# CGF Forest Positive Coalition of Action

Pulp, Paper and Fibre-based Packaging (PPP) Roadmap: Version 1. 5 June 2024







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**A note on design:** The CGF Forest Positive Coalition Roadmaps are intended to be living documents which are regularly reviewed and updated. Therefore, they remain in a 'working format' for the time being. As it becomes clearer in what way and how often they are updated, the design and layout will be improved.





Section 1: About the CGF Forest Positive Coalition of Action

### About the CGF Forest Positive Coalition of Action



The Consumer Goods Forum (CGF) has created the Forest Positive Coalition of Action, led by 21 companies with a collective market value around US\$2 trillion, to leverage collective action and accelerate systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains, while supporting sustainable forest management, conservation and restoration.

In 2010, the CGF Board made a resolution to mobilise resources to help its members achieve zero-net deforestation by 2020. The strategy was rooted in remediating individual company supply chains, often through certification – ensuring that the sourcing of key commodities would not deplete tropical rainforests. While progress was made by CGF members in reaching this goal, companies realised that acting individually would not accelerate progress as much as collective action. The Forest Positive Coalition was launched to leverage the collective action of its member companies to use their collective influence to drive and accelerate efforts to remove deforestation from not only their own commodity supply chains, but across their suppliers' entire supply base.

The Coalition believes that its collective reach will enable members to make progress on four goals:

- 1. Accelerate efforts to remove commodity-driven deforestation from individual supply chains.
- 2. Set higher expectations for traders to act across their entire supply base.
- 3. Drive transformational change in key commodity landscapes.
- 4. Define measurable outcomes on which all members agree to track and report individually and collectively.

## **Members and Governance**



### **Coalition Co-sponsors**

Manufacturer **Co-sponsor** To be announced



**Alexandre Bompard** CEO

### Carrefour

### **Coalition Co-chairs**





**Emily Kunen** Senior Director, Positive Agriculture Capabilities & Forest Risk

PEPSICO



Anna Turrell Interim Sustainability Director & Head of Environment





Forest Positive Coalition members as of January 2023

## Partnerships

- The Coalition is supported by the Tropical Forest Alliance (TFA) and Proforest, both of which provide key logistical and implementation support
- The Coalition also works with the CGF's Human Rights Coalition (HRC) to align the Coalition's Theory of Change, Roadmaps and strategies with the CGF's Priority Industry Principles against forced labour



TROPICAL FOREST ALLIANCE







## **Four Elements of New Strategy**



Underpinning the actions of the Coalition is the new Theory of Change, based on the 7 Levers of Change (see Box). This reimagining of the strategy – based on extensive consultation – is also supported by a Coalition Charter and will help Coalition members drive more impactful collaborations.

Moving from deforestation-free to forest positive

**businesses:** The 2020 commitment focused on deforestation, but over the last ten years companies have realised that addressing the loss of natural vegetation is complex, involving an interplay of environmental, social and economic factors all of which need to be considered. Coalition members recognise that being a forest positive business means making systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains, while supporting sustainable forest management and restoration, to ensure the business is positively impacting the world's forests, supporting the rights of workers and local communities and improving their livelihoods. Based on 18 months of consultations, 7 Levers of Change were identified which are needed to support the transition to forest positive. Some of these can be led by supply chain companies, while others need leadership from other stakeholders.

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

### **Four Elements of New Strategy**



**From commitments to action:** The goal of the Coalition is to drive actionable change on the ground to deliver real, forest positive results. Coalition members commit to actions and to also regularly reviewing progress to adjust course when needed. This commitment being operationalised through the development and implementation of the **Commodity Roadmaps**, which set out the Coalition's planned actions for the coming 2-3 years and will be regularly reviewed and updated.

**From own supply to suppliers and landscapes:** One of the most important findings from the review of the 2010 resolution was that there is a limit to the progress that can be made by focusing only on individual supply chains. Therefore, based on a review of the different levers of change needed to move to a forest positive future, the approach of the new Coalition is based on a Theory of Change that builds on:

#### Deforestation Theory of Change

Together, we can create a #forestpositive future



- Working with suppliers on deforestation-free businesses
- Collaborating to support progress in production landscapes

## **Four Elements of New Strategy**



Maximising collective impact through Coalition-wide Actions: The

Commodity Roadmaps will guide specific actions for each commodity, but based on inputs from stakeholders we have also developed Actions across the Coalition to make sure we maximise our collective leverage across companies and commodities. The four Coalition-wide Actions are:

- Supplier and trader engagement
- Transparency and accountability
- Production landscapes
- Government and stakeholder engagement



Further information and updates on each of these will be provided on the CGF Forest Positive Coalition <u>website</u> and through regular stakeholder engagement meetings.

