Resource-Efficient Land Use – Towards A Global Sustainable Land Use Standard
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The private sector, CSR and sustainable land use: recent trends

GLOBALANDS Issue Paper

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1 Introduction

Land use is a multi-sectoral, multi-faceted activity which involves multiple actors: governments and public agencies, local landholders as well as corporate, industrial and financial actors. In many land-using sectors, the role of corporate actors – as opposed to small-scale land users such as family farmers, community foresters, artisan miners etc. – has increased in the past decades. This is a result of the progressive expansion of commercial-industrial relations in these sectors (e.g., for agriculture see IAASTD 2008; p. 7). It is also reflected in the trend towards large-scale land acquisitions which are to a substantial extent driven by companies (Anseeuw et al. 2012; p. 21).

Sectors with both a particular dependence and sustainability impact on land include the food and beverage, leisure and travel, and basic resource sectors (ELD Initiative 2013; p. 6). Thus, a major share of responsibility for the sustainability of land use activities rests with corporate actors, both domestic and multinational ones. This holds particularly in countries where the state's governance capacities are low.

(Multinational) Corporations can both be 'problem creators' and 'problem mitigators' with regard to sustainable land use. On the one hand, companies have been involved in massive land acquisitions, changes in land use practices and degradation of land, soil and biodiversity, in particular through deforestation, contamination and the over-exploitation of natural resources (Barkemeyer 2011; Brandon 2013; Doh 2009; Idemudia 2011; McMichael 2012; Meyfroidt 2013). They also have contributed to land conflicts, to land and food tenure insecurity of local inhabitants, and they have been involved in forced evictions (Abdul-Garafu 2009; Abebe 2012; Adeola 2001; Bob 2010; GRAIN et al. 2014).

On the other hand, corporate actors can contribute to mitigating land degradation, restoring land, conserving and sustainably using natural resources and ecosystem services (Bishop et al. 2009; Daily & Ellison 2012; TEEB 2012). Doing so forms part of their Corporate Social Responsibility (CSR).

CSR has been defined by the EU Commission as "the responsibility of enterprises for their *impact on society*" (European Commission 2011; p. 6; own italics), and this includes environmental impacts.[1] The main pathways through which (multinational) companies can improve their responsibility with regard to land use include rendering (a) their very *business models*, (b) their core *business operations* and/ or (c) their *value chains* – wherever land is used – more socially and ecologically responsible (Beltramello et al. 2013; Dobers & Halme 2009; Rondinelli & Berry 2000; Visser 2008). Further pathways of CSR are (d) the sponsoring of (land-related) community projects or nature reserves etc. (Muthuri et al. 2012) and (e) the shaping of public policy dialogue and institutions towards more sustainable development and land use respectively (Kourula & Halme 2001).

[1] Note that this definition of CSR does not rest on the premise that CSR is limited to voluntary, "beyond compliance" activities. Independent of whether companies carry out an activity voluntarily or as part of their legal duties, it forms part of their corporate responsibility when it affects society and the environment.

CSR activities may relate to a range of land use issues, among others:

- biodiversity
- deforestation
- soil
- carbon
- water management
- land tenure
- human rights (including labour rights and working conditions)
- gender equality

The issues' relevance varies depending on the concrete economic sector and land use activity (e.g., agriculture, forestry, settlements, mining, infrastructure) as well as the companies' position within the value chain (e.g., raw material extraction, production, processing, marketing).

This GLOBALANDS Issue Paper serves to give an update vis-à-vis our earlier 'governance screening' on global sustainable land use (Wunder et al. 2013), with a focus on the private sector. In a first step, we review recent developments with regard to frameworks and instruments for sustainable land use by the private sector. When developing corporate policies on sustainable land use, enterprises can draw on an increasing number of public frameworks and standardised CSR instruments which aim at rendering private sector land use activities more sustainable. In the paper, we look at seven public frameworks, developed or revised by international organisations or intergovernmental mechanisms (e.g., the UN Human Rights Council, FAO, OECD or World Bank) within the past four years.[2] We also give an overview of CSR instruments with relevance for sustainable land use – ranging from codes of conduct via management systems to certification schemes, reporting formats or forms of stakeholder cooperation. In a second step, we analyse policies on sustainable land use of three selected corporations: Unilever, Coca-Cola and Allianz SE. We conclude that the increase of private sector policies and instruments with regard to sustainable land use, though encouraging, does not yet suffice and that further efforts, both of enterprises and other actors are necessary. These efforts include binding public policies.

[2] Specifically, we review the UN Guiding Principles on Business and Human Rights (2011), the Voluntary Guidelines for Responsible Governance in Land and Natural Resource Tenure (2012), the Principles for Responsible Investment in Agriculture and Food Systems (RAI Principles, 2014), the UN Principles for Responsible Investments (PRI) Guidance for Responsible Investment in Farmland ('Farmland Principles', 2011/ 2014), the UN Global Compact Food and Agriculture Business (FAB) Principles (2014) and Soil Principles (under development), the Review of the World Bank's Safeguard Policies (2015) and the IFC Performance Standards (2012) and, finally, the draft FAO-OECD Guidance for Responsible Agricultural Supply Chains (2015).

2 Frameworks and instruments for sustainable land use by the private sector

Above, we mentioned four pathways through which companies can become more responsible. *Changing business models* is of course the most demanding one and the least likely to be carried out on a voluntary basis. An oil company is unlikely to willingly give up oil extraction, despite the dangers of anthropogenic climate change. However, it might at least add to its portfolio less damaging products, such as renewable energies, and might expand these at the cost of fossil fuels over time. For companies managing large-scale land deals, changing business models could potentially include the divestment from developing countries, for instance should these land deals negatively affect food security.

Making *core business operations* (i.e., a firm's products, production processes, distribution channels, marketing operations etc.) as well as *supply chains* more sustainable requires commitment from the top management as well as changes in a multitude of internal strategies and policies (e.g., in corporate, sourcing, sustainability, marketing and human resources strategies), internal systems and procedures. Such changes are frequently guided by public frameworks or by standardized CSR instruments (i.e., governance tools that systematically cause or facilitate the incorporation of sustainability concerns into the core business operations of companies and into the management of their supply chains). In the following sub-chapters, we elaborate recent trends with regard to such public frameworks and CSR instruments.

2.1 Public frameworks for sustainable (investments in) land use

A range of international (public) frameworks have emerged in the past years to guide the private sector with regard to sustainable land use. A number of these frameworks specifically address large-scale land acquisitions and leases ("land grabbing"), which accelerated after the food price crisis in 2008. We give a brief (chronological) overview of these more recent instruments:

- UN Guiding Principles on Business and Human Rights (2011)
- Voluntary Guidelines for Responsible Governance in Land and Natural Resource Tenure (2012)
- Principles for Responsible Investment in Agriculture and Food Systems (RAI Principles, 2014)
- UN Principles for Responsible Investments (PRI) Guidance for Responsible Investment in Farmland ('Farmland Principles', 2011/ 2014)
- UN Global Compact Food and Agriculture Business (FAB) Principles (2014) and Soil Principles (under development)
- Review of the World Bank's Safeguard Policies (2015) and the IFC Performance Standards (2012)
- Draft FAO-OECD Guidance for Responsible Agricultural Supply Chains (2015)

In the following, these instruments are portrayed and briefly analysed with regard to their potential to increase the sustainability of land use by the private sector.

