

CGF Forest Positive Coalition of Action

Stakeholder Engagement Webinar

22 April 2024



Forest Positive

proforest



TROPICAL FOREST ALLIANCE

Antitrust

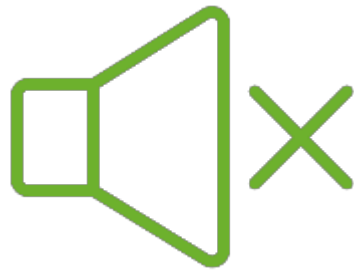


"The Forum shall not enter into any discussion, activity or conduct that may infringe, on its part or on the part of its members, any applicable competition law. By way of example, members shall not discuss, communicate or exchange any commercially sensitive information, including non-public information relating to prices, marketing and advertising strategy, confidential individual company level innovation and R&D projects, costs and revenues, trading terms and conditions with third parties, including purchasing strategy, terms of supply, trade programmes, or distribution strategy."

Housekeeping



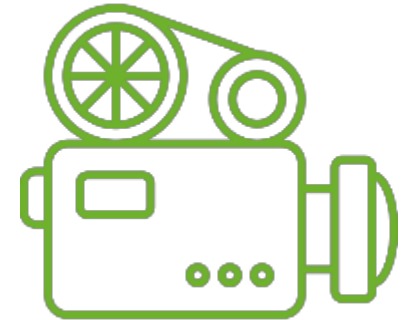
Feel free to send questions through the Q&A feature



Please mute your microphone when not speaking



This meeting is held under Chatham House Rule



The meeting will be recorded for note-taking purposes

Meeting Objectives



- **Update on Progress:** Provide a comprehensive update on the Coalition's current work, key priorities and future projects.
- **Enable Collaboration:** Engage wider community to explore opportunities for further engagement and collaboration on key Coalition projects.
- **Hear from you:** Answer questions and gather feedback from stakeholders.

Agenda



Topic	Timing
Welcome - Jack Hurd (TFA)	00:00 - 00:05
Opening remarks - Didier Bergeret (CGF)	00:05 - 00:10
About the CGF Forest Positive Coalition - Mikel Hancock (Walmart), Emily Kunen (Pepsico)	00:10 - 00:20
Our Theory of Change: <ul style="list-style-type: none"> ▶ <i>Deforestation and Conversion Free (DCF) Supply</i> - Simon Hall (Walmart) ▶ <i>Deforestation and Conversion Free (DCF) Suppliers</i> - Hillary Fenrich (McDonald's) ▶ <i>Forest Positive Landscapes</i> - Andi Sitti Asmayanti (Mondelēz) ▶ <i>Transparency and Accountability</i> - Debora Dias (CGF) 	00:20 - 00:27 00:27 - 00:34 00:34 - 00:45 00:45 - 00:50
Discussion and Q&A	00:50 - 01:20
Closing remarks - Mikel Hancock (Walmart) and Emily Kunen (Pepsico)	01:20 - 1:30

The Consumer Goods Forum

Better Lives Through Better Business





400 members from multinationals to SMEs directly employ 10 million people and estimated revenues exceed €4.6 trillion.



55+ global CEOs on our parity-based Board of Directors, embracing both retailers and manufacturers.



1,500 industry experts involved in our working groups, helping to shape industry agenda.