## **The Commodity Roadmaps**



The Coalition is creating Roadmaps for four commodities: palm oil, soy, paper, pulp and fibrebased packaging (PPP), and beef. The Roadmaps have been developed to set out in detail what these commitments and actions are for each commodity, complementing the Coalition-wide Actions and providing commodity-specific detail. Development of each Roadmap has been undertaken by working groups of member companies and has involved active participation of all the members of the group. There has also been input from stakeholders, and ongoing discussions will continue to inform updates and revisions to the Roadmaps.

The Roadmaps are designed to be living documents which member companies will discuss, review and update regularly. This will be informed both by experience of implementation and by input from stakeholders and supply chain companies. Supporting implementation of the Roadmaps will be the CGF Sourcing Guidelines for each commodity. These were created to support implementation of the 2010 resolution, but will be updated and expanded. Each Roadmap has been developed to reflect the specific realities and challenges of the commodity. The roadmaps build on five main elements that combine action both within and beyond supply chains. Our members will:

- **1. Manage their individual supply chains**, working proactively to ensure their own supply bases meet the aligned commitments of our roadmaps.
- 2. Work with our suppliers, engaging to implement the same commitments across their entire commodity operations.
- **3. Monitor production bases**, actively identifying and responding to conversion as quickly and effectively as possible.
- **4. Engage in landscapes**, working collaboratively with other actors to support forest conservation and restoration with positive outcomes for local communities.
- 5. Promote transparency and accountability, committing to regular reporting against agreed on indicators.

Subsequently, each of these five elements include:

**Commitments** all members agree to achieve

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- Actions, both individual and collective, that member companies will implement to deliver on the commitments
- **Key performance indicators** (KPIs) on which member companies agree to report to provide transparency and demonstration of progress





# Section 2: Introduction to the PPP Roadmap

## **Introduction to the PPP Roadmap**

The Consumer Goods Forum (CGF) and its members recognize their responsibility to ensure that the sourcing of pulp, paper and fibre-based packaging<sup>2</sup> (PPP) does not contribute to deforestation, forest degradation or conversion. There is an increasing pressure on forests due to factors such as farming, forestry, population growth, renewable energy and consumption and increasingly also from climate change effects and natural disasters. Unlike agricultural commodities, which replace natural vegetation, PPP can be about sustainable management of forests that finds a balance between production and forest protection and thus, be part of the solution rather than the opposite. Responsible forest management can help increase the value of standing forests and help protect them from illegal logging, conversion to other uses or other non-sustainable activities. The PPP supply chain is well on the way to implement systems and solutions to combat deforestation in the areas where wood-based raw materials are sourced. However, we see the need to push for more sophisticated solutions that include tackling deforestation, conversion and degradation but also better management of forests, working to ensure all stakeholders with an interest in the forest are involved in its management.

In recent decades, successful progress has been made towards this goal using forest certification. Given that still only a fraction of the world's forests are certified, increasing the area of production forest that is certified is one of the key solutions for this commodity. Thus, central to the Coalition's approach is continuing to promote credible certification where applicable. Furthermore, there are places where engagement beyond certification is needed to tackle underlying governance issues and drive change. The Coalition acknowledges the need for further action in priority countries and regions where there is still a risk of supply from controversial sources and where forest management must improve and will take action through engagement with priority upstream suppliers and landscapes to support forest positive transformation.



#### Certification: A key tool to combat deforestation

Transparency and traceability within the supply chain are key requirements to verify that the fibre is sourced in an environmentally, economically and socially responsible way. Third party verification systems have been developed with the purpose of assuring the buyer that a product has come from a forest and supply chain that is managed responsibly. When timber leaves a certified forest management unit, the chain of custody certification provides assurances to companies along the supply chain that the timber meets legality requirements and the certification schemes' best practice standards. Certification schemes provide monitoring systems and tools to keep certified and non-certified materials separated throughout the supply chain. In addition, the certification process requires a third-party review, verification and audit. The Chain of Custody standards by both FSC and PEFC are also usually accepted as proof of legal origin of the fibres.<sup>3</sup>

<sup>2</sup>Companies in the food and beverage industry use several types of fibre-based packaging, including corrugated board, paperboard and wrapping. Each type of packaging uses a varying amount of virgin pulpwood and/or recycled fibres. <sup>3</sup>See more on how the FSC and PEFC are organised at <u>www.FSC.org</u> and www.pefc.org.