2.1.1 UN Guiding Principles on Business and Human Rights (2011)

Human rights are a crucial dimension of sustainable land use.[3] It is therefore relevant for the purpose of this paper that the "Guiding Principles on Business and Human Rights" were endorsed by the UN Human Rights Council in 2011, after a lengthy political process. A mandate on business and human rights had been created in 2005 and the UN Secretary General had subsequently appointed US Professor John Ruggie as Special Representative for Business and Human Rights. Under Ruggie's leadership and with extensive consultations, the "Protect, Respect and Remedy" framework had been developed in 2008 which delineates the responsibilities of states and enterprises in addressing the human-rights violations by businesses.[4] The Guiding Principles (GP), written by Ruggie and his team (again with extensive consultations), operationalize and implement this framework. The voluntary, non-binding Guiding Principles apply to all states and all business enterprises, independent of their size, sector, structure, ownership etc.. Although not developed in an inter*governmental* process, they were unanimously endorsed by the UN Human Rights Council and were also supported by numerous business associations and civil society organisations. Their significance lies in the fact that they represent the most authoritative international standard addressing adverse impacts on human rights resulting from business activities.

The Guiding Principles are structured in three parts: states' duty to protect human rights; corporate responsibility to respect human rights; and access to remedy. Each of these parts contains "foundational principles" and "operational principles", and each of these brief principles is explained by a commentary.

At its core, the second pillar of the Guiding Principles (on corporate responsibility) stipulates that business enterprises should respect human rights (GP 11). The responsibility to respect human rights requires that business enterprises avoid causing or contributing to adverse human rights impacts through their own activities (i.e., actions and omissions); that they address such impacts when they occur; and that they seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts (GP 13). In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes. These include a policy commitment approved at the most senior level, embedded throughout the enterprise and publicly communicated; a human

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[3] For instance, agriculture and timber harvesting frequently affect labour rights (from excessive working hours with low wages to child labour and human trafficking); the right to water and sanitation (when agricultural operations impinge on the availability of clean water for surrounding communities); and/ or the right to food (when biofuel production crowds out food production) (e.g., Nestor 2013). In addition, various human rights (e.g. the rights to adequate housing and security of the person) can be affected when public or private organisations drive deforestation, resettlement or land conversion, including by means of forced evictions. A further link between human rights and sustainable land use consists in the fact that procedural human rights such as the rights to information, expression, or assembly can foster environmental protection and make more difficult unsustainable resource use.

[4] The "Protect, Respect and Remedy" is based on three pillars (van Huijstee et al. 2012: 11): "The first is the State's duty to protect against human rights abuses by third parties, including business enterprises, through appropriate policies, regulation and adjudication. The second is the corporate responsibility to respect human rights, which means that business enterprises should act with due diligence4 to avoid infringing on the rights of others and to address adverse impacts with which they are involved. The third is the need for greater access by victims to effective remedy, both judicial and non-judicial."

rights due diligence process to identify and assess actual and potential human rights impacts, to prevent, mitigate and account for how the enterprises address their impacts on human rights; and processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute (GP 15, cf. 16-17).

Although the Guiding Principles do not constitute obligations for businesses under international law, they have advanced the debate on business and human rights in many respects. For instance, they require human rights responsibility along the whole supply chain and define a concrete human rights due diligence process. The due diligence concept has subsequently diffused to the revised OECD Guidelines for Multinational Enterprises (where due diligence is even expanded beyond human rights into a general principle) and to the International Finance Corporation's (IFC) Human Rights Impact Assessment Guide. The weaknesses of the Guiding Principles have been summed up by van Huijstee et al. (2012; p. 12) as follows: They do not create new international legal obligations for companies that can be enforced. They are not accompanied by a grievance or complaints mechanism that victims of business-related human rights abuses can access for remedy. They do not require states to regulate the human rights impacts of business enterprises beyond their national borders (i.e. extraterritorially). And they do not explicitly refer to the full body of human rights laws and standards, with the consequence that implementing the Guiding Principles does not require enterprises to respect all internationally recognised human rights. Still, the Guiding Principles are a crucial step towards strengthening human rights observance by companies, including in land use relevant sectors. As regards the currently non-binding nature of the Guiding Principles, the UN Human Rights Council has opened new prospects in June 2014 by mandating a working group to "elaborate an international *legally binding* instrument on transnational corporations and other business enterprises with respect to human rights"[5] (own emphasis).

2.1.2 Voluntary Guidelines for Responsible Governance in Land and Natural Resource Tenure (2012)

The Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT) were adopted by the UN Committee on World Food Security (CFS) in May 2012 after a multi-annual policy process which also involved non-state actors (civil society, the private sector) in a meaningful manner. The Guidelines were initiated at the FAO's International Conference on Agrarian Reform and Rural Development (ICARRD) in 2006 and also build on the FAO's Voluntary Guidelines on the Right to Food.

The Guidelines on Tenure are voluntary and non-binding. They provide guiding principles of responsible tenure governance, outline rights and responsibilities related to tenure, and make recommendations regarding the respective policy, legal and organizational frameworks. They specifically address the legal recognition and allocation of tenure rights and duties; transfers and other changes to tenure rights and duties; the administration of

[5] Resolution 26/9 adopted by the United Nations Human Rights Council on 26 June 2014.

tenure; and the governance of tenure in the context of climate change, natural disasters and conflicts.

In large part, Voluntary Guidelines address public actors, since the responsible governance of tenure is primarily a task of national and local governments. However, the Guidelines also call on the private sector to respect legitimate tenure rights (cf. Art. 26.5 VGGT). For investors, neglecting to address tenure rights implies legal, financial and reputational risks. In a chapter on "investment", the VGGT promote "responsible investments" into land, fisheries and forests. They stipulate that "[r]esponsible investments should do no harm, safeguard against dispossession of legitimate tenure right holders and environmental damage, and should respect human rights" (Art. 12.4, VGGT). More specifically, "[b]usiness enterprises should act with due diligence to avoid infringing on the human rights and legitimate tenure rights of others. … include appropriate risk management systems to prevent and address adverse impacts on human rights and legitimate tenure rights. … provide for and cooperate in non-judicial mechanisms to provide remedy … where they have caused or contributed to adverse impacts on human rights and legitimate tenure rights. … should identify and assess any actual or potential impacts on human rights and legitimate tenure rights in which they may be involved" (Art. 3.2, VGGT). With a focus on "responsible investment", the VGGT do not generally attempt to stop land grabbing (GRAIN 2012). However, Art. 12.6 VGGT at least invites states to "consider promoting a range of production and investment models that do not result in the large-scale transfer of tenure rights to investors". This provision actually raises the question of how "responsible" large-scale investments in developing countries can be at all.

With "some businesses … coming to the realization that addressing complex tenure challenges in their land based investments or supply chains may not be as easy to achieve as other [CSR] commitments" (Myers 2015), organizations from USAID to FAO have started operationalising the relatively unspecific recommendations of the VGGT for the private sector (AFD 2014; FAO & OECD 2015; Krebber & Lufkin 2015; USAID 2015). While a certification standard based on the VGGT does not yet exist, some corporate representatives have called for the development of a scheme that would certify compliance with obligations derived from the VGGT, the RAI Principles and similar standards.[6]

By way of a brief assessment, the VGGT make numerous crucial recommendations relating to the governance of tenure. They draw authority from the fact that they "explicitly refer to existing binding international human rights obligations related to land and natural resources and […] provide interpretation about how to implement these obligations through policy, law and regulation" (Global Campaign for Agrarian Reform & Land Research Action Network 2010).[7] They can be considered an internationally agreed benchmark for (e.g. donor) policies to refer to. While to date, the VGGT are only voluntary, they may serve as a yardstick for future binding measures, both at the national or international level – with soft law potentially smoothing the way for 'hard law'. Their warning against "the large-scale transfer of tenure rights to investors" in Art. 12.6, though rather cautious, is in line with the position

[6] For instance, at the World Bank "Land and Poverty" Conference 2015.