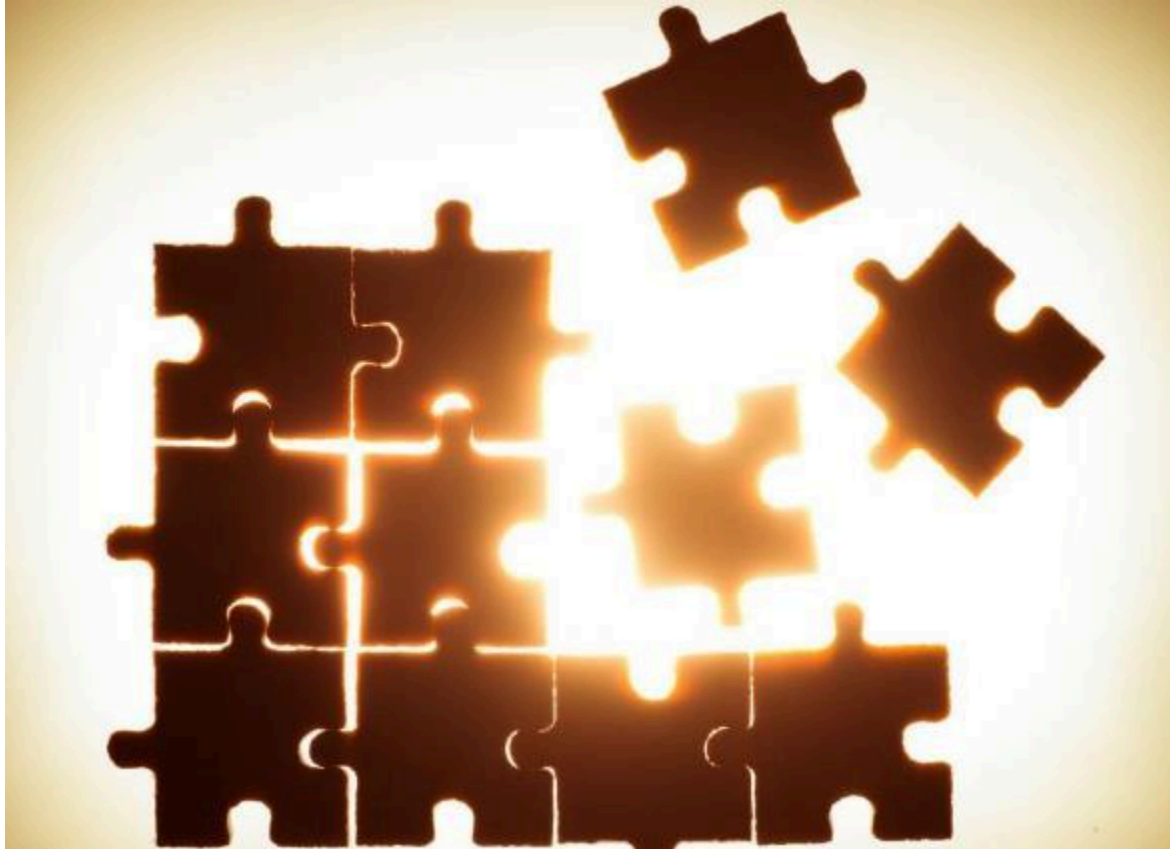


40 events and working groups provide unrivalled networking and knowledge sharing opportunities.



1 global network committed to action and driving positive change through collaboration.

Coalitions of Action



Although Coalitions of Action did not change the key topics being addressed by our members - like deforestation, plastics, food waste, consumer health, product data and forced labour - they do provide several key benefits:

- **Focused on one key topic.**
- **Accessible to all CGF members.**
- **Integrated global and regional agendas.**
- **Explicit company commitments.**
- **Freedom to support special projects.**
- **Explicit performance reporting.**

COALITIONS

 <p>PRODUCT DATA</p>	 <p>HEALTHIER LIVES</p>	 <p>FOOD WASTE</p>	 <p>PLASTIC WASTE</p>	 <p>FOREST POSITIVE</p>	 <p>NET ZERO</p>	 <p>HUMAN RIGHTS</p>	 <p>SUSTAINABLE SUPPLY CHAIN INITIATIVE</p>	 <p>GLOBAL FOOD SAFETY INITIATIVE</p>
<p>Enhancing data exchange and improving accuracy</p>	<p>Empowering people to lead healthier and more sustainable lives while creating shared value for business and communities</p>	<p>Halving per capita global food waste at the retail and consumer levels</p>	<p>Playing a leading role in eliminating plastic waste on land and sea</p>	<p>Mobilising resources to build a forest positive future</p>	<p>Accelerating consumer industry progress towards net zero</p>	<p>Making human rights due diligence the industry norm</p>	<p>Building trust in social and environmental standards worldwide</p>	<p>Securing safe food for people everywhere</p>
<ul style="list-style-type: none"> • 2D Barcode • ESG Data Reporting • Global Data Model • New Ways Pilot • DataPorts • TrueCode 	<ul style="list-style-type: none"> • Better Options: Improving the accessibility of healthier & more sustainable products for consumers • Better Choices: Influencing consumer behaviour to encourage & enable healthier, more sustainable habits • Better Communities: Empowering our employees' health & well-being 	<ul style="list-style-type: none"> • Public Reporting • Scaling Up the 10x20x30 Initiative • Alignment on Post-Harvest Losses • Consumer Engagement • Regional Working Groups (LatAm, N. America, China & Japan) 	<ul style="list-style-type: none"> • Golden Design Rules of Packaging Design • Extended Producer Responsibility • Refill/Reuse City Program • Flexibles • Chemical Recycling 	<ul style="list-style-type: none"> • Soy • Palm Oil • Paper, Pulp and Fibre Based Packaging • Beef • Forest Positive Landscapes • Supplier & Trader Engagement • Transparency & Accountability 	<p>Under Development</p>	<ul style="list-style-type: none"> • Own Operations & Supply Chains • Industry & Policy Enablers • Connecting People & Planet on forest, circularity, climate change & health 	<ul style="list-style-type: none"> • Manufacturing & Processing • Primary Production • Forestry • At-Sea Operations 	<ul style="list-style-type: none"> • Capability Building Sub-Committee • Technical Sub-Committee • Public Private Partnerships Sub-Committee • Governance Sub-Committee • Benchmarking and Harmonisation Working Group • GFSI Local Groups (Aus-NZ, China, EMEA, Japan, Mexico, South LatAm, US-Canada)

WORKING GROUPS

GLOBAL SUMMIT

SUSTAINABLE RETAIL SUMMIT

GFSI CONFERENCE

SPRINGBOARDS

SUPPLY CHAIN CONFERENCE

FLP

GLOBAL CONFERENCES

MEMBER ENGAGEMENT

EMEA

NA

JP/APAC

LATAM

CHINA

An aerial photograph of a dense forest with a thick canopy of green trees. The perspective is from directly above, showing the intricate patterns of branches and leaves. A semi-transparent green rectangular box is overlaid on the left side of the image, containing white text.