## **Introduction to the PPP Roadmap**



#### The CGF Forest Positive Coalition PPP Working Group: Taking Action Towards a Forest Positive PPP Sector

The PPP Working Group of the Forest Positive Coalition is composed of manufacturers and retailers who are committed to working towards a forest positive future for the PPP sector. Following the Coalition's theory of change, the group aims to:

- Accelerate efforts to remove PPP-driven deforestation from our individual supply through credible certification, increased transparency and optimization of fibre use;
- Do business with upstream suppliers who are also committed to forest positive implementation across their business;
- Engage with suppliers and landscapes in priority countries and regions where there is still a risk of supply from controversial sources or a need to further develop forest positive approaches to promote sustainable forest management, forest protection and restoration and drive transformational change;
- Transparently report on progress to ensure accountability

**The PPP Roadmap** lays out the specific commitments, actions and KPIs that the group will implement to drive change, recognising equal responsibility but different activities for retailers and manufacturers. Building on the progress made by other initiatives in the PPP sector, the PPP WG will focus on actions where members' collaboration can add the most value towards a forest positive sector:

- Working individually and collectively to implement commitments through timebound action plans and clear targets
- Collectively engaging with certification schemes to improve transparency and traceability, resolving existing issues and collaborating to increase the area of production forest that is certified
- Collectively engaging key upstream suppliers in priority countries and regions to deliver on commitments across their entire businesses through the communication of Coalition expectations and the monitoring of their performance
- Identifying priority PPP countries and regions for engagement and contributing to landscape initiatives to promote forest positive production of PPP
- Improving transparency in the supply chain through the alignment of reported KPIs

**Scope:** The PPP WG will focus collective actions initially on packaging as this is an area that is common across all members and where there is significant collective leverage. However, the intent is that the roadmap is useful across all PPP products. Members are committed to implementing forest positive commitments and reporting on the roadmap KPIs individually across all PPP products. The scope of collective action within the Coalition will gradually expand to include all pulp & paper products.



# The Consumer Goods FORUM

# Section 3: The 5 Elements of the PPP Roadmap

- 1. Own Supply Chain
- 2. Suppliers
- 3. Addressing high-priority origins
- 4. Landscape engagement
- 5. Transparency & Accountability

# Element 1: Own Supply Chain

Commitments & Actions Transparency & Accountability

### 1. Own Supply Chain: Commitments & Actions

Overview: Unlike agricultural commodities which replace natural vegetation, PPP can be about sustainable management of forests and successful progress has been made towards this goal using forest certification. Thus, central to the Coalition's approach is continuing to promote credible certification where applicable. The Coalition also acknowledges the need for further action in priority countries and regions where there is still a need to further develop forest positive approaches or a risk of supply from controversial sources (see Element 3). Thus, members will also work on improving traceability to country of harvest and will take action through engagement with priority suppliers (Element 2) and priority landscapes (Element 4)

#### **Coalition Members Commitments**

1.1 Develop and implement a PPP sourcing policy that includes a commitment to ensure that PPP sourcing is forest positive, including minimizing risk of sourcing from controversial sources and ensuring legality. The policy goals should include:

- There is transparency/traceability of virgin fibre origin, at least to country of harvest and to finer spatial units when needed based on risk and action to mitigate risk;
- Virgin fibre is certified to a credible third-party standard or equivalent assurance;
- There is further engagement in priority countries and regions where there is still a risk of supply from controversial sources through engagement with suppliers and landscapes;
- Fibre use is optimized through increased efficiency and the use of recycled and alternative fibres as well as reducing and reusing packaging where appropriate

Use the CGF PPP Roadmap Guidance or equivalent to guide implementation

#### Notes:

- The updated <u>CGF Guidance on the Forest Positive PPP Roadmap</u> (former Sourcing Guidelines) includes a definition of forest positive PPP. This includes eliminating deforestation and conversion of natural ecosystems (with reference to a specified cut-off date), avoiding degradation and controversial sources, supporting restoration and conservation, and recognition and protection of human rights.
- The definition of controversial sources includes illegally harvested or traded wood, wood harvested in violation of traditional and civil rights, wood harvested in forests in which high conservation values are threatened by management activities, and wood harvested in forests being converted from natural and semi natural forest to plantations or non- forest use.