[7] Human rights instruments referred to include the Universal Declaration of Human Rights, the UN Declaration on the Rights of Indigenous Peoples and other international human rights instruments.

of numerous civil society organisations. GRAIN, for instance, argues that “any serious approach to fighting hunger and poverty requires securing people’s own control over their lands and territories, not guidelines and rules on how corporations and foreign investors can somehow do a good job of it themselves. What we need is not responsible farmland investment, but divestment” (GRAIN 2012).

The focus of the Voluntary Guidelines is on social issues related to tenure, while the environmental / resource management dimension is not strong: it is limited to the response to climate change and natural disasters. Promoting the VGGT’s implementation may be an opportunity to enlarge their scope and address more strongly key environmental concerns related to tenure. Respective safeguards should relate especially to biodiversity and land-related carbon emissions, but also to other ecosystem services fundamental to sustainable land use (Fritsche et al. 2015).

2.1.3 Review of IFC Performance Standards (2012) and of World Bank Safeguard Policies (2015)

The World Bank has been assessed to play “a pivotal role in land acquisitions in many ways: (I) as a source of direct financial support for investments in land; (II) as a policy adviser to developing country governments; and (III) as a standard-setter for other investors” (Oxfam 2012; p. 4). Beyond land *acquisitions*, the World Bank also plays a pivotal role for land tenure, natural resource management and environmental/ nature protection related to project finance.

Having said this, the World Bank’s private sector arm, the International Finance Corporation (IFC), revised its performance standards (embedded in the IFC’s Sustainability Framework) in 2012. Among the eight standards, various have relevance for (sustainable) land use and shape the IFC’s financial participation in, and support to, land deals. For instance, while Standard 1 requires the assessment and systematic management of environmental and social risks and impacts, Performance Standard 5 directly addresses “Land Acquisition and Involuntary Resettlement”. Standard 6 relates to “Biodiversity Conservation and Sustainable Management of Living Natural Resources”. The performance standards are highly specific and stringent compared to the requirements of the UN PRI Farmland Principles or the Global Compact Food and Agriculture Business Principles. Still, their contribution to sustainable land use depends on their assurance and enforcement through the IFC and in the past, such oversight tended to be weak (Wunder et al. 2013). Critics have also called for a clearer link between the IFC performance standards and human rights.

The World Bank’s “Environmental and Social Framework” (often referred to as “Safeguard Policies”) aim to ‘avoid, minimize or mitigate the adverse environmental and social risks and impacts’ of projects the Bank supports through investment project financing. The Bank’s current framework has been under review since 2012 and in mid-2015, a third phase of consultations has been announced on a second draft of the new framework. At the time of writing, this second draft has not yet been published.[8] The first draft was criticized in a

8 https://consultations.worldbank.org/consultation/review-and-update-world-bank-safeguard-policies (last accessed 14/07/2015)

GLOBALANDS discussion paper for not being sufficiently aligned with the provisions of the Voluntary Guidelines on Land Tenure as well as for omissions with regard to land rights, treatment of indigenous people, free and prior informed consent for local communities and environmental impacts (Kaphengst 2015).

2.1.4 The Principles for Responsible Investment in Agriculture and Food Systems (RAI Principles, 2014)

The Principles for Responsible Investment in Agriculture and Food Systems (in short: RAI Principles) were adopted as a CFS initiative in October 2014, after a somewhat winding development process.[9] They are a set of voluntary, non-binding principles and responsibilities for rendering investment in agriculture and food systems more responsible.

The Principles address different actors: governments, investors, financing institutions and donors, farmers (including smallholders), workers, international and civil society organizations etc. They relate to public and private investments of both foreign and domestic, of large, medium and small investors along the whole supply chain, from food production via processing to marketing and retail.

The overarching objective of the RAI Principles is to "promote responsible investment in agriculture and food systems that contribute to food security and nutrition, thus supporting the progressive realization of the right to adequate food in the context of national food security" (CFS 2014; § 10). Thus, the Principles aim to address both the need for investment in agriculture and food systems on the way towards food security, and the challenges involved in (large-scale) land acquisitions ("land grabbing", see FAO 2013, 2014; HLPE 2011). They were developed to complement the VGGT. As a consequence, the RAI Principles explicitly refer to the VGGT as well as to international human rights instruments.

The RAI Principles stipulate that 'responsible' investment should:

- contribute to food security and nutrition;
- contribute to sustainable and inclusive economic development and the eradication of poverty;
- foster gender equality and women's empowerment;
- engage and empower youth;
- respect tenure of land, fisheries, forests and access to water;
- conserve and sustainably manage natural resources, increase resilience, and reduce disaster risks;
- respect cultural heritage and traditional knowledge, and support diversity and innovation;
- promote safe and healthy agriculture and food systems;

9 An initial set of "Principles for Responsible Agricultural Investment that Respects Rights, Livelihoods and Resources" (called "PRAI") failed to find support from a range of governments and many civil society organisations. These PRAI had been jointly promoted by the World Bank, the International Fund for Agricultural Development (IFAD), the United Nations Conference on Trade and Development (UNCTAD) and FAO as of 2010, as an agency-led initiative without participation of all governments or any non-governmental actors.

- incorporate inclusive and transparent governance structures, processes, and grievance mechanisms. Among others, responsible investment is defined to seek free, prior, and informed consent (FPIC) with regard to the rights of indigenous peoples;
- assess and address impacts and promote accountability

The RAI Principles provide a first consensual international interpretation of 'sustainable investment' in agriculture and in food systems. Thus, they can function as a benchmark for national policies both in the target countries of investment and in donor countries, for promoting and formalizing responsible investment practices by both investors and intermediates. However, civil society stakeholders have criticized the RAI Principles as not far-reaching enough. Among others, they criticize that the Principles do not sufficiently address the fundamental role of smallholders and landless people in agricultural investment and the way they are affected by such developments; that the strong references to trade rules weaken the human rights positions in the document; that the Principles do not acknowledge that some production and food systems (e.g., local food systems, agro-ecology) have less environmental impacts than others; and that ultimately they 'offer little protection against land and resource grabbing' (CSM 2014). While it is commendable that FPIC is required for investments that affect the rights of indigenous peoples, it would be even better if the RAI Principles promoted FPIC for all affected communities. On a general level, the RAI Principles do not call into question whether large(r)-scale investments in agriculture and food systems can at all be 'responsible' in a context of hunger and poverty, but list criteria under which such investments can be assumed to be not harmful. To date, compliance with the Principles is not subject to any (voluntary) monitoring or compliance mechanism.

2.1.5 UN Principles for Responsible Investments in Farmland ('Farmland Principles') (2011), PRI Guidance for Responsible Investment in Farmland (2014)

The Principles for Responsible Investment in Farmland (known as the 'Farmland Principles') were developed by signatories of the UN Principles for Responsible Investments (UN PRI). The latter were an initiative by Kofi Annan, then-Secretary General of the UN, and a number of large pension and hedge funds, supported by a multi-stakeholder group. In 2006, they launched six principles relating to the integration of environmental, social and governance (ESG) issues into investment analysis and decision-making, ownership policies, disclosure practices in target companies etc. (UN PRI 2006).[10]

In the past years, investment in agricultural land has become a new asset class for individual and institutional investors. To react to the financial, reputational and sustainability challenges of these investments (socially discussed under the heading of 'land grabbing'), eight investment funds from the PRI initiative developed the Farmland Principles. They encompass the following commitments for institutional investors: 1. Promote environmental

[10] While UN PRI is not at the core of this brief review, an analysis demonstrates "that the organization's lack of transparency, accountability and enforcement actually serve as obstacles to the mainstream adoption of responsible investment practices. The UN PRI, after early successes in legitimizing the responsible investment ideology, appears to be acting as a shroud of legitimacy for traditional 'non-responsible' investment practices" (Gray, Taylor 2009).

sustainability; 2. Respect land and human rights; 3. Respect existing land and resource rights; 4. Uphold high business and ethical standards; 5. Report on activities and progress.