About the Forest Positive Coalition

Overview of the Coalition



21 companies with a collective market value of around US\$2 trillion, leveraging collective action and systemic efforts to remove **deforestation, forest degradation and conversion** from key commodity supply chains.

CEO Co-sponsors

Co-chairs



Connected to the Human Rights Coalition & SSCI

Strategic and technical partners:



Members as of April 2024



Delivering on Our Theory of Change



DCF Supply

Sourcing DCF across all volumes while promoting social inclusion requires integrating a forest and people positive culture



DCF Suppliers

Transforming supply chains requires supplier action

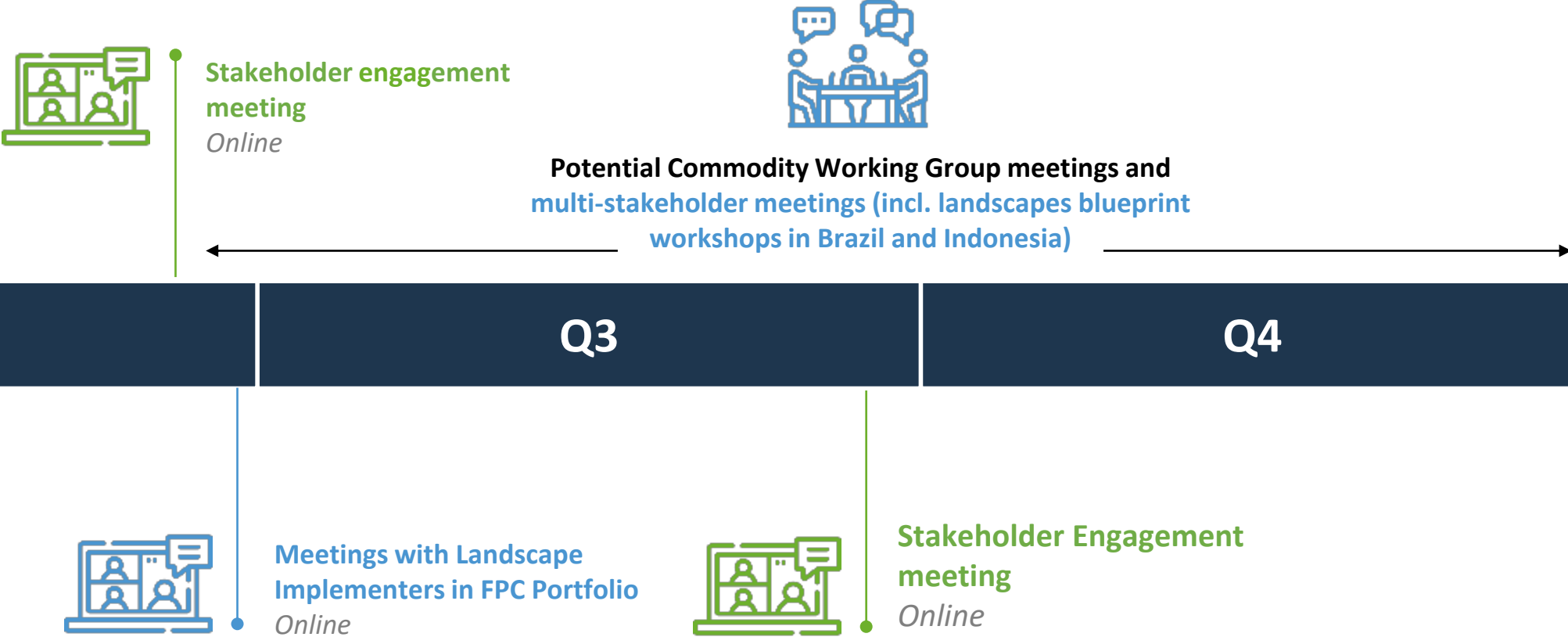


Forest Positive Landscapes

Addressing systemic issues requires collaboration

Forest positive requires a three-pronged approach across our own sourced volumes, our suppliers, and production landscapes

