



Forest
Positive

Collective Action and Investment in Landscape Initiatives: The Business Case for Forest Positive Transformation

Insights from The
Consumer Goods
Forum's **Forest Positive**
Coalition of Action

www.tcgfforestpositive.com

NOVEMBER
2022

Introduction

The Consumer Goods Forum (CGF) Forest Positive Coalition of Action was launched in 2020 to bring together the world's most ambitious consumer goods manufacturers and retailers to lead and accelerate corporate action against commodity-driven deforestation, forest degradation, and conversion. Together, these companies are taking collective action to transform the production of four key commodities – palm oil, soy, paper, pulp, and fibre-based packaging, and beef – to forest positive, meaning not only will the production of these commodities be free of deforestation, but it will drive positive benefits for climate, nature, and people. To achieve this goal, the Coalition believes sector-wide transformation is critical, and, given that no one company, organisation, or government has been able to tackle the deforestation crisis alone, the Coalition's strategy is founded on a commitment to collaborate with actors throughout the value chain and across sectors.

The Coalition's approach to realising a forest positive future is therefore grounded in two parallel areas of action that drive positive change throughout commodity value chains: first, Coalition members are working to implement the Coalition's **Forest Positive Approach** – a set of commitments businesses can adopt to become forest positive – in their own operations and in those of their upstream suppliers. Secondly, Coalition members are also looking beyond their individual supply chains to help address the drivers of deforestation on the ground – a key step to halting deforestation before it even begins.

This focus on production landscapes – the regions and environments where the Coalition's key commodities are produced and sourced – is critical for the success of the Coalition's mission for two main reasons. First, from past experiences, companies have learned that focusing solely on their individual supply chains is not enough to drive the sector-wide transformation needed to truly end commodity-driven deforestation. While companies have made significant progress in sourcing deforestation- and conversion-free (DCF) materials from their own suppliers, deforestation has still continued, and even increased in some cases. This trend illustrates it is critical for companies to help ensure that not only are the products they buy forest positive, but the entire production of these commodities is forest positive as well. In order to do so, companies must be engaged beyond the scope of their individual procurement needs.

Similarly, the Coalition believes that the challenge of deforestation must be approached holistically, given both the systemic drivers of deforestation and its impact on a diverse range of areas such as the climate, human rights, and the economy. That is why the Coalition is working beyond the concept of DCF to realise a forest positive future – one that respects environmental and social sustainability and actively benefits climate, people, and nature. All consumer goods companies rely on the planet to provide the key commodities that are foundational to their businesses and the millions of people in their supply chains who live and work in forests. Engaging in production landscapes therefore helps Coalition members reduce harm and do good by transforming how

About the Forest Positive Coalition of Action

The Consumer Goods Forum (CGF) Forest Positive Coalition of Action is a CEO-led initiative representing 21 CGF member companies who are committed to leveraging collective action and accelerating systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains. Launched in 2020, the Coalition represents a dynamic shift in the industry's approach to stopping deforestation: by mobilising the leading position of member companies to build multi-stakeholder partnerships and develop effective implementation and engagement strategies, the Coalition brings together diverse stakeholders for sustainable impact. These efforts support the development of forest-positive businesses that drive transformational change in key landscapes and commodity supply chains, strengthening the resilience of communities and ecosystems worldwide. To learn more about the Forest Positive Coalition, visit www.tcgfforestpositive.com.

The Coalition is being supported by the Tropical Forest Alliance and Proforest as strategic and technical partners.

The Forest Positive Approach

The five basic requirements of our Forest Positive Approach are for businesses to have:

- **Public commitment to 'deforestation and conversion-free'** across entire commodity business including a public **time-bound action plan** with clear milestones
- Process for regular **supplier/producer engagement**
- Mechanism to identify and to respond to **grievances/non-compliances**
- Support initiatives delivering forest positive development at **landscape/jurisdictional and/or sectoral level**
- Regular **public reporting** against key KPIs

commodities are sourced – and ensuring the wider environments beyond their supply chains can thrive.

About the Coalition's Landscape Ambition

In 2021, the Coalition launched its strategy to achieve its ambition for engagement in production landscapes. By collaborating, engaging, and investing in production landscapes. **Coalition members together seek to transform priority production landscapes in areas equivalent to the size of the Coalition's collective production base footprint to forest positive by 2030.** Over the past year a methodology to calculate the Coalition's production base footprint has been developed and, once complete, the Coalition will share publicly the results of this calculation.