In 2014, the Farmland Principles became integrated within the PRI as "Guidance for Responsible Investment in Farmland"(UN PRI 2014). In this process, the principles were elaborated and specified by respective guidelines. Also, investor reporting has been integrated into the PRI Reporting Framework, rather than being a separate framework as previously.[11]

Farmland investments are regarded as "a stable long-term investment that offers diversification, inflation protection and potential to earn attractive returns" (TIAA-CREF 2015; p. 2). The value chains of farmland investments differ. To give just one example: founding signatory TIAA-CREF, jointly with co-investing institutional investors, operates various investment entities which acquire farmland (e.g., in the US and Brazil) on which row or permanent crops are cultivated. The investment entities have subcontracted two asset management companies that are responsible for identifying, acquiring and monitoring the investments, negotiating lease and crop management contracts with "farm operators" and partly for supporting the marketing of the crops. For the investors, revenues include rent paid by farmers as well as proceeds from property sales and crop sales. TIAA-CREF has linked implementing the Farmland Principles with reporting on key performance indicators (KPIs). However, these are not specified or even required by UN PRI but are self-developed by the investor. Accordingly, the ambitiousness of these KPIs is at the discretion of the individual investor. In the case of TIAA-CREF, all indicators are activity-based, i.e. they reflect desired activities of the farm operators (e.g., use of water saving technologies, formal title searches prior to land acquisitions). They are not generally impact-based, i.e. they do not reflect actual sustainability improvements (e.g., with regard to water savings, nutrient levels, cases of corruption etc.). Some of the indicators employed by TIAA-CREF do not even reflect concrete sustainability commitments, but only obligations to survey data.[12]

This example shows that the Farmland Principles themselves are too general to guarantee substantive sustainability impacts. Also, they are based on self-reporting and self-evaluation rather than independent verification. Ambitious investors may use the Principles as framework for ambitious self-obligations; others may use them as public relations tool to 'sell' routine practices. The Principles will only have a value-added when their signatories consider non-compliance as risky.

[11] From the UN PRI website it does not become clear how many signatories to the Farmland Principles there actually are.

[12] For instance, the environmental indicator on chemical and production inputs merely serves to survey the "percentage of farms in portfolio maintaining detailed input and production records including pesticide and fertilizer applications". That is, the KPI does not reflect any actual chemicals reduction commitment.

2.1.6 UN Global Compact Food and Agriculture Business (FAB) Principles (2014) and Soil Principles (under development)

The UN Global Compact was established in 2000 to define fundamental responsibilities for corporate actors in the realms of human rights, labour, environment and anti-corruption,[13] and to provide a learning platform for companies.

In preparation of the Rio+20 Conference, the Global Compact published a report, "Scaling up – global food security and sustainable agriculture". The report presented key issues facing the private sector in relation to food security and sustainable agriculture: sustainable sourcing, improving land and water management, enhancing nutrition, effectively using technology, and reducing commodity price volatility. At the Rio+20 Conference, governments called for securing food supply in a partnership approach between business, governments and stakeholders. In reaction to this and based on its previous work, the UN Global Compact developed a set of Food and Business (FAB) Principles. The FAB Principles were adopted in mid-2014, after a two-year process of consultation.

They encourage Global Compact members of all sizes and independent of the crops they produce to: 1. Aim for food security, health and nutrition; 2. Be environmentally responsible; 3. Ensure economic viability and share value; 4. Respect human rights, create decent work and help communities to thrive; 5. Encourage good governance and accountability; 6. Promote access and transfer of knowledge, skills and technology. Each of these principles is detailed by one or two further sentences. Principle 5, for instance, is specified by "Businesses should behave legally and responsibly by respecting land and natural resource rights, avoiding corruption, being transparent about activities and recognizing their impacts". References to the much more detailed standards of the UN-based VGGT (tenure) or the UN Guiding Principles on Human Rights (re Principle 4) are lacking.

Global Compact companies in the food and agriculture sector do not need to formally sign the FAB Principles; their commitment is demonstrated when they report on progress against the Principles in their annual 'Communication on Progress'.

Altogether, the FAB Principles are rather unspecific and not equipped with further guidelines or indicators. Thus, they fall behind the other frameworks in terms of ambitiousness. It remains up to the companies to translate the abstract principles into meaningful internal processes and activities. As regards oversight, the Global Compact does not provide for any verification, monitoring or enforcement mechanisms; there is only the obligation for all Global Compact members to self-report on progress. However, in the past years the Global Compact Secretariat has started to expel significant numbers of (corporate) members when these failed to even submit a progress report. This implies that awareness of some form of oversight might have grown.

[13] Note that these responsibilities were derived from existing international law instruments such as the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption (cf. https://www.unglobalcompact.org/what-is-gc/mission/principles).

On the basis of the FAB Principles, the Global Compact is presently developing a further set of principles on Sustainable Soil Management ("Soil Principles") to create awareness and support alignment of programmes around sustainable soil management.

2.1.7 Draft FAO-OECD Guidance for Responsible Agricultural Supply Chains (2015)

The draft "FAO-OECD Guidance for Responsible Agricultural Supply Chains" addresses enterprises in the food and agriculture sector (small and large businesses, public and private ones, in upstream and downstream segments) as well as institutional investors. The draft guidance, which is lead-authored by an Advisory Group,[14] underwent a public consultation in early 2015 and is to be finalized in 2015. It encompasses a framework for risk-based due diligence along agricultural supply chains and a model enterprise policy for responsible agricultural supply chains.[15] These are based on and operationalize relevant business and investment standards that have been negotiated or endorsed by governments in the past.[16] Hence, the guidance does not create new standards for responsible business conduct, but serves to support companies in observing existing standards.

The main aim of the guidance is to encourage enterprises to undertake "risk-based due diligence". Risk-based due diligence refers to "the steps enterprises should take to identify and address actual or potential risks in order to prevent or mitigate adverse impacts associated with their activities or sourcing decisions". According to the draft guidance, these steps include (FAO & OECD 2015):

- *Establish strong management systems for responsible agricultural supply chains*: e.g., adopt an enterprise policy on responsible business conduct[17]; structure internal management to support supply chain due diligence; establish a system of controls and transparency along the agricultural supply chain; create internal audit procedures to undertake regular independent and transparent reviews of compliance with the policy as well as the execution and follow-up of environmental, social and human rights impact assessments (ESHRIAs); strengthen engagement with business partners; establish permanent systems of business relations as well as a chain of custody or traceability system; establish an operational-level grievance mechanism to be used anonymously by workers and other stakeholders.

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[14] The group consists of OECD and non-OECD countries, international organisations, agri-food businesses, institutional investors, farmers' and civil society organisations.

[15] In addition, the draft FAO-OECD document contains various Annexes, for instance on suggested measures for risk mitigation along agricultural supply chains (Annex I), or a list of roles and responsibilities of various enterprises (Annex II). This structure draws from the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

[16] These include: the OECD Guidelines for Multinational Enterprises, the VGGT, the RAI Principles, the PRAI, the UN Guiding Principles for Business and Human Rights, the International Labour Organization Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the Convention on Biological Diversity (CBD) and the Aarhus Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters. Additional standards considered include the International Finance Corporation's Performance Standards and the UN Global Compact Principles.

[17] Cf. the model enterprise policy included in the guidance. This model policy is, among others, to provide advice on how to obtain the "Free Prior Informed Consent" (FPIC) of indigenous peoples.