2024 Engagement Opportunities



DCF Supply



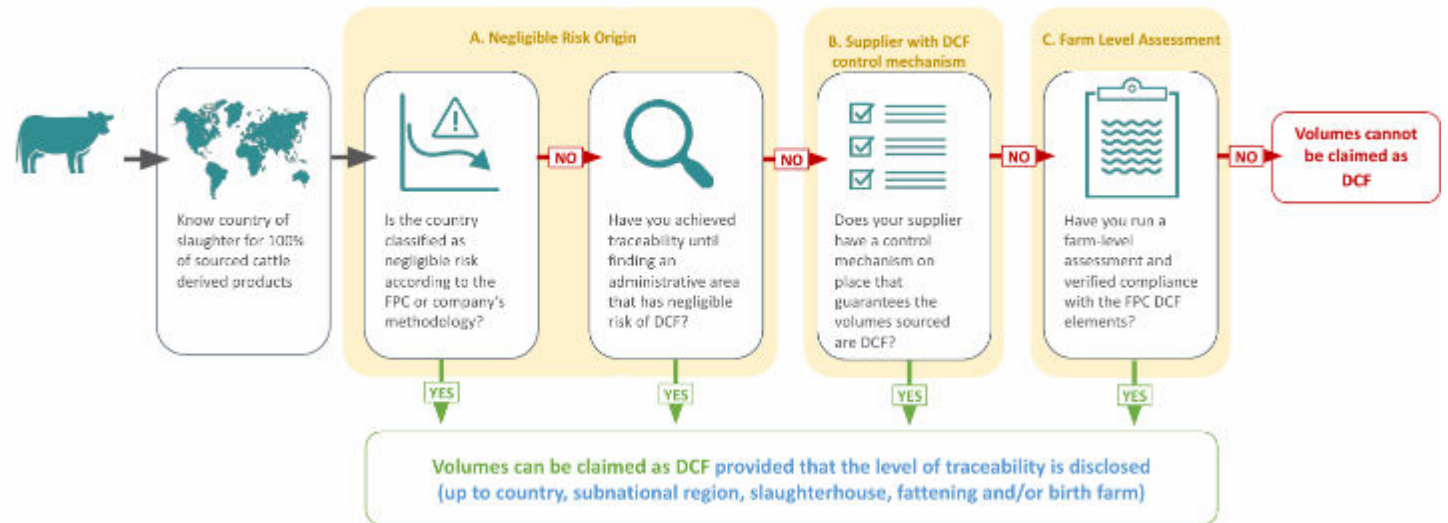
Progress to Date



Created tangible plans and KPIs through **Commodity Roadmaps** and supporting guidance, used as a reference corporate action



Developed and published **DCF Methodologies** for each commodity. These methodologies are V0 subject to additional stakeholder input



Example graphic for Cattle Derived Products

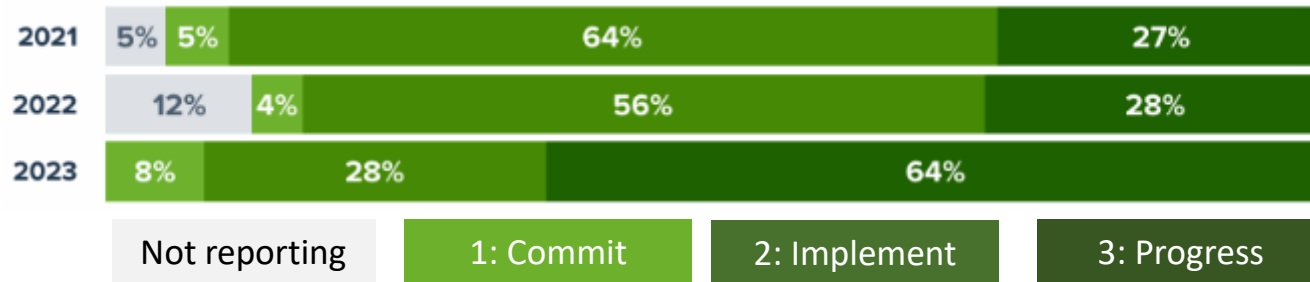


Aligned with AFi common DCF methodology

2024-25 Actions



% Members disclosing DCF supply Palm Oil KPIs



Members **uptake FPC DCF methodologies** and use them for Commodity Roadmap KPI reporting

Collectively work to **address challenges**, including **complex supply chains** with limited traceability or risk of excluding smallholders



