities of each industry. These product-specific values are constantly evolving as we learn more every day about the environmental and social risks that exist, as well as the solutions available to credibly address those risks.





## How we will work with you:

### **Transparency**

A company that takes responsibility for its product must discover where and how its raw materials are produced. We help you map your supply chains and establish systems to assess practices in the supply chain, including the origins of your raw material. That means engaging your supply chain partners to work through barriers of complexity, commercial confidentiality, ignorance or indifference.

Transparency also requires every member to set clear, time-bound goals to map supply chains, identify environmental and social risks, transform conditions on the ground and verify and report progress. Every year, we agree an annual work plan with you that states key objectives, key performance indicators (KPIs) and the actions that we will both take to achieve objectives.

TFT's SURE Technology system is a tool available to enable you to track complex supply chains. SURE also allows you to access and communicate key social and environmental information about individual supply chain nodes (plantations, mills, factories and so on), including verification of performance.



## How we will work with you:

### **Transformation**

We work with our members and their supply chain partners towards establishing new production models that respect communities, workers and nature. We transform practices that destroy forests, exclude communities and exploit workers, to root them in responsible production.

Transformation begins with dialogue, understanding the issues and then agreeing relevant actions and solutions. Since our founding in 1999, we have grappled with many complex problems, building up expertise in many areas along the way, and we use this to tackle each member company's individual issues.

We also connect those people who, together, can create solutions, but who may otherwise not engage constructively. We help them to understand what is happening on the ground, each others' goals and perspectives and the possibilities to agree a mutually acceptable approach to change. In this process, the committed leadership of our members drives transformation. We support that process with strategic and technical support.

Momentum grows as ever more companies individually announce commitments, adopt policies and take actions which collectively demonstrate that business can work for harmony with people and nature.

Our goal is always to share learning and build capacity within organisations so that in the future TFT may step back from the day-to-day business and leave in place the motivated leaders, trained managers, policies, procedures and strengthened community relations that will continue to drive transformation. Alternatively, we will often continue to be engaged in a 'light touch' monitoring or mentoring role, to keep a company on track and support when new or difficult situations arise.



## How we will work with you:

### Verification

Verifying transparency and transformation allows members, consumers, NGOs and others to trust that reported achievements are real.

We support members to monitor their performance and share the results with their stakeholders. This is partly a technical task to apply the right tools and processes systematically, but it also depends on a culture of openness and transparency to report both the good results and the inevitable setbacks. For example, if it is alleged that a policy – such as a policy to protect forest – has been breached, this must be investigated robustly and the evidence reported. If a breach has occurred, the member must also state the steps it will implement to prevent a repeated breach. This is part and parcel of the transformation process.

If we have adequate direct knowledge of a member's supply chain, we are able to provide second-party verification of raw material origins, legality and social and environmental performance. This may be communicated through 'product stories' viewed via on-product QR codes or member websites. Some members communicate more detailed progress to their stakeholders through a SURE transparency dashboard.

Independent third-party verification gives some additional assurance, and our members sometimes seek third-party certification. However, we recognise that often there is no relevant certification scheme available, and that some schemes lack adequate credibility and can obscure supply chain transparency. TFT is working on mechanisms to enhance the monitoring capacity of local NGOs including the training and access to information that they need to provide the best informed, most rigorous test of progress on the ground.



## **Member obligations**

We will support a member on its change journey if we are convinced of its sincerity, commitment and ability to change. Engagement must happen at a senior level in the company.

### ***Strategic requirements***

Every member:

- Takes a leadership position on responsible sourcing and/or production in its sector.
- Defines values, strategies and policies that respect people and nature in its supply chain. These must be compatible with TFT's minimum requirements in the relevant product group.
- Makes a public commitment.
- Embraces progress as an ongoing journey of improvement and innovation.
- Is open to honest discussion with TFT and other stakeholders about its change journey, communicating its position candidly, and listening to feedback and challenges.