#### **Coalition Actions**

- 2021 onwards: Review and update the <u>CGF Guidance on the Forest Positive PPP Roadmap</u> (former Sourcing Guidelines) and include:
  - ✓ Definition of forest positive including controversial sources definition
  - ✓ Credible certification schemes and equivalent assurance guidance
  - ✓ Summary of priority countries/regions where there is a high risk of controversial sources and are prioritised for engagement to deliver forest positive (see Element 3)
  - ✓ Guidance on engagement in high priority countries and regions to identify and manage risk and promote forest positive
- Q2 2021 onwards: Engage with certification schemes on (a) increased transparency and traceability to country of harvest and to finer spatial units when appropriate for certified material; (b) resolving any specific issues (e.g. policy and implementation; country-specific issues); (c) collaborating to increase the area of production forest that is certified (d) smallholder inclusion
- 2021-2022: Share and develop guidance on tools/resources to help members implement commitments, building on members' experience, AFi and other relevant initiatives
- 2022: Review Guidance with particular focus on accessibility for any smaller companies or companies based in more challenging regions with lower starting points
- Q1 2022: Review scope of products for 2022 and decide whether to broaden it

#### **Individual Actions**

In first year of joining FPC:

 2021: Have a forest positive PPP sourcing policy and a timebound action plan for implementation in place in line with the updated <u>CGF Guidance on the Forest Positive PPP Roadmap</u><sup>1</sup>

Annually:

- Support individual and collective work on traceability and transparency
- Review current performance against the policy and the KPIs, and commit to and take timebound action if not fully delivering
- Report on progress using agreed KPIs at least annually

Note: For retailers individual actions will focus on own brand manufacturers initially.

<sup>1</sup>The updated CGF Guidance on the Forest Positive PPP Roadmap addresses cut-off dates.

### 1. Own Supply Chain: Transparency & Accountability (1/2)

Overview: The goal is for every member's own supply chain to be as transparent as possible, including the company's commitments and action plan, the progress made and remaining work to be done. While the focus of the Roadmap is on virgin fibre, the use of recycled material will be promoted and is included in the <u>CGF Guidance on the Forest Positive PPP Roadmap</u>. All members are committed to annual reporting on KPIs, with recommendations for more frequent reporting for some information.

#### **Public Information from Members**

1.1 PPP Sourcing Policy including commitment to the forest positive goals

1.2 Timebound action plan summary

Publicly reported KPIs	Comments	Manufacturers	Retailers	Rec
1.3 % of total commodity volume that is in scope of Element 1 reporting <sup>1,2</sup>	<ul><li>a) Report on the % of the total commodity volumes that is in scope of Element 1 reporting.</li><li>b) Provide a narrative explanation of the % excluded from scope.</li></ul>	This applies to the material used by the manufacturer member	This applies to the fibre used by own brand manufacturers supplying the retailer member	Annual
1.4 % recycled, % virgin fiber	The Roadmap is not focused on recycled fibre but use of recycled material is important so % use will be reported including information on alternative fibres where available	This applies to the material used by the manufacturer member	This applies to the fibre used by own brand manufacturers supplying the retailer member	Annual
1.5 % of virgin supply certified, and % per scheme and chain of custody model	The third-party certification schemes used must be credible as defined in the <u>CGF Guidance on the Forest Positive PPP Roadmap</u> , which will include guidance on how certification will be confirmed/validated and calculated (e.g. proof of having purchased, the claim with the products, calculation methodology). Companies can also report on '% of virgin supply with equivalent assurance, including methodology used.	This applies to the material used by the manufacturer member	This applies to the fibre used by own brand manufacturers supplying the retailer member	Annual
1.6 % of virgin supply traceable to origin (at least to country of harvest)	Report the proportion of total virgin fibre volume purchased (including fibre- based packaging) which is traceable to at least country of harvest as an intermediary milestone and to finer spatial units based on risk and action to mitigate risk.	This applies to the material used by the manufacturer member	This applies to the fibre used by own brand manufacturers supplying the retailer member	Annual

<sup>1</sup> To address existing inconsistencies across the scope of company reporting, the Coalition developed a common DCF methodology for PPP including best practice and ambition to including full scope of volumes for DCF reporting. In acknowledgment that for many companies this is not yet possible, the proposed approach is to focus on transparency. For further details on categories of scope to consider, see guidance in the CGF-FPC PPP DCF methodology (pp. 91-93 of the <u>CGF-FPC PPP Roadmap guidance</u>).

<sup>2</sup>It is encouraged that scope of reporting is consistent across all Element 1 KPIs. If scope of reporting differs between these KPIs (e.g. for DCF) clarification is to be provided. The value reported in the '% inscope' KPI constitutes 100% (the total) for the remaining Element 1 KPIs. Volumes excluded from scope of reporting (out of scope) can also be considered non-DCF and are not captured in the KPI for progressing towards DCF.

