

Better Lives Through Better Business



Dear colleagues at Friends of the Earth,

We would like to thank you for your continued engagement on the issue of deforestation and sharing your report findings. Indeed, forests continue to disappear at an alarming rate. We recognize that as consumer goods companies, our activities can be related to this issue with major commodities like palm oil, soy, paper, pulp and fibre-based packaging as drivers of deforestation. The Consumer Goods Forum's Forest Positive Coalition of Action is committed to building a Forest Positive Future.

While our companies have made progress on our 2020 goals of Zero Net Deforestation, we have learned that cleaning up individual supply chains won't alone drive the transformation needed to end deforestation. Despite some progress resulting of the hard work and investments we made in our supply chains, we have found that certification is a tool, but not the comprehensive solution the world needs to end deforestation.

Following a review of progress and challenges with implementation of the 2010 commitment, as well as through an 18-month consultation and development process with key stakeholders, we developed a new theory of change grounded in 7 levers that could help end deforestation by creating the transformative change needed.

1. **Supply Chain Management** – from producers through traders and buyers, implement policies and practices that incent conversion free production and dis-incent production linked to conversion
2. **Reduce Dependence** – identify ways to shift demand away from materials driving forest risk to those with low forest risk – avoiding other sustainability impacts
3. **Demand Shift** – create a desire to protect forests in consumers and then wherever it exists, convert that latent desire into product choices.
4. **Jurisdictional Wins** – intense focus on the supply side levers in a specific geography to create success stories to protect key places and catalyze further action
5. **Capital Markets** – for financial institutions attached to supply chains, shift capital towards conversion free production and away from those engaged in conversion
6. **Pro-forest Policies** – for producer countries, narratives about standing forests as a resource, not an obstacle to economic development that catalyzes political will, electability, policy making, governance and illegality. For developed countries, trade policies supportive of protection and restoration.
7. **Carbon Markets** – expand the scope of global carbon markets (both compliance and voluntary) and recognize forest carbon in those markets –e.g. REDD+

Consumer goods companies play an important role but cannot stop deforestation alone. For real impact, collective action and collaboration on the ground as well as political engagement at national and regional levels are critical as is strong support from the investment community.

The work of the Forest Positive Coalition will be rooted within these 7 levers, with a stronger focus on the issues of supply chain management, jurisdictional wins and proforest policies. We will do our part, but broader transformation is needed, and all stakeholders have a role to play, including investors, governments and civil society.

We will leverage the collective action of our companies to accelerate systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains and drive transformational change in key landscapes through multi-stakeholder partnerships. This will be supported by four key Coalition-wide actions: we will engage with suppliers and traders; we will ensure transparency and accountability; we will collaborate on production landscapes; and we will engage governments and stakeholders to find joint solutions.

Our collective reach uniquely positions our Coalition to set higher expectations for traders and producers and catalyse action across the diverse set of actors involved, from our own supply chains, to governments, civil society organisations, investors and the finance community, and others.

We are actively engaging these stakeholder groups, which has enabled the Coalition of Action to refine its overall approach and commodity roadmaps. The Coalition will continue with a structured engagement process with regular discussion meetings with stakeholders to update on Coalition progress and get input and comments.

The first of these engagement meetings is planned for September 4th, 2020 with further information to be shared shortly. For more information regarding our engagement process please contact forestpositive@theconsumergoodsforum.com

We look forward to this constructive dialogue to jointly contribute to a forest positive future.

We believe forest protection is a driver of economic growth, not a sacrifice to growth. Forest protection provides healthy ecosystems and supports productive landscapes and resilient communities. In the wake of the Covid-19 crisis, we must ensure that efforts to protect forests are part of the global response. This response requires all actors with an interest in mainstreaming the issue of deforestation and who are committed to being part of the solution to come together.

Sincerely,

CGF Forest Positive Coalition