- *Identify and assess risks in the supply chain*: Map out the supply chain by identifying the various actors involved; assess the risks raised by the enterprise's operations and those of its business partners; assess the potential adverse environmental, social and human rights impacts.
- *Design and implement a strategy to respond to identified risks*: Report the findings of the risk assessment to the designated senior management; adopt and implement a risk management plan; commission an audit of supply chain due diligence by independent and accountable third parties.
- *Publicly report on supply chain due diligence.*

The draft guidance with its almost 80 pages is comparatively detailed and covers a range of important fields of corporate action. Beyond general principles and guidelines it specifies concrete elements of a "due diligence" system for dealing with sustainability issues in agricultural supply chains. While the underlying standards are non-binding, they result from government-led international processes with a certain authority. To date, "due diligence" with regard to sustainability issues itself is voluntary in most areas.[18] However, after the 2013 *Rana Plaza* catastrophe in the Bangladeshi garment industry the discussion on making supply chains more sustainable has moved forward and making due diligence obligatory is one option under scrutiny.

2.2 CSR instruments for sustainable (investments in) land use

When designing corporate sustainability policies, companies may draw on public frameworks as we have just described them. In addition, they frequently make use of standardized CSR instruments. By "CSR instruments", we mean governance tools that systematically cause or facilitate the incorporation of sustainability concerns into a company's core business operations and into the management of its supply chains (cf. Barth & Wolff 2009: 8). The instruments may be applicable across many companies (standardized instruments) and in this case are typically developed by business associations, civil society actors, governments, multi-stakeholder networks, consultancies or auditing companies (ibid).

CSR instruments include codes of conduct, management systems, certification (labelling) schemes, accountability and reporting instruments as well as forms of stakeholder involvement or co-operation. Codes of conduct are formal statements of principles that define standards for specific company behaviour, and in some cases for the behaviour of subsidiaries, contractors and suppliers. They may draw on or be identical to public frameworks such as the ones presented above. Management systems are tools that provide procedures and specifications for integration into a company's everyday practices. Certification schemes confirm that companies produce a product in accordance with a set of sustainability criteria and allow them to use a respective label for marketing the product.

[18] An exception is timber imports into the European Union. In accordance with the EU Timber Regulation, timber traders are legally committed to carry out due diligence processes: they need to have access to data on their suppliers, carry out risk assessments on whether illegally harvested timber could enter their supply chain and, if necessary, introduce risk mitigation measures.

Sustainability accounting and reporting is the voluntary process of assessing and communicating organizational activities and impact on sustainability. Finally, stakeholder engagement and cooperation include various – bilateral or multilateral, formal or informal, issue-specific or more comprehensive – types of interaction between companies and their societal stakeholders (Barth & Wolff 2009: 10-11).

Table 1 gives a (non-exhaustive) overview of standardized CSR instruments relevant for sustainable land use.

Table 1: Selection of standardized CSR instruments relevant for sustainable land use

Instrument type	Land use sector	System/tool with relevance to sustainable land use
Codes of conduct & guidelines	Cross-sectoral	UN Guiding Principles on Business and Human Rights
		UN Global Compact
		OECD Guidelines for Multinational Enterprises
		Transparency International's Business Principles for Countering Bribery
	Agriculture	Global Compact Food & Agriculture Business Principles
		Interfaith Center on Corporate Responsibility Recommended Guidelines for Responsible Farmland Investment
		IHRB draft guidelines on a rights-based approach to business land acquisition and use
	Forestry	New York Declaration on Forests
	Mining	International Council on Mining and Metals' Sustainable Development Principles
	Finance	UNEP Financial Initiative's Statement of Commitment by Financial Institutions on Sustainable Development
		Equator Principles
Management systems & tools	Cross-sectoral	ISO 14000
		EU's Eco Management and Audit Scheme (EMAS)
	Forestry	High Carbon Stock Approach

Instrument type	Land use sector	System/tool with relevance to sustainable land use
Certification/ labelling schemes	Forestry	Forest Stewardship Council (FSC)
		Program for the Endorsement of Forest Certification (PEFC)
		Voluntary timber legality certification
		Standards for forest and agricultural carbon projects in voluntary carbon market, e.g., Verified Carbon Standard (VCS), VER+, Gold Standard, Voluntary Offset Standard (VOS), ISO-14.065, Social Carbon Standard, or the Community & Biodiversity Standards (CCBS)
	Agriculture	Fairtrade labels, e.g. Fairtrade International, Fairglobe, Fair for Life, For Life, El Puente, Fair Rubber, GEPA etc.
		Organic farming labels, e.g. IFOAM „family of standards“, EU-Bio, Naturland
		Rainforest Alliance/ Sustainable Agriculture Network (SAN) standard
		Global Partnership for Good Agricultural Practice (GLOBAL GAP)
		UTZ Certified
		Better Cotton Initiative (BCI)
		Cotton made in Africa (CmiA)
		Common Code for the Coffee Community (4C)
		Nespresso AAA
		C.A.F.E Practices
		Ethical Tea Partnership Standard
		Bonsucro
		ProTerra
		Danube Soya Initiative
		Roundtable on Responsible Soy (RTRS)
		Roundtable on Sustainable Palm Oil (RSPO)
		Roundtable for Sustainable Biomaterials (RSB)
		International Sustainability Carbon Certification (ISCC)
Accounting & reporting	Cross-sectoral	Global Reporting Initiative (GRI)
		Carbon Disclosure Project (CDP)
		Greenhouse Gas Protocol (Corporate Standard)
Multi-stakeholder & business co-operation	Cross-sectoral	Consumer Goods Forum
		Global Soil Partnership
		The International Land Coalition (ILC)
	Agriculture	Sustainable Agriculture Initiative (SAI) Platform
		Global Roundtable for Sustainable Beef
		The World Economic Forum (WEF)'s “New Vision for Agriculture” (aimed at developing public-private partnerships)
		Global Bioenergy Partnership (GBEP)
		Ethical Tea Partnership
		Sustainable Apparel Coalition
	Forestry	World Business Council on Sustainable Development (WBCSD) Forest Solutions Group
		Tropical Forest Alliance 2020
		The Forest Trust
	Mining	National multi-stakeholder platforms of Extractive Industries Transparency Initiative (EITI)
	Finance	UNEP Financial Initiative
		Sustainable Stock Exchange Initiative (SSE)

Source: own compilation.

Despite its non-exhaustiveness, Table 1 shows that a great number of CSR instruments exist that aim at improving the sustainability of private sector land use, some of them cross-sectoral and others sector- or commodity specific. The table does not, however, provide information on how ambitious the instruments are, how many companies implement them or how effectively they do so. Still, the overview reveals some interesting facts.

For instance, there are much more instruments in some land using sectors than in others: while instruments abound in agriculture (mostly because of the high number of commodity-specific certification schemes), there are hardly any sector-specific instruments pertaining to settlements (with the construction and infrastructure industries). This can be attributed, among others, to the fact that the respective industries do not produce consumer goods – i.e., those types of goods for which CSR performance is regarded as most relevant.

The table also shows that some instrument types are underrepresented (e.g., management systems), while others predominate: especially, certification schemes. Since this type of instrument has proliferated enormously in the last decades, we will go into it to some greater detail. Their proliferation results both from a trend towards (sub-) sector-specific, single-sector schemes (for biofuels, palm oil, soy etc.) and from the emergence of competing standards for the same commodity. More fundamentally, certification schemes are attractive to companies since they are assumed to allow for price premiums and thus to cover the additional costs of a more sustainable production. Whether or not this assumption holds depends, among others, on the market demand for sustainably produced products and the credibility of the schemes (in the perception of consumers).