### Cont. 1. Own Supply Chain: Transparency & Accountability (2/2)



Publicly reported KPIs	Comments	Manufacturers	Retailers	Rec
1.7 % of supply from high priority sources	Volumes which could come from high-risk sources, which include (a) uncertified volumes without equivalent assurance, from unknown countries or coming from high priority countries (see annex 1 of the <u>CGF-FPC PPP Roadmap guidance</u> ), or (b) volumes from any other controversial sources	This applies to the material used by the manufacturer member	This applies to the fibre used by own brand manufacturers supplying the retailer member	Annual
1.8 % Deforestation and Conversion free (DCF) volumes and breakdown	<ul> <li>Report the % of total in-scope virgin PPP volume that is:</li> <li>a) DCF and break-down into: <ul> <li>% DCF certified under accepted scheme (disaggregated by certification scheme)</li> <li>% DCF monitored (field/remote)</li> </ul> </li> <li>Methodology to be disclosed and aligned with the CGF-FPC PPP DCF methodology (annex 5 of the CGF-FPC PPP Roadmap quidance).</li> <li>b) % additional volumes from low-risk origins<sup>3</sup> (volumes not already reported through the implementation options in metric a). Volumes to be traceable at least to Country of Harvest to report on this metric).</li> <li>c) % year on year change in DCF volume including narrative explanation</li> </ul>	This applies to the material used by the manufacturer member	This applies to the fibre used by own brand manufacturers supplying the retailer member	Annual
1.9 % volumes under engagement to progress towards DCF	Report on the % of in-scope volumes <b>under engagement to progress towards DCF</b> , and change compared to previous year. Describe the engagement, for example: % virgin fibre from forests in the process of being physically certified, % volumes covered by active supplier engagement processes, investment in a landscape initiatives (linked to supply chain), % volumes covered by improved traceability or monitoring	This applies to the material used by the manufacturer member	This applies to the fibre used by own brand manufacturers supplying the retailer member	Annual

<sup>3</sup>Other CGF-FPC commodities use a negligible risk approach, however this has yet to be developed for the forestry sector. Pending development of a negligible risk methodology for the pulp sector, companies are to report separate values for DCF volumes and volumes from low-risk origins, ensuring transparency (see <u>Annex 5 of the Roadmap for guidance</u>).

## Element 2: Suppliers

Commitments & Actions Transparency & Accountability

### 2. Suppliers: Commitments & Actions

Overview: Central to the FP Coalition Theory of Change is that transformation of PPP production to forest positive across the entire sector can only be achieved if upstream suppliers also implement Forest Positive commitments across their entire PPP business. Therefore, the Coalition members (manufacturers and retailers) are committed to doing business with upstream suppliers who in turn are committed to forest positive implementation across their business – the Forest Positive Suppliers Commitment.

Actions focus on direct and upstream suppliers sourcing from priority countries and regions, and collective engagement will be directed where there is significant collective leverage. With these actions, the Coalition aims to scale up the uptake of certification and promote forest positive sourcing across suppliers' PPP businesses. It is important that unintended consequences such as smallholder exclusion are adequately addressed.

#### **Coalition Members Commitments**

2.1 Communicate the 'Forest Positive Suppliers' Commitment and specific Forest Positive Approach with suppliers and upstream actors and implement through individual procurement systems

2.2 Collaborate with suppliers and upstream actors to address barriers to sector-wide progress

Note: Forest Positive Suppliers: The Forest Positive Coalition Theory of Change recognises that to support sector-wide progress it is important to work beyond individual supply chains. One of the main pillars of the approach is 'Forest Positive Suppliers' which sets out the intention of Coalition members to ask their suppliers to develop and implement forest positive policies themselves across their entire PPP business, and for Coalition members to actively seek to do business with suppliers who are also committed and taking action to implement their commitments. The PPP WG is working on developing guidance on an aligned Forest Positive Approach for their suppliers as part of the CGF Guidance on the Forest Positive PPP Roadmap, aligned with the Theory of Change, and will share more details in upcoming months.

#### **Coalition Actions**

- Q1/Q2 2022: Identify priority suppliers/groups for individual and collective engagement including both those where there is significant collective leverage (e.g. large upstream suppliers such as mills) as well as small suppliers who may need support
- Q1/Q2 2022: Develop a supplier engagement strategy for individual and collective engagement with different types of priority suppliers, building on members' experience and inputs from key organisations/stakeholders
- 2022: Document Coalition expectations of direct suppliers and of upstream actors, particularly those sourcing from priority countries/regions (see Element 3), including greater uptake of certification and systems to deliver forest positive and manage controversial sources across their PPP business
- 2022: Develop and communicate associated KPIs and agree how progress can be monitored and reported
- 2022 onwards: Engage identified priority suppliers for collective engagement as a Coalition to communicate the Forest Positive Approach, discuss progress in performance, and drive delivery across their business.
- 2022: Share and develop guidance and tools for members and suppliers on implementation, building on members' experience and existing guidance including AFi