The first part of this strategy is a three-year 'Learning Through Action' phase designed to build common understanding, real-time learning, and alignment amongst Coalition members on how to accelerate collective progress in transforming production landscapes to forest positive. The focus area for action is increasing members' financial support for landscape- and jurisdictional-level initiatives working in communities most impacted by commodity-driven deforestation and conversion to transform agricultural

practice and achieve positive outcomes for climate, nature, and people. By investing in and engaging with these initiatives, Coalition members are supporting these initiatives achieve their goals and scale up action.

During this phase, Coalition members with existing engagements in production landscapes are working to continue and scale up their support while other members are taking steps to engage for the first time. To facilitate this development, the Coalition has created a 'Learning Through Action' Portfolio of Landscape Initiatives featuring 22 programmes recognised by the Coalition for meeting its principles for collective action in production landscapes. Using these principles, Coalition members identify effective opportunities for engagement which address systemic issues of deforestation, forest degradation, and conversion by supporting the inclusion of smallholders, improving local livelihoods, and safeguarding human rights, among other factors. These initiatives also meet the Coalition's principle on multi-stakeholder partnership with implementation by local and international organisations along with governments and other community-based organisations.

About This Publication

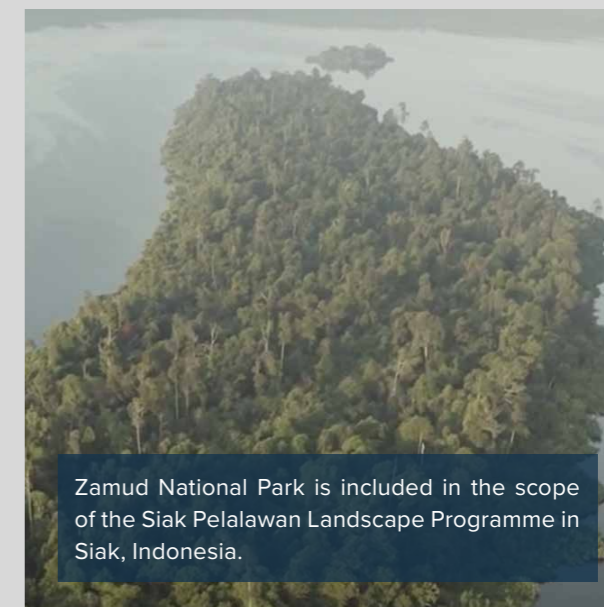
This document shares insights from Coalition members' existing engagements with landscape- and jurisdictional-level initiatives to demonstrate the business case for corporate action in production landscapes, as well reinforce the role of production landscape engagement in the Coalition's approach to achieving a forest positive future. Case studies from several initiatives included in the Coalition's 'Learning Through Action' Portfolio of Landscape Initiatives have also been provided to illustrate the type of action these initiatives are driving to not only transform agricultural production to forest positive but also respect the rights of indigenous peoples and local communities, improve livelihoods, and benefit the climate and local biodiversity. The Coalition has shared this information in hopes of encouraging all actors – both in and outside the consumer goods industry – to incorporate landscape engagement in their corporate responsibility strategy by illustrating the benefits such action brings to businesses and production landscapes alike. The information for this report was gathered through interviews with Coalition members and the initiatives' implementing organisations throughout 2021 and 2022.

What are landscape and jurisdictional approaches?

Landscape approaches involve collaboration within a defined natural or social geography, such as a watershed, biome, or company sourcing area, and seek to reconcile competing social, economic, and environmental goals through 'integrated landscape management' – a multi-stakeholder approach that builds consensus across different sectors with or without government entities. With the jurisdictional approach, we focus on engaging communities and organisations within subnational or national administrative boundaries with active government involvement. Both approaches seek to achieve sustainability at scale through an inclusive process.

Leveraging Collective Action in Siak, Indonesia

In 2021, the Coalition made its first collective investment in a landscape initiative, the Siak Pelalawan Landscape Programme (SPLP) located in the Siak province of Indonesia. SPLP is a multi-stakeholder collaboration of private sector, district governments, civil society, and local communities working together to halt and reverse historical rates of deforestation, degradation of forests and peatland, while mitigating risk from fire and agricultural expansion. This collaboration is enabled by investment of eight companies including four Coalition members. Critically, upstream companies including palm oil traders, refiners, and producers are represented in the SPLP Coalition, bringing on-the-ground knowledge and critical mass to the SPLP.