A broad review of sustainability initiatives (Potts et al. 2014) finds that "the average annual growth rate of standard-compliant production across all commodity sectors in 2012 was a stunning 41 per cent (…) and sustainability standards have forcefully penetrated mainstream markets (with certified coffee reaching 40 per cent, cocoa 22 per cent, palm oil 15 per cent and tea 12 cent of the global production)" (ibid, p. 8). At the same time, the volume of products sold with a label is much lower than that of products produced in accordance with the underlying certification standard; the remaining volume is sold without the respective label. This could imply that the prices for certified products will come under pressure (ibid) and the price premium cannot be realized.

With regard to the schemes' potential effectiveness, three-quarters of the surveyed schemes presently make use of third-party certification, a mechanism that bolsters the independence of the schemes' claims. However, newer, more mainstream-oriented standards exhibit a lower scope and ambitiousness than older ones (ibid, 9). This trend may be reinforced by the fact that in many of the (sub-) sectors more than one standard exists, so that schemes with varying stringency and specificity compete and the 'label market' gradually becomes less transparent. This in turn may evoke the commitment of less ambitious companies to less stringent labels and ultimately undermines the credibility of schemes. Finally, the global sustainability potential of certification schemes is limited by the fact that the schemes are implemented particularly in export-oriented markets, especially those exporting to Europe.

In addition to certification schemes and other standardized instruments listed in Table 1, companies can develop and implement their own tailor-made sustainable land-use policies and tools. We address these in the following chapter.

3 Sustainable land use in selected corporate policies

The purpose of this section is to focus on *corporate policies* – i.e., to show how companies integrate existing sustainability tools into their corporate policies and how they further develop strategies for tackling the challenges of sustainable land use. It is primarily concerned with the targets and the approach that companies apply to address key sustainability issues that are closely linked to sustainable land use. We focus on the following issues:

- deforestation
- biodiversity
- climate change
- water
- land rights

It goes without saying that most of these issues are closely interconnected and overlap. Hence, company instruments usually address and potentially affect – directly or indirectly – multiple areas depending on the policy's scope and design as well as the targets that are set to achieve improvements.[19] Due to these circumstances, we subsequently map policies by first identifying existing initiatives and instruments at the company level and then show how and to what extent these are connected to the issues mentioned above. Finally, we discuss potential shortcomings or inconsistencies at the policy level.

This analysis is primarily descriptive and mainly based on official corporate documents (CSR reports, Annual reports), studies and rankings provided by civil society actors as well as industry sources and further publicly accessible information. It is also important to note that actual company practices at the behavioural level are not covered by this mapping exercise. Put differently, the analysis does not assess how the company policies under scrutiny are translated into daily business practices at the operational level, or how effective they are on the ground.

Sustainable land use represents a topic of cross-sectoral relevance. There is hardly any sector that is not – directly or indirectly – connected to the problem. Due to feasibility reasons, we focus on three key sectors for the mapping of corporate policies. Each sector is represented by one multinational corporation (MNC) which is amongst the industry leaders (in terms of turnover) in the respective sector. Table 2 gives an overview of this selection:

[19] One can argue, for instance, that a zero-deforestation policy will positively contribute to lowering carbon emissions (addressing climate change) as well as to conserving biodiversity.

Table 2: Selection of company cases

Company	Sector	Raw materials & inputs with relevance for sustainable land use	Sustainability impacts
Unilever	Consumer goods	Palm oil, soy, further agricultural products, water	- deforestation, - biodiversity, - climate change, - water - large-scale land investments ('land grabbing')
Coca Cola	Beverage	Sugar, water	
Allianz SE	Financial services	Various agricultural products (grain, soy, palm oil), construction land	

Source: own elaborations

In the subsequent paragraph, each company's sustainability approach with regard to land use issues will be identified and outlined. In Section 3.4, potential shortcomings and differences between company approaches will be discussed.

3.1 Unilever's approach towards CSR and sustainable land use

The British-Dutch MNC Unilever is the third-largest consumer goods company in the world. It owns over 400 brands and its portfolio mainly includes food products, beverages, cleaning agents and personal care products (Unilever 2014a). Because of the agricultural raw materials that are key components of many products and that are sourced worldwide Unilever represents an important example of how MNCs can deal with issues linked to a globally sustainable land use. The company is, for instance, one of the largest buyers of palm oil – purchasing around 1.5 million tons or roughly 3% of the world's total production annually (Unilever 2015). Further key agricultural commodities sourced by the company are listed in Table 3 below.

3.1.1 Corporate policies relating to sustainable land use

Unilever is often portrayed as one of the corporate leaders in terms of sustainability and CSR (Forest 500 2015; Oxfam 2014). Moreover, the company's approach in this area addresses a number of products and issues with high relevance for sustainable land use. For our purposes, the core policy document is Unilever's "Sustainable Living Plan" (Unilever 2015). It outlines the company's sustainability strategy which includes a mix based on the setting of clear sustainability targets, the development of company-owned guidelines and requirements and the use of external tools such as social and environmental certification systems and stakeholder initiatives. Unilever does not have a specifically designed policy for sustainable land use. However, the selected tools indirectly target important land (use) issues such as deforestation, biodiversity or "land grabbing and displacement" to some extent. Table 3 summarizes them in more detail.

Table 3: Unilever's management tools and targets with reference to sustainable land use

Raw material/ resource	Target	Current State	Main tool(s)
All agricultural products	100% sustainable sourcing by the end of 2020	48% (end of 2013)	See below
Palm oil	100% from sustainable sources by 2015. 100% from certified, traceable sources by 2020.	100% from sustainable sources by end 2012 (97% GreenPalm certified and 3% from certified, traceable sources through a segregated supply).	Roundtable on Sustainable Palm Oil (RSPO), Sustainable Agricultural Code (company-owned standard)
Soy	Soy beans: 100% by 2014; soy oils: 100% by 2020	Soy beans: 25% (2013); soy oils: 12% (2013)	Cooperation with multiple stakeholders (NGOs, business partners, suppliers, governments) to develop a sustainability standard for soy production
Sugar	100% by 2020	49% (end of 2013).	Bonsucro Chain of Custody Standards
Pulp and paper	75% from certified, sustainably managed forests or from recycled material by 2015; 100% by 2020	62% (end of 2013)	FSC certification (Latin America), PECF (North America); specific chapter in sourcing policy
Tea	100% sustainable sourcing by 2020; all Lipton tea bags sourced from Rainforest Alliance certified estates by the end of 2015.	83% of Lipton tea bag blends contain a proportion of Rainforest Alliance certified tea by end 2013; 53% of tea purchased for all brands sourced from Rainforest Alliance certified farms in 2013.	Sustainable Agricultural Standard (SAN)/ Rainforest Alliance certification
Fruits and vegetables	100% of fruit from sustainable sources by 2015; 50% of top 13 vegetables and herbs from sustainable sources by 2012/ 100% by 2015	25% of fruit purchased sustainably by end of 2013; 76% of top 13 vegetables and herbs purchased from sustainable sources by end of 2013.	Sustainable Agricultural Code (company-owned standard); Knorr Sustainability Partnership Fund

Raw material/ resource	Target	Current State	Main tool(s)
Cacao	100% sustainable (for Magnum ice cream) by 2015; all other cocoa to be sourced sustainably by 2020.	70% of cocoa for Magnum sustainably sourced through Rainforest Alliance certification by end 2013; overall, 47% of all cocoa sourced sustainably.	Sustainable Agricultural Standard (SAN)/ Rainforest Alliance certification; farmer field schools in cooperation with key suppliers
Water	Halve the amount of water associated with the consumer use of the company's products by 2020; development of water reduction strategy for suppliers in water-scarce areas	Increased by 15% Initiated in 2013	Unilever's water strategy

Source: own elaboration based on Unilever 2015

As Table 3 shows, Unilever uses a wide range of sustainability tools that directly or indirectly target sustainable land use issues. The company is a member of the Roundtable on Sustainable Palm Oil (RSPO) and aims at increasing the amount of certified palm oil that is sources. Moreover, Unilever has made a commitment to completely source further "high-impact" commodities sustainably by the end of 2020. To reach this goal, Unilever principally relies on third-party social and environmental certification schemes (Rainforest Alliance, Bonsucro, FSC). However, it has also further specified sustainable sourcing practices in the company-owned Sustainable Agricultural Code (SAC), in which so-called "Must" and "Should" criteria for suppliers are formulated (Unilever 2010). The code asks suppliers to report business and farming practices and includes main land use issues such as water, soil and biodiversity. The SAC is a key component of the company's Responsible Sourcing Policy that has been rolled out in 2014 and in which the protection of land rights of communities including indigenous people functions as one of the twelve fundamental principles (Unilever 2014b).