Indirect cattle supply



Palm Oil Smallholders

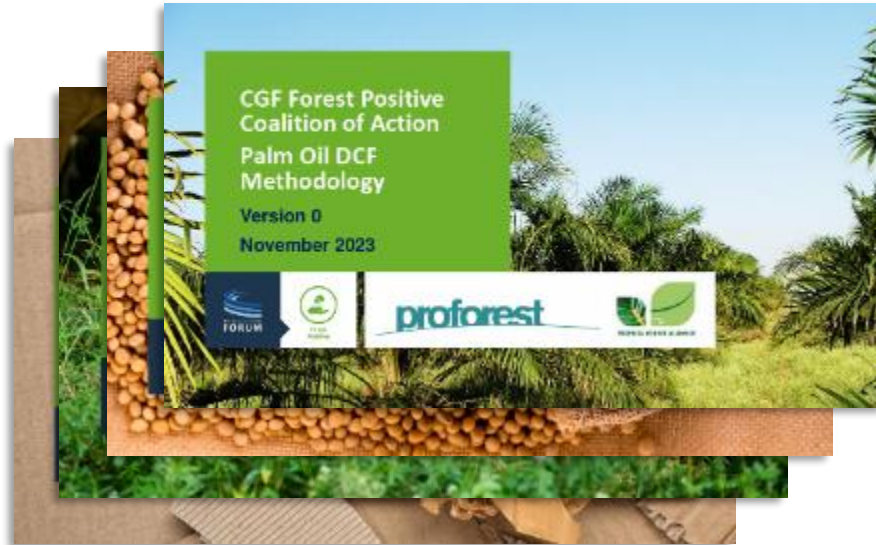


Embedded soy



Soy and palm oil derivatives

Opportunities for collaboration



NGOs & SUPPLY CHAIN COMPANIES

Provide feedback on version 0 of the DCF methodologies and join us in credible and aligned DCF reporting

To provide feedback, please email:
forestpositive@theconsumergoodsforum.com

NGOs & SUPPLY CHAIN COMPANIES



Collaborate on solutions to address sectoral DCF implementation challenges.

Advancing traceability, including through certification

Supply chain engagement and verification processes

Support for producers and landscapes transformation

DCF Suppliers



Progress to Date



GUIDE

Guidance for Forest Positive Suppliers cascading commitments



ASSESS

Year-on-year assessment of top suppliers against the Forest Positive Approach to understand progress



Meatpacker assessments with 3Keel

ENGAGE

Collective meetings with soy traders and meatpackers in Brazil to communicate Forest Positive Approach and opportunities for collaboration.



With partners, support for palm oil derivative suppliers



2024-25 Actions



Cascade the Forest Positive Approach and work with suppliers aligned with the Forest Positive ambition, with **accelerated efforts to drive suppliers' DCF progress across their commodity business.**



Understand **DCF progress of Coalition suppliers**, including public reporting on % DCF and DCF commitments.



Collectively and individually, the Coalition will **engage key suppliers for each commodity** and promote:

- **Commitment to DCF** aligned with AFi and FPC
- **Public disclosure of % DCF across commodity volumes** using **credible methodologies**
- **Action planning** to drive progress

Opportunities for Collaboration

SUPPLY CHAIN COMPANIES and NGOs

Work together to create and uptake sectoral DCF solutions for complex supply chains

FINANCE SECTOR AND GOVERNMENT

- *Align expectations including policy and frameworks*
- *Collaborate for systemic transformation, including complimentary funding strategies*

DCF Production and Businesses

MULTIPLE STAKEHOLDERS



Collective action in production landscapes

Forest Positive Landscapes



Progress to Date

Launched a **Landscape Strategy in 2021** and have preliminary calculation of a collective Production-base Footprint for the **Landscape Ambition**

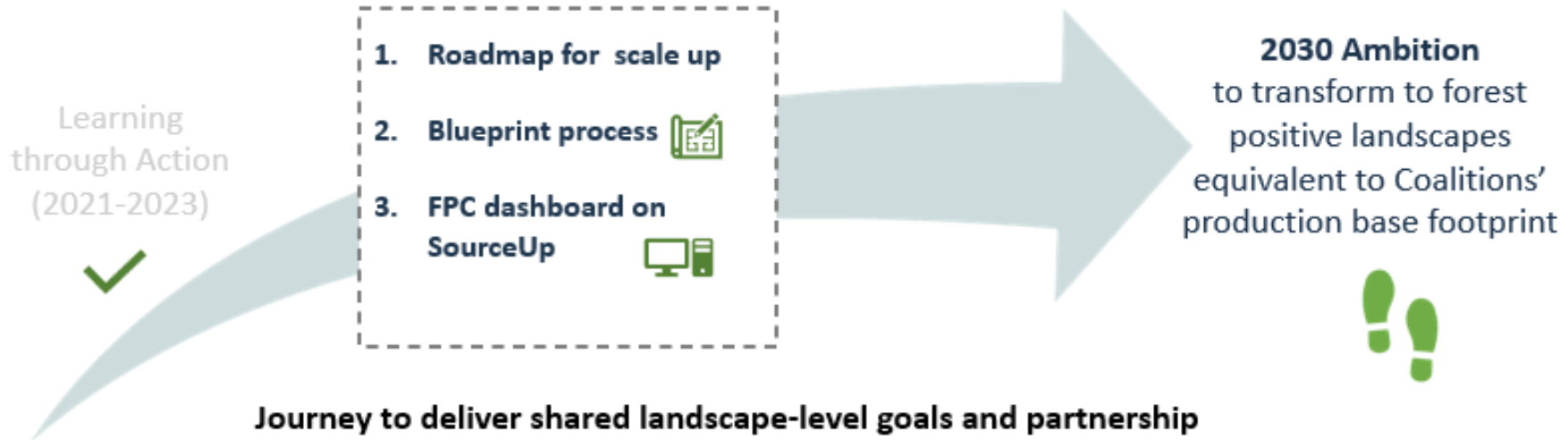


During the **Learning through Action phase (2021-2023)**, all members began investing in the Coalition's **Portfolio of Landscape Initiatives**, consisting now 25 initiatives.