Zamud National Park is included in the scope of the Siak Pelalawan Landscape Programme in Siak, Indonesia.

Also in 2021, SPLP published its first activity report demonstrating progress made towards reaching shared landscape goals for climate, nature and people. The Coalition will use this Landscape Reporting Framework, which enables consistent and transparent reporting of activities leading to forest positive outcomes, as a model to monitor and communicate the impact of all of the landscape initiatives in the Portfolio of Landscape Initiatives starting in 2023. Multi-stakeholder partnerships like the one developed through the SPLP are key to the Coalition's Principles for Collective Action in Production Landscapes due to the shared responsibility of the private sector in the landscapes they source from, but also the need to be inclusive of other stakeholders critical to the initiative's success like farmers, communities, and government.

In partnership with BBC Storyworks, the Coalition has produced a short film about the project. [Click here to watch online.](#)

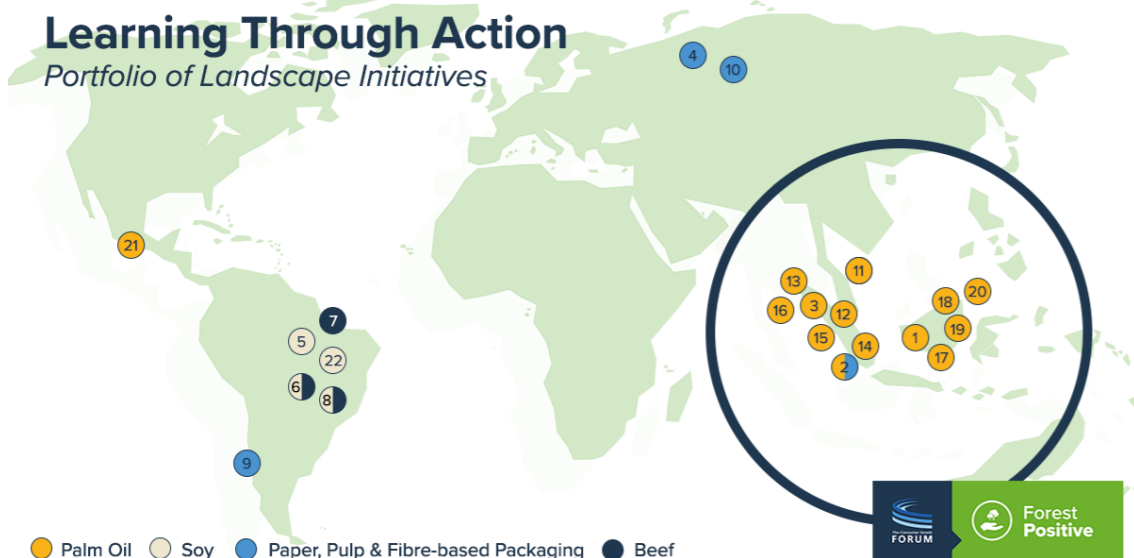
The Business Case for Investing in Production Landscapes: Key Benefits for Businesses

Coalition members have identified the following reasons why engaging with and investing in landscape initiatives makes business sense:

- **ESG:** Many consumer goods companies, Coalition members included, have voluntary commitments for climate, nature, and people goals which underpin strong ESG and are increasingly linked to growth in business opportunities. Due to their ability to address interlinked and underlying root causes for systemic issues like deforestation or smallholder resilience, investment in a landscape initiative can support companies to further multiple commitments at once.
- **Cost Efficiency:** Sharing the costs of investment with other private sector actors – especially those who are present in and/or source from the production landscape – and other funding sources (including government and financial institutions) means sustainability goals can be achieved in a more cost-efficient manner compared with limited supply chain interventions by individual companies. Also, landscape initiatives coalesce key stakeholders in production landscapes around shared actions and goals, increasing likelihood that investment will result in anticipated outcomes and be embedded long term in local governance structures.