3.1.2 Membership in industry/ stakeholder initiatives and voluntary reporting

In addition to the management tools, guidelines and certification schemes discussed above Unilever also participates in a number of industry and stakeholder initiatives. It is an active member of the Global Compact (UN Global Compact 2015) and reports in line with the guidelines of the Carbon Disclosure Project (CDP) and the Global Reporting Initiative (GRI). Furthermore, Unilever has signed up to Global Forest Watch, a platform that tracks deforestation trends around the globe(Unilever 2015). It is also a member of the Consumer Goods Forum and supports the organization's resolution on zero-net deforestation (The Consumer Goods Forum 2010).

3.2 The Coca-Cola Company's approach towards CSR and sustainable land use

The US-based Coca-Cola Company is the world's leading beverage company and one of the largest employers worldwide (together with its franchise partners). The key ingredients for most of the company's products are sugar and water. The production and extraction of these two ingredients is also highly relevant for sustainable land use. Similar to the cases of palm oil and soy, large-scale sugar production has been associated with land rights conflicts, forced displacement and further violations of human rights (Thorpe 2013). Moreover, in some countries the Coca-Cola Company has been publicly accused for contributing towards water shortages and the pollution of water sources (Lambooy 2011). Because it does not own sugar production facilities and operates a franchise system (based on local bottling partners) the bulk of negative business impacts takes place at the supply-chain level or within the formal responsibility of the franchise partners. This point is also mirrored in the company's sustainability approach.

3.2.1 Corporate policies relating to sustainable land use

Similar to Unilever, the Coca-Cola Company uses a mix of company-owned sustainability tools, third-party social and environmental certification schemes and engagement in multi-stakeholder initiatives. Furthermore, it has also formulated sustainability targets and has introduced management tools to achieve them. Table 4 provides an overview.

Table 4: The Coca-Cola Company's sustainability tools and targets with reference to sustainable land use

Raw material/ resource	Target	Current State	Main tool(s)
Key ingredients	100% sustainable sourcing by 2020	no information	See below
Sugar	95% compliance by 2020 amongst suppliers and franchise partners	86% of direct suppliers in compliance	Sustainable Agricultural Guiding Principles; commitment to respect and ensure lands rights in sugar production; Supplier Guiding Principles; company audits at suppliers (all company-owned tools); Bonsucro (third-party certification for suppliers)
Water	Return 100% of water used in production and the final product to communities and natural sources by 2020	68% of the water used in finished bottles by the end of 2013	Sustainable Agricultural Guiding Principles; community water partnership projects

Source: own elaboration based on The Coca Cola Company 2014

The Sustainable Agricultural Guiding Principles (SAGP) and the Supplier Guiding principles are internal rules and requirements developed by the company. They function as Coca Cola's principal framework for sustainable sourcing and outline a number of key principles that suppliers need to consider when working with the company. Certain principals also address issues linked to sustainable land such as water and soil management or crop protection (The Coca Cola Company 2011). Furthermore, the Coca Cola Company has adopted a zero-tolerance policy for land grabbing and expects suppliers to implement grievance and remedy procedures for human rights. For meeting its sustainability targets in the area of water and sugar, the company has further set up various water partnership projects at the local level together with franchise partners and stakeholders. It prefers its sugar suppliers to be certified against the Bonsucro standard and tries to increase the amount of certified sugar to 95% by 2020.

3.2.2 Membership in industry/ stakeholder initiatives and voluntary reporting

The Coca Cola Company is also active in several stakeholder initiatives and cooperates with NGOs and other civil society actors. For instance, on the issue of land rights the company has closely worked with Oxfam. This partnership has translated into the Coca Cola's "zero-tolerance for land grabbing" approach. The company adheres to the principle of Free, Prior and Informed Consent (Oxfam 2014) and expects its suppliers to do the same. Moreover, suppliers are asked to conduct and publish third-party social, environmental and human rights assessments for the most important producing countries (Brazil, Colombia, Guatemala, India, the Philippines, Thailand and South Africa) (The Coca Cola Company 2013). Additionally, the Coca Cola Company supports the Water Resource Group (WRG), a public-private platform created in 2007. WRG intends to help governmental officials in the water sector to improve the management of water resources and to accelerate water reforms (The Coca Cola Company 2012). The Coca-Cola Company is an active member of the Global Compact since 2006, reports according to GRI and to the requirements of the Carbon Disclosure Project (The Coca Cola Company 2014) and similar to Unilever has made a commitment to stop deforestation within the scope of the Consumer Goods Forum (The Consumer Goods Forum 2010).

3.3 Allianz SE

Allianz SE is the largest insurance company and one of the key financial players in the world. As a financial service provider, impacts on land use issues are mainly related to the practices and contents of the investments that are undertaken by the company. Considering this background, Allianz and its subsidiary PIMCO have been criticized for making investments in products that contribute to unsustainable land use practice such as large-scale infrastructure (e.g. hydro dams), mining and agricultural products (soy, palm oil). Moreover, the speculation with food and agricultural commodities and the ramifications of such investments represents another topic for which Allianz has regularly been criticized by civil society organizations (EurActive 2014; Foodwatch Germany 2012; Hachfeld 2013; Profundo & FIAN 2010; Urhan 2013).

3.3.1 Corporate policies relating to sustainable land use

As a result, the company has been trying to address these issues through an internal risk management system which is summarized under the ESG (Ecological Social Governance) Investment Directive (see Table 5). Additionally, Allianz participates in a number of industry and stakeholder initiatives for selected investment commodities or products.

Table 5: Allianz' sustainability tools with reference to sustainable land use

Investment area	Land use issues	Main tool(s)
Agriculture	§ inappropriate use of fertilizers, pesticides and other chemicals; § deforestation and illegal logging; § forced resettlement	ESG (Ecological Social Governance) Investment Directive
Mining	§ forced resettlement	
Oil and gas	§ inappropriate spill management, response and remediation plans § forced resettlement § absence of comprehensive environmental impact assessment	
Hydro-electric power	§ forced resettlement § violation of land/water rights § absent or inappropriate assessment and management of up/downstream impacts	
Infrastructure	§ forced resettlement § inappropriate management of water use and discharge	

Source: own elaboration based on Allianz Group 2015

Formally, Allianz' ESG Investment Directive covers many important land use issues (forced displacement, deforestation, violation of land and water rights). However, similar to the other two company examples the ESG screening is primarily a commodity-/product specific approach. In other words, land (use) issues are not mainstreamed as a topic in the company's CSR approach and therefore seem to remain isolated. Furthermore, Allianz lacks a clear commitment to avoid certain unsustainable practices (e.g., food speculation) (Hachfeld 2013). Moreover, it seems to pursue a 'dual strategy' by offering Sustainable and Responsible Investment (SRI) funds for those clients that specifically desire more responsible business practices while still maintaining more "irresponsible" investment practices for other clients.