Landscape reporting framework for aligned and credible progress reporting developed with first reporting by FPC Portfolio initiatives



2024-25 actions



Multi-Stakeholder Blueprint Process
Convening local stakeholders in jurisdictions in Brazil and Indonesia to accelerate progress, engagement, and investment in production landscapes

FPC Dashboard on SourceUp[®]
Public reporting by landscape implementation partners on progress of initiatives towards Forest Positive outcomes

Opportunities for collaboration



Supply Chain Companies, Donors & Finance

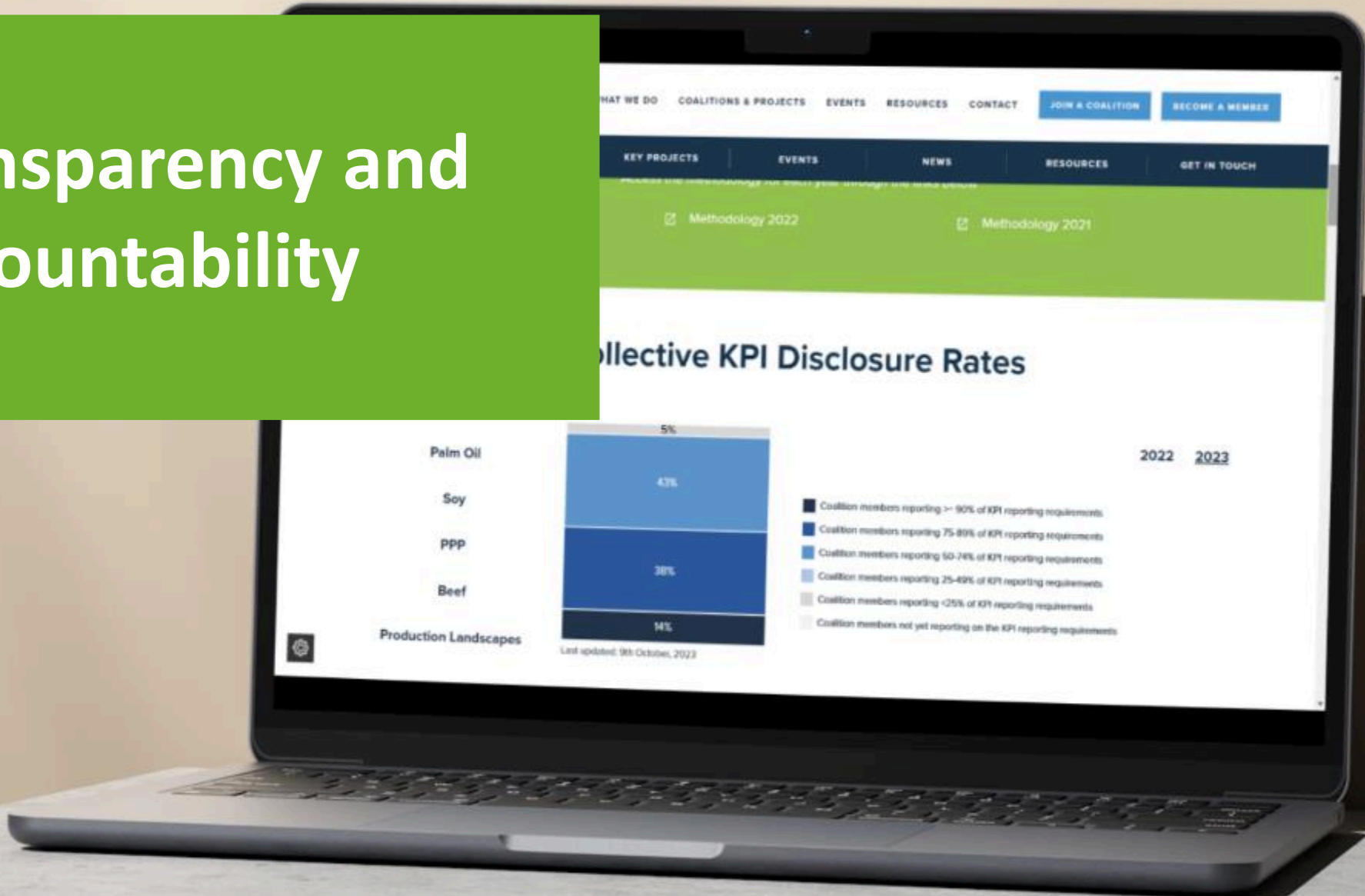
Support scaled up engagement and investment in the Coalition's priority production landscapes/initiatives for Forest Positive transformation

Landscape Implementers

Engage on blueprint processes and SourceUp during sessions for Coalition Portfolio Landscape Initiative implementers in May