### ***Operational requirements***

Every member:

- Provides TFT with all relevant information relating to its supply chains. This may include supplier contacts and type, size and timing of orders.
- Nominates a member of staff with appropriate seniority and influence on supply chain decisions to act as TFT's central point of contact with the company.
- Nominates a liaison officer as the contact point between TFT and the member.
- Agrees an annual work plan with TFT that sets out clear, time-bound objectives and actions to address key risks in its supply chains. The member is expected to carry out the work plan actions for which it is responsible, and to fund the actions allocated to TFT or others.



- Facilitates TFT access to supplier mills, factories and worksites to achieve the transparency and transformation objectives agreed in the work plan.
- Excludes all potentially illegal or controversial raw material sources in its supply chains robustly and within a credible period.
- Agrees that TFT publish the member's policy, work plan, KPIs and progress reports on the TFT website on at least an annual basis.

### ***Financial requirements***

- Makes a financial investment in the TFT programme that is appropriate to the scale of its commitment and that is sufficient to support a credible work plan to meet the commitment.
- Commits to an agreed payment schedule which includes an initial advance upon becoming a TFT member.



## **TFT obligations**

TFT's membership is first and foremost based on trust. TFT accompanies companies on challenging journeys and our members should count on our unwavering integrity, professionalism and commitment to the change process at all times.

### ***Strategic requirements***

- Support our members to actively transform social and environmental practices in its supply chain and create awareness around our members' improving product stories.
- Grow the TFT change model to expand its influence and leverage over the transformation of the whole industry.

### ***Operational requirements***

- Treat commercial information about member companies in strict confidence, including prohibiting and preventing members from gaining information about their competitors through TFT.
- Appoint a relationship manager to support the member.
- Provide members and all interested parties with regular reports about TFT's activities.
- Agree to a member-specific work plan and working with the member to deliver.
- Help our members to be aware of the risks in their supply chain and develop strong action plans to address these risks.
- Provide appropriate communications support to help our members tell their improving product stories in a credible and transparent manner. TFT does not speak directly to stakeholders on behalf of companies; instead we help to equip companies with credible information aimed at explaining the progress they are making.

### ***Financial requirements***

- Invest all funds efficiently and effectively.
- Make the TFT annual financial audit report publicly available.



## Membership governance

We are keenly aware that our members' supply chains have a very significant impact on people and nature worldwide. We can only support change journeys effectively if our integrity and reputation remain intact. Therefore, robust procedures govern our relationships with our members, including TFT obligations to:

- Maintain a current register of all member companies, posted on the TFT website.
- Publish clear, standardised and public information about all member companies on the TFT website.
- Assign a relationship manager to every member to ensure membership requirements are met
- Treat members' commercial information in strict confidence and prohibit and prevent members from gaining information about their competitors through TFT.
- Make every reasonable effort to fulfil our agreed activities to support work plan objectives, and provide members and other parties with regular updates on progress.
- Provide appropriate communications support to members.
- Use all funds efficiently and effectively to bring about our overall transformation objectives and implement agreed work plan actions.
- Terminate the membership of any company that proves not to be motivated or able to live up to its commitments and policies.



## **Membership governance: FAQs**

### ***Will TFT work in any product sector?***

No, we will only work in sectors that we judge have the potential to strike a responsible balance between conservation of the natural world, the wellbeing of local communities and wider society, and profitable business. We will not work with the tobacco or arms industries. These are subjective judgements, and we review our 'no-go' product sectors from time to time.

### ***How does TFT judge what is a 'responsible' balance of social, environmental and business values?***

We do this through dialogue with affected stakeholders (business, communities, NGOs, experts) and our senior management team makes its recommendations to the TFT Board of Trustees.

### ***How does TFT decide on membership applications?***

TFT's senior management team and Board of Trustees assess and decide on membership applications. An application is only considered if:

- TFT has met and discussed membership requirements with senior managers in the company.
- The company makes a public commitment, with credible policies to implement this.
- The company commits to a budgeted annual work plan and membership fee.
- The membership application is signed by a senior-level representative of the applicant company.