3.3.2 Membership in industry/ stakeholder initiatives and voluntary reporting

Allianz also participates in several stakeholder and industry initiatives and voluntary reporting systems. It is a member of the Global Compact (UN Global Compact 2015) and further demonstrates engagement as a board member of the Extractive Industries Transparency Initiative, as a member of the Investor Working Group on Sustainable Palm Oil

(PRI IWG) and as a member of the Sustainable Stock Exchange Initiative (SSE Initiative) (Allianz Group 2015).

In early 2014, Allianz became a signatory member of the Principles for Sustainable Insurance (PSI) developed under the United Nations Environment Programme Finance Initiative (UNEP FI) and thereby further supported the process of ESG mainstreaming at the industry level (Allianz Group 2014). Allianz also reports according to the Carbon Disclosure Project (CDP) and has reached the status of a carbon-neutral business since 2012 (however, in that context it is important to note that carbon neutrality might be a target that is comparably easy to achieve for financial sector companies since the impacts of the investment products are not part of the CO_2 calculation) (Allianz Group 2015).

3.4 Discussion

The analysis of the three company cases results in a number of interesting observations:

Firstly, the three companies under scrutiny all address certain land use issues in their sustainability/ CSR policies. This implies that certain aspects of land use practices (e.g. deforestation, water usage, etc.) have gained popularity in the global CSR discourse and are picked up as topics within the corporate world.

Secondly, for selected issues companies have introduced relatively ambitious targets (see e.g. Unilever) and have implemented various sustainability tools (certification schemes, company-owned sustainability guidelines, etc.) to achieve them. In that sense, we can observe the tendency that companies combine multiple tools in their overall approach to CSR. Nonetheless, we can still observe a lack of consistency in corporate polices for the topic of sustainable land use. Put differently, sustainable land use is not mainstreamed as a cross-cutting topic within the respective company policies. Rather certain land use issues are addressed selectively or within the scope of a commodity-specific approach meaning that instead of improving sustainability issues in an integrated way they rather focus on specific commodities. In a nutshell, most companies do not develop a consistent sustainable land use policy that covers all business operations.

Thirdly, in some cases, this policy inconsistency can lead to competing and even contradicting objectives. The case of Unilever demonstrates this point. The MNC has developed a very sophisticated approach towards CSR and sustainability (see section 3.1), in which it formulates the improvement of the livelihood of small-scale farmers as well as the participation of young entrepreneurs and small retailers in their value chains as key objectives. At the same time, however, Unilever also declares that the company's fruit procurement team "is also reducing supply complexity to eventually source 80% of our volume from five global suppliers. This will mean we can focus the deployment of our Sustainable Agriculture Code on these suppliers" (Unilever 2015). In other words, the company promotes two different and potentially competing developments that are also important from a land use perspective: first, improved integration of small-scale farmers/entrepreneurs into the supply chain and second, concentration on a few large-scale producers/suppliers.

Furthermore, some companies even seem to follow a "dual strategy". That is, they try to attract a certain group of customers with more sustainable products while at the same time offering rather "conventional", i.e. less sustainable products. The investment portfolio of

Allianz can be named as an example (see section 3.3). Companies like Allianz seem to act responsible and irresponsible at the same time, embodying an “opportunistic” business behaviour that is also well documented the CSR literature (Strike et al. 2006).

4 Conclusions

The paper shows that in the last few years both public frameworks and standardized CSR instruments that aim at making land investments and land use more sustainable have proliferated. Some of the public frameworks (e.g., VGGT, RAI Principles) are still too general to be ‘directly’ used by companies and might in future be translated into company-level instruments (e.g., through a ‘sustainable land’ (use) certification). The public frameworks reviewed tend to be stronger on social issues (human rights, tenure) than on environmental sustainability (resource use, pollution, biodiversity). The frameworks, instruments and company-specific policies typically focus on core business operations and to some extent also on supply chains. They do not address underlying unsustainable business models, e.g. by *per se* condemning unregulated large-scale agricultural investments in countries characterised by food insecurity and weak governance capacities (e.g., governance contexts in which tenure rights are precarious and free prior informed consent of the involved communities unlikely to be ensured).

The issue of sustainable land use has also entered the portfolio of corporate sustainability policies. This holds at least for a number of key food, consumer goods and financial sector companies that are substantially connected to land use. Among these, we reviewed the policies of Unilever, Coca Cola Company and Allianz SE. All three companies address sustainable land use issues to a significant extent. For selected commodities or raw materials, they have introduced relatively ambitious sustainability targets and have implemented various sustainability tools (certification schemes, company-owned sustainability guidelines, supplier codes etc.) to achieve them. Companies obviously combine multiple tools in their approach to sustainable land use.

While the increased uptake of corporate policies and instruments for sustainable land use in the business sector is encouraging, the question is whether it suffices. To date, only a minority of transnationally operating companies voluntarily takes efforts to improve their sustainability impact – mostly those exporting to EU and Northern American markets and in particular brand companies in the public limelight. Even among these, our analysis showed a lack of consistency in the respective corporate polices which can reduce their sustainability impact on the ground. More companies in land-use relevant supply chains need to be induced to behave responsibly. Different actors can help bringing this about through different pathways:

- *Business customers* within land-use relevant supply chains can urge, incentivise, support and monitor their suppliers to conform with existing (sectoral/ cross-sectoral) sustainable land use standards;
- *Consumers* can include sustainability considerations in their buying decisions, most easily by buying products with labels that reflects more sustainable forms of land use;
- *Civil society organisations and the media* can act as watchdogs, collecting information on large-scale land projects (in agriculture, mining etc.) or naming and shaming companies

that act irresponsibly. They may also co-operate with businesses to improve corporate awareness and practices with regard to sustainable land use questions;

- *Financial institutions and investors* (both institutional and non-institutional ones) can require from their clients compliance with criteria for responsible land use and land investments, or can even decide to divest from problematic land use activities (e.g., food speculation, land grabbing). They can also improve access to capital for responsible companies, by issuing, and respectively investing in, socially responsible investment (SRI) funds or by investing in companies listed in sustainability indices such as the Dow Jones Sustainability or FTSE4Good Indexes;
- *Research institutes* can scrutinize the actual impacts of private sector efforts to improve the sustainability of land use, ideally applying some kind of common framework across the various issues, sectors, commodities and instruments. They can also empirically analyse the business models involved in large-scale land-investments and the conditions under which such investments have been 'sustainable';
- *Multi-stakeholder networks* including all actors can engage in developing a certification scheme that operationalises recent public frameworks with relevance for private sector land use and land investment (most notably, the VGGT and RAI Principles, taking into consideration the Guiding Principles on Business and Human Rights);
- *Governments and international organisations* can promote learning and the exchange of best practices among companies. They can (co-) develop voluntary standards as well as specify mandatory regulation with relevance to sustainable land use. Recent examples include the development, within the FAO's Committee on World Food Security, of the VGGT and the RAI Principles. Though these are not exclusively targeted towards companies, companies can and should draw on these guidelines as benchmarks for their own policies and practices.
  Industrialised country governments can link their support for transnationally operating companies headquartered in their jurisdiction (e.g., in the context of subsidies, export agencies etc.) to compliance with the said frameworks or standards. Governments of developing countries and emerging economies can enact and enforce new legislation strengthening sustainable land use, such as India's 2013 "Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act".
  Finally, states can decide to make obligations for transnationally operating companies legally binding. This may take the form of introducing extraterritorial obligations at home country level or of developing international treaties, as has last been requested in 2014 by a group of developing countries in the UN Human Rights Council (UNGAS 2014). It seems timely to balance the growing sphere of influence of transnational companies by legally binding responsibilities and obligations.

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