#### **Individual Actions**

- Annually:
- Engage direct suppliers and key upstream actors by:
  - ✓ Requesting/Promoting the uptake of credible third-party certification where possible, including Chain of Custody
  - ✓ Actively engaging to promote implementation of forest positive sourcing across their whole PPP business (linking to the Collaborative Action)
  - Actively engaging with the suppliers sourcing in countries where certification is not an option to promote sustainable forestry or is known to not adequately address all risks
- Work with procurement team to ensure there are internal systems in place that drive consequences for good or bad supplier performance
- Report on progress using agreed KPIs at least annually

### 2. Suppliers: Transparency & Accountability

FORUM

**Public Information from Members** 

2.1 Direct supplier list

This will require a combination of individual and collective reporting. As members identify opportunities for collective engagement with priority suppliers in 2021-22, they will work together to further develop these KPIs.

important) to identify areas where challenges remain or progress is slow so that the Coalition can take further action.

Overview: The goal is to combine aligned Coalition member transparency with increased transparency from the priority

suppliers engaged to make it easy to track progress towards a forest positive PPP sector, but also (and equally

Publicly reported KPIs	Comments	Manufacturers	Retailers	Rec
2.2 Proportion of suppliers informed about the Forest Positive Suppliers approach	A key action for the coming year will be for members to inform suppliers (or the suppliers of own brand manufacturers) about the Coalition approach and expectations as this is quite new in the PPP sector	% by volume or number of direct suppliers	The focus initially will be on own brand suppliers	Annual
2.3 Number or proportion of suppliers identified as priority for engagement, and % engaged	This will involve reviewing all suppliers and identifying as a priority for engagement those that a) are not supplying certified products, or b) are sourcing from origins with a high risk of controversial sources, or c) are not committed to a forest positive approach across their whole supply base	% by volume or number of direct suppliers	The focus initially will be on own brand suppliers	Annual
2.4 Performance of engaged suppliers and changes over time including progress on delivery across entire business	This will be the change in performance over time including progress on delivery across entire business. Work is needed on what and how this reporting will be undertaken	Change in performance for all engaged direct suppliers	The focus initially will be on own brand suppliers	Annual
Collective reporting	Coalition can report collectively on engagement and could also include progress of collaboration to addre		actors (e.g. mills). This	Annual

## Element 3: Addressing High-priority Origins

### Commitments & Actions

### **3. Addressing High-priority Origins: Commitments & Actions**

Overview: Certification in the PPP sector has been quite successful at advancing sustainable forest management, but still only a fraction of the worlds forests are certified so there is still a need to increase the area of production forest that is certified . Furthermore, there are places where engagement beyond certification is needed to tackle underlying governance issues and drive change towards forest positive. The objective of this Element is to identify the priority countries and regions where there is a high risk of controversial sources related to PPP, for instance, due to lack of certification or weak governance and are prioritised for engagement to deliver forest positive. This information will be used to inform actions to address identified issues, including identifying priority suppliers (Element 2) and landscapes (Element 4) for engagement.

Note: This element provides information to other elements and does not have separate KPIs.

#### **Coalition Members Commitments**

Build a shared understanding of addressing high priority origins:

3.1 Identify priority countries and regions (countries or regions where there is a high risk of controversial sources related to PPP and that are in members' supply base) building on existing tools/information

3.2 Use the information to develop and implement effective and proactive responses to deliver forest positive, including engagement with certification schemes (Element 1), upstream suppliers (Element 2) and landscape initiatives (Element 4)

Notes: For the definition of 'controversial sources', see the Notes in Element 1

#### **Coalition Actions**

- 2022-2023: Build a shared understanding among
  Coalition members of countries which are high
  priority for engagement, including priority issues
  in the different countries/regions, building on the
  existing CGF Sourcing Guidelines further
  informed by discussion with relevant external
  stakeholders (e.g. FSC, PEFC, CDP, AFi, local
  stakeholders) and experience of member
  companies
- 2022 onwards: Use the results to inform Coalition engagement with key upstream suppliers (see Element 2) and landscape initiatives (Element 4)
- 2021 onwards: Engage collectively with certification schemes to address any issues identified with certification in particular countries or regions

#### **Individual Actions**

 2022 onwards: Actively use the aligned prioritization to inform certification strategies (Element 1), assessment of and engagement with priority suppliers (Element 2), and to plan engagement with landscape initiatives and governments (Element 4)

## Element 4: Landscape Engagement

### Commitments & Actions

### 4. Landscape Engagement: Commitments & Actions

Overview: Central to the FP Coalition ToC is that transformation of PPP production to forest positive across the entire sector cannot be delivered by supply chain companies in isolation. Addressing ongoing deforestation, conversion and forest degradation and building forest positive production requires collaboration between companies, producers, local communities, government and civil society organisations.