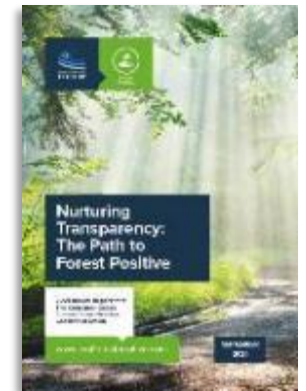
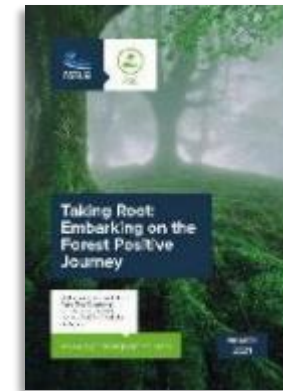
Transparency and Accountability



Progress to Date



Three annual reports including reporting on Commodity Roadmap KPIs. Overall KPI disclosure in 2023 was 77%, up from 64% in 2022 (based on 2022 reporting requirements).



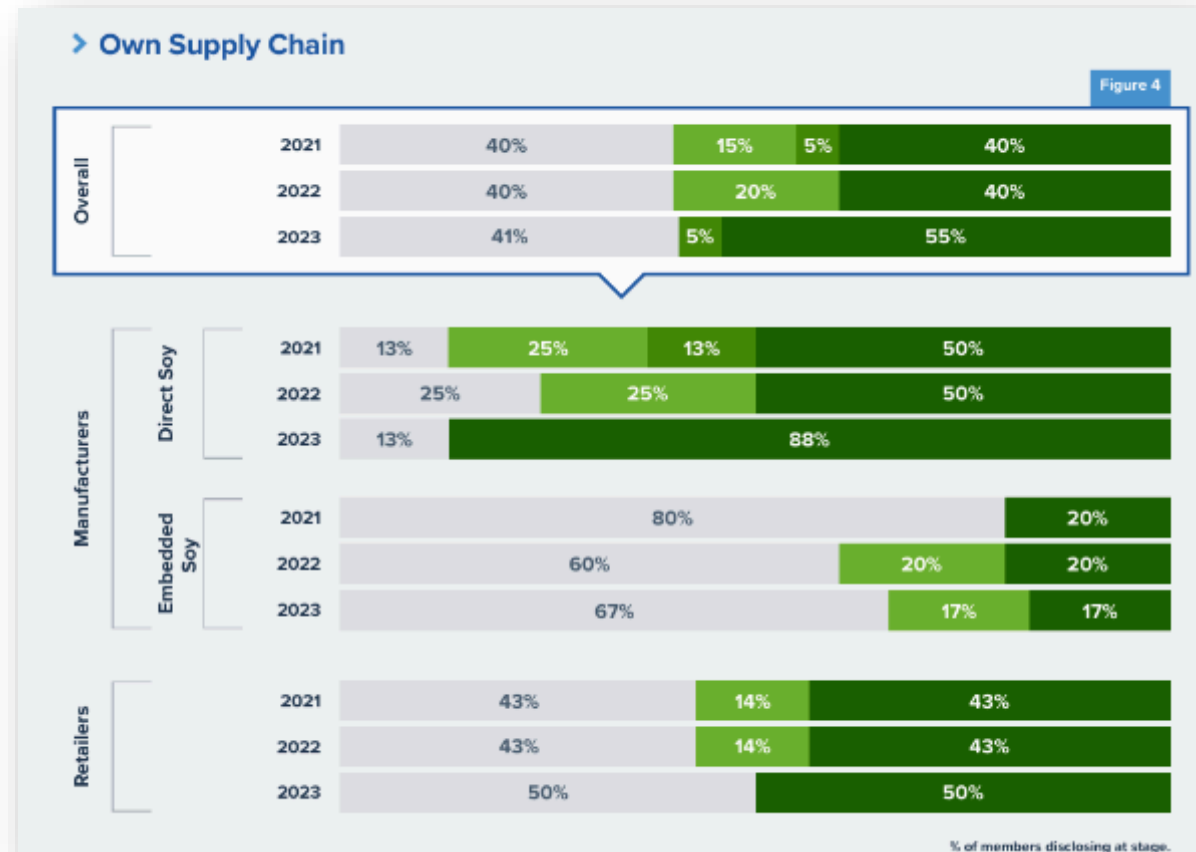
Alignment of Forest Positive Approach, including Commodity Roadmap KPIs, and input on DCF Methodologies with key platforms.



2024-25 actions



- Continue to align approaches and methodologies with external platforms
- Member uptake of aligned methodologies, for example DCF methodologies
- Increasing disclosure and performance improvement on FPC KPIs



Opportunities for collaboration



Provide feedback on annual report

8 STAKEHOLDER FEEDBACK

The Coalition invited its stakeholder community to review this report prior to publication and share their feedback. Comments from the organisations who responded to this invitation are included below in full and without amendment. The Coalition thanks these organisations for their feedback and welcomes additional comments via email.