### ***How do other people know whether TFT members are really progressing?***

Verification of work plan progress is an integral part of TFT's 'VTTV' model (see *'How we will work with you, pages 7-11'*). We also strongly encourage and support our members to practise open, proactive stakeholder communication. We will help our members to communicate their commitments and progress but ensure that this alone is not the only means of validating our members' progress.

We track and assess each member's progress against annual work plan goals. Every member is entitled to guard commercially sensitive information, but must also allow





annual progress against transparency and transformation KPIs to be posted on our website.

Ultimately, if a member is not willing or able to make real progress, we will suspend or terminate membership. TFT has done this before.

***In what circumstances would TFT terminate membership?***

We will terminate the membership of any company that we judge is not motivated or able to live up to its commitments and policies.

Our members' transformation journeys are challenging and unpredictable. Sometimes they will fail to achieve agreed work plan objectives, other times exceed them. Sometimes events on the ground overtake the work plans.

However, when progress is inadequate, or agreed policies are breached, TFT follows a three-strike policy in which the issues are escalated to the point where Membership would be terminated. This ensures the company in question is clearly aware of the concerns and issues and afforded an opportunity to address the issues. TFT does reserve the right to immediately terminate membership without following a three-strikes and you are out policy.



## **Member communications**

We see communication as an essential part of the change process; as an accelerator of the transformative work we do together on the ground. Our role is to support and coach each member on its path of communication in parallel to our support and coaching in the supply chain.

We expect courageous, truthful and humble communication from our members in telling the story of change. This includes the journey's inevitable up and downs. In today's world of social media and ubiquitous communication technology, transparency and honesty is the currency of trust. It is also the currency of change. Courageous communication encourages stakeholders to engage and support the change process rather than campaign and attack from the outside.

The strength of member communication will only be increased by each member's capacity to take ownership for its journey rather than hide behind another organisation's logo, including TFT's.

To support transparency, at a minimum each member has an individual page on the TFT website where its policy, work plan and latest progress report are posted. We will also support our members in producing honest and credible press releases, blogs and website reporting. All member communications referencing TFT must be approved by TFT before made public.



## **Member communications: bringing your change journey to life**

Communicating a membership sends a strong signal to stakeholders such as supply chain partners, NGOs and journalists of the member company's commitment to working with TFT to achieve its responsible sourcing goals. This helps to facilitate TFT's work in the supply chain, allows TFT to give the member communications support as needed and associates the member publically with TFT's values and reputation.

Your membership fee has built-in support from our communications team in working with you on update reports and providing advice in relation to day-to-day communication outputs and requests from external stakeholders. In addition to this, our global communication team can offer support on a variety of services including:

- Videos
- Internal newsletters
- Staff workshops and coaching
- External newsletters
- Media positioning
- Transparency dashboards
- Product stories for customers
- Case studies
- Blogs and social media strategy
- Events
- Pictures and content from the field



## Membership fees and annual budgets

TFT's work is funded by our members through annual membership fees and work plan budgets. The activities and subsequent work plan budget are jointly agreed with the member every year and vary according to the intensity of the joint work planned for the year. TFT membership is for one year and is renewed annually.

### How membership fees are calculated

Recognising the varying size of TFT member companies, membership fees are calculated according to the annual turnover of each company. Fees for 2016 are:

Company revenue (USD)	Fee (USD)
20 billion and up	50,000
10 - 20 billion	40,000
1 - 10 billion	30,000
500 - 1000 million	20,000
100 - 500 million	10,000
100 million and below	5,000

### How annual work plans are calculated

The work plan sets out all activities needed to achieve the objectives set out in a member's commitment. As such, a work plan is unique to a member and is based on the activities and staff time needed to deliver this. Work plans include day rates for the various members of staff involved - from relationship managers and field project officers to any strategic input from directors and specific services such as communications.

If a member is using TFT's SURE Technology for an activity or initiative - supply chain mapping or a dashboard, for example - how they are using it will be budgeted in the work plan.



## Contact us

Email us on [info@tft-earth.org](mailto:info@tft-earth.org) or contact your nearest office to discuss membership or partnership.

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