To build this collaboration in practice, Coalition members will focus on actions in production landscapes and jurisdictions in the priority countries/regions identified through Element 3. Objectives of engagement include actively supporting and promoting credible certification as well as sustainable forest management in places where certification is not an option. A major focus of the Coalition approach will be to share learning and support good practice within the CGF and across the sector to drive progress towards a forest positive PPP sector.

This will be coordinated by Proforest and the Tropical Forest Alliance (TFA) which was cofounded by the CGF to provide a platform for companies, governments and civil society to work together, and will be implemented with potential engagement from other organisations.

#### **Coalition Members Commitments**

4.1 Participate in landscape and jurisdictional projects relevant to own commodity supply chain

4.2 Engage with priority origins, aiming to reduce deforestation, conversion and forest degradation and to support forest positive production through promotion of sustainable forest practices, including certification where appropriate as well as integration with activities in the wider landscape to protect and reduce pressure on forests and improve livelihoods of local communities

Notes: There is a Coalition-wide Action on Production Landscapes to leverage the combined influence of the Coalition and to provide alignment between different commodities. The Coalition launched its *Strategy for Collective Action in Production Landscapes (v. 1.0)* in November 2021. See the <u>Coalition website</u> for further details as this Action is developed.

#### **Coalition Actions**

#### With support from TFA

- Q2 2021: Identify opportunities for engagement in existing and emerging landscape and jurisdictional initiatives as part of the work of the Production Landscapes Coalition-wide Working Group, including:
  - ✓ Where appropriate, support and promote credible third-party certification schemes, including smallholder inclusion in certified supply chains;
  - Actively support approaches to sustainable forest management in priority origins where certification is not an option, such as initiatives focusing on PES, habitat/forest conservation, smallholder livelihoods, land and forest governance;
  - ✓ Actively support approaches to restoration
- 2021-2023: Led by the Production Landscapes WG, actively participate in the development of a Coalitionwide landscapes strategy and principles for collective action to guide the expectations of Coalition Members when engaging with landscape and jurisdictional initiatives
- 2023: Establish 2023 Baseline for the landscape initiatives in the FPC Portfolio and first annual reporting by landscape initiatives using the common Landscape Reporting Framework
- 2021-2023: Build and actively support collective initiatives to share good practice on sustainable forest management among Coalition members and across the wider sector, including a toolbox with methods/tools that could be used in different landscapes/regions
- 2021-2023: Support development of independent credible approaches and initiatives for designing, implementing and monitoring landscape initiatives (eg LandScale, IDH SourceUp/VSA, ISEAL, CDP etc.)

#### **Individual Actions**

- 2023: Discuss and agree internally on resources available to support landscape and jurisdictional initiatives in priority origins aligned with expected contributions per the FPC production base footprint
- In first year of joining FPC: Develop internal plans to select and engage in these landscapes and begin implementation
- 2021 onwards: Build understanding and share learning within and beyond the PPP WG, including scaling up resources for landscape engagement through partnerships with suppliers and other supply chain actors

### 4. Landscape Engagement: Transparency & Accountability

Overview: The goal is to provide transparency on individual and collaborative actions in production landscapes to promote engagement and learning for every member to transform commodity production areas towards forest positive.

The KPIs below have been developed for members to report on their engagements in production landscapes during the Learning Phase. The Coalition intends to also develop Landscape KPIs to monitor and report on impacts during the Learning Phase and start reporting on these from 2024 onwards.