> The Programme for the Endorsement of Forest Certification (PEFC) International

So much work has been accomplished by the CGF PPP WG in thinking through the PPP Forest Positive roadmap, KPIs and guidance documents in the last 3 years. PEFC is pleased to contribute to this work as external stakeholders, to constructively challenge and be challenged. As a result, many CGF members have come to PEFC directly for training and in-depth questions, we welcome this engagement and would like to see more of it. Our various WGs, such as sustainable forest management, chain of custody traceability, EUDR, etc. are considering CGF members feedback for increased collective impact. EUDR has taken a huge space in forest discussions in Europe and around the world, this past year, yet the implementation on practicalities and costs remain unclear.

Since inception, PEFC's objective has been to stop deforestation in certified areas, the EUDR will support our effort and vice versa. We invite the CGF members to contact PEFC for training and technical assistance.

> Rainforest Action Network

PPC members have adopted "No Deforestation, No Peat and No Exploitation" policies but the full impact of those commitments has yet to be realized because the policies, of most members, are not cross-commodity NDPE policies or being enforced across the entire operations of each corporate group that they do business with. Corporate conglomerates supplying palm oil, or wood pulp or paper, used to make CGF member's products are too often using shadow, or off the books, companies to look like they have reformed while still doing business as usual practices. The CGF can overcome this challenge by revising its roadmaps and KPIs to ensure NDPE policy requirements are set across all commodity supply chains and the Accountability Framework Initiative's (AFI) leading definition for determining the extent of a "corporate group" is used by all members. A "Deforestation and Conversion Free" commitment is not sufficient as policies must include all elements of the standard for "No Deforestation, No Peatland and No Exploitation" practices to be credible.

Members are making bold claims that they have ended deforestation in their supply chains but claims are based on a limited scope, namely on ending deforestation in their physical supply chains, or flawed methodology as for verifying DCF claims. The CGF must adopt a credible methodology for independently verifying claims, not a "DCF methodology" that accepts claims being verified by the same consultants that are paid to monitor its members' supply chains. These methods are not independent and free of conflicts of interests.

The near stagnant level of traceability and transparency on suppliers of raw materials is concerning, and shows members have a long way to go to adhere to the level needed to meet the EUDR.



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8 STAKEHOLDER FEEDBACK

> Roundtable on Sustainable Palm Oil

For palm oil, the report highlights four challenges going forward: Small holder inclusion, Palm oil derivatives, stand alone mills and intermediaries, and grievance monitoring and response. As the largest global voluntary scheme for the certification of sustainable palm oil, these topics are pivotal to the RSPO and we have a long history, experience and relevant data on these matters. The same applies to the important topic of production landscapes where the experience of the RSPO with its jurisdictional approach could have added relevant information to the report.

A critical note to the Annual Report in general is that, whilst collaboration with voluntary schemes is highlighted as an important tool, this seems in practice mainly to have taken place for PPP and much less or not for the other three commodities concerned. Recognition of these schemes as tools that all CGF members use is not only appropriate, but an important element that is missing to show other companies how they can use our standards, procedures and technical tools to support their sustainability work.

With this in mind, building on the positive interactions between our respective organisations which culminated with the participation of CGF's Senior Sustainability Manager Debora Dias as speaker during SPOC 2023, we invite CGF to strengthen the cooperation with us in 2024 in order to increase the synergy between our two organisations.

> Sustainable Forestry Initiative

Release of the 2023 Annual Report of the Forest Positive Coalition is an important further step towards all Consumer Goods Forum (CGF) members taking collective action to deliver Deforestation and Conversion Free (DCF) products to global consumer markets.

As an associate member of the CGF, the Sustainable Forestry Initiative (SFI) has been involved with the Forest Positive Coalition since its inception. This is because 3rd party sustainability production and chain-of-custody certification supports all four key areas of Coalition action – supply chain collaboration, investing in productive landscapes, stakeholder and government engagement, and transparency and accountability.

This year we are pleased to see new sections in the Annual Report on Enhanced KPI Insights, Lessons Learned and Insights for Action.

We applaud the Paper, Pulp and Fibre-based Packaging (PPF) working group's strengthened links with all forest certification schemes.

Given that PPF is the most material commodity within the Coalition and across CGF's entire membership, SFI's appreciation deeper involvement on Actions, Challenges, Progress and the Path Ahead over the past 12 months.

We note that there are few PPF Production Landscape pilots relative to other commodities. We recommend the Coalition members expand the geographic location of PPF pilots to include leading sources of peatkeeping solutions to the global FMCG sector, such as North America.

SFI would be pleased to help facilitate relevant Forest Positive Coalition projects in the US or Canada.



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Discussion & Q&A



Learn more



www.tcgfforestpositive.com



forestpositive@theconsumergoodsforum.com



CGF Social and Environmental Sustainability

An aerial photograph of a dense, lush green forest. The trees are tightly packed, creating a vibrant green canopy. The lighting is bright, highlighting the various shades of green and the texture of the foliage. The overall scene is a healthy, thriving forest.

**Working together to build
a Forest Positive future**