

CGF Forest Positive Coalition

**Response to Stakeholders' Letter
from 22 June 2020**



Dear Stakeholders of the CGF Forest Positive Coalition,

Despite efforts, forests - which cover about 30 percent of the world's land area - continue to disappear at an alarming rate. Stopping deforestation is critical to addressing global climate change and to ensuring reliable and sustainable raw materials and supply chains. We recognize that as consumer goods companies, our activities have contributed to this issue with major commodities like palm oil, soy, paper and pulp 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. In 2010, our strategy was rooted in remediating our individual company supply chains often through certification. While we have seen progress as a result 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. Certifications create market segmentation. There is still a demand for commodities from converted lands and local economic incentives to continue this practice. This limits our leverage.

We should have been faster to recognize the limitations of narrow supply chain interventions. We are doing so now and will be more agile in assessing our impact and optimizing our efforts moving forward. The singular focus on certifications incentivized us all to think small. We want – and need – a more transformative approach that will get us to a more forest positive future.

As members of the Forest Positive Coalition of Action, we're transforming how we do business, and we can only succeed if our suppliers share our ambition. Acceptable business practices include sourcing deforestation-free commodities and also respecting and promoting indigenous land rights and working conditions that comply with our Consumer Goods Forum Priority Industry Principles against forced labor.

Our strategy is to reevaluate our relationships with suppliers who cannot meaningfully show they follow acceptable business practices across their respective commodity supply chains, not just what they sell to us.

We are focusing on three commodity areas (soy, pulp and paper, palm oil) and reporting structure to measure and report on our progress and are actively engaging stakeholders in this process.

The CGF Forest Positive Coalition of Action remains committed to the following:

- Accelerate implementation within Coalition members' own supply chains
- Engage commodities traders and other upstream suppliers in a set of standardized expectations for their entire supply chains
- Support systemic action on selected key landscapes
- Align and extend monitoring and public reporting on actions accelerating implementation within Coalition members' own supply chains

We will also be partners in driving change by supporting integrated land use approaches and policies. Because we know no one sector or focus on one single commodity or geography can solve deforestation alone, we will advocate for and support practices and policies that change behaviors and outcomes at a macro-level.

We will do our part in collectively promoting and protecting multiple interests: forests and the environment, people who live and make their living near forests and the challenge of feeding a growing planet.

Continual stakeholder engagement has enabled the CGF 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 late August / early September 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.

Sincerely,

CGF Forest Positive Coalition