KPIs and public information from members	Individual members (for manufacturers and for retailers)	Coalition (collective reporting)
4.1 Priority production landscapes identified	Summary of priority production landscapes identified	Number of aggregate priority landscapes identified by Coalition
4.2 Methodology used to identify priority production landscapes to transform to forest positive	Report on methodology for prioritisation of landscapes (either done individually or collectively)	Link to Element 3 of the Roadmap on addressing high priority origins
4.3 Number of landscape initiatives currently engaged in	Number of landscape initiatives company is currently engaged in	Aggregate number of landscape initiatives Coalition is currently engaged in
<ul> <li>4.4 For each landscape initiative your company is currently engaged in, information on:</li> <li>Name, location, timeline and other partners involved</li> <li>Report on type of engagement (e.g disbursed financial support, in-kind support, capacity, preferential sourcing)</li> <li>Specific actions or projects that are supported</li> <li>How the actions intend to address systemic issues and contribute to delivering forest positive goals (at least one of conservation, restoration, positive inclusion of farmers and communities, landscape-level multi-stakeholder platforms or partnerships)</li> <li>Linkages to shared landscape-level goals developed through multi-stakeholder processes</li> </ul>	Names and information on the landscape initiatives the company is engaged in, including information on how the company engages and timeline Report on current support to and engagement in landscape initiatives for each element of forest positive goals (conservation, restoration, positive inclusion of farmers and communities, developing landscape-level multi-stakeholder platforms or partnerships) This can include specific projects within a landscape that contribute to landscape-level goals	Collective systemic issues being addressed and how they link to achieving impact and delivering shared goals – conservation, restoration, positive inclusion of farmers and communities (including human rights issues at a later stage), landscape-level multi-stakeholder platforms or partnerships for forest positive transformation

## Element 5: Transparency & Accountability

Commitments & Actions

### 5. Transparency & Accountability: Commitments & Actions

Overview: Accelerating progress and building credibility through ongoing transparency and accountability is an important part of the Coalition approach. This builds on the insight from the review of the implementation of the original 2020 deforestation commitment, that there are limitations to the effectiveness of relying on commitment to a long-term goal with little interim information provision, monitoring of progress or collective review of actions to make them more effective

#### **Coalition Members Commitments**

5.1 Disclose publicly company policies and goals to deliver on the PPP Forest Positive commitments (See Element 1)5.2 Track, verify and report on progress with implementation of the Roadmap for own supply, suppliers and priority landscapes

Notes: There is a Coalition-wide Action on Transparency and Accountability, to provide consistency between different commodities and leverage the combined influence of the Coalition.

See annex 4 of the <u>Guidance on the PPP roadmap</u> for more information on reporting

#### **Coalition Actions**

- Annually: Coordinated by the Transparency & Accountability WG
  - Publish an FPC Report including information on individual company reporting on the Roadmap KPIs and collective progress in transparency & accountability
  - Develop and regularly update templates to support common and consistent reporting (particularly for data for shared reporting by CGF)
  - Ongoing: Support increased alignment on KPIs with key reporting platforms (e.g. CDP, Forest500) and with other key stakeholders and sectors (e.g. AFi, suppliers/traders, finance sector and companies beyond FPC)
- 2023-24: Support increased alignment on KPI methodologies and approaches to track and report progress through development of Guidance for reporting on the Roadmap KPIs, building on existing tools and guidance (e.g. AFi)
- Ongoing: Support provision of credible and consistent information on key issues such as rates of deforestation in the sector (drawing on existing sources such as WRI, TFA etc.)

#### **Individual Actions**

On joining FPC:

- Confirm CEO-level support to proposed Coalition transparency and accountability Annually:
- Report publicly at least annually, and more frequently where agreed, on all the KPIs agreed by the Coalition (see Elements 1, 2 and 4)
- Support shared reporting if/when agreed by the Coalition providing agreed data in a timely way
- Review progress in disclosure and performance against the KPIs in Elements 1-4, and plan and implement actions to ensure progress where not fully delivering



## Glossary



- AFi: the Accountability Framework <u>https://accountability-framework.org/</u>
- CDP: Carbon Disclosure Project <u>https://www.cdp.net/en</u>
- CGF: The Consumer Goods Forum <u>https://www.theconsumergoodsforum.com/</u>
- FSC: Forest Stewardship Council <u>https://fsc.org/en</u>
- PEFC: Programme for the Endorsement of Forest Certification <u>https://www.pefc.org/</u>
- PES: Payments for Ecosystem Services
- TFA: The Tropical Forest Alliance <u>https://www.tropicalforestalliance.org/</u>

## **Tracker of Roadmap Updates**



Version of the PPP Roadmap	Updated Content	Date
v.1	First publication	March 2021
v.1.1	Changes to formatting, for consistency across Commodity Roadmaps	May 2021
v.1.2	Landscape (Element 4) KPIs incorporated Changes to timelines to align with implementation progress Updates to names of documents where needed	December 2021
v.1.3	Updated FPC membership map	January 2022
v.1.4	Revision to KPIs including addition of traceability KPI in Element 1, and addition of direct supplier list in Element 2 Minor updates to timelines, actions and names of documents where needed	February 2023
v.1.5	Updated the Element 1 KPIs to include reporting on DCF and scope, as well as link to the aligned FPC DCF Methodology for PPP (v0)	June 2024

# **Contact the** Coalition



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