Learning Through Action

Portfolio of Landscape Initiatives

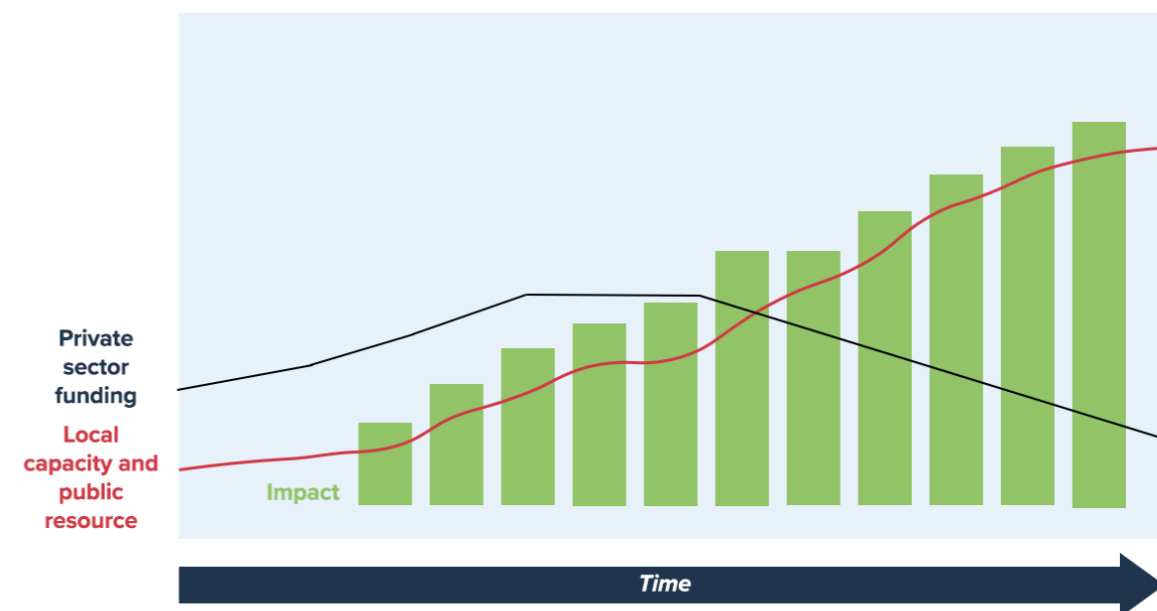


Below is the list of initiatives included in the Coalition's **'Learning Through Action' Portfolio of Landscape Initiatives**, launched in November 2021, along with their implementers (in parantheses). This Portfolio includes initiatives that receive additional funding from Coalition members and initiatives that are already receiving funding from Coalition members. For full details about each programme, click [here](#).

1. Tackling Deforestation in Indonesia Through Multi-stakeholder Platform at Landscape Scale (Rainforest Alliance)
2. Developing a Jurisdictional Approach for Sustainable Peatland and Forest Management (Winrock International)
3. [Coalition for Sustainable Livelihoods: Agroforestry for Improved Livelihoods and Reduced Deforestation](#) (Conservation International & IDH)
4. North-West Russia Landscape Initiative (FSC Inv. & Partner; FSC Russia; & FSC International)
5. [Responsible Commodities Facility for Zero-deforestation Soy Production in the Cerrado](#) (SIM)
6. Downscaling Mato Grosso's PCI Strategy to Upscale Impacts (IPAM)
7. Landscape-level Forest Positive Outcomes Through Traceability and Prioritization Support Tools for the Amazon Cattle Sector (National Wildlife Federation)
8. [Low-carbon Regenerative Commodity Production in the Cerrado Biome: Forstnering Adoption of Integrated Agricultural Production Systems](#) (Conservation International Brazil)
9. Empowering Community-based Restoration (WWF Chile)
10. Dvinsky Forest Landscape (Earthworm Foundation, WWF Russia, & FSC Russia)
11. Rimba Collective (Lestari Capital)
12. [Siak Pelalawan Landscape Programme](#) (Daemeter & Proforest)
13. The Aceh Landscape (Earthworm Foundation)
14. The Riau Landscape (Earthworm Foundation)
15. Smallholder Hub Programme (Musim Mas)
16. [Biodiverse and Inclusive Palm Supply Chain in North Sumatra](#) (Livelihoods Funds for Famil Farming & SNV)
17. The Mosaik Initiative (Yayasan Inobu)
18. The Sabah Landscape (Earthworm Foundation)
19. Wildlife Conservation Programme on Malaysian Tiger (WWF Malaysia)
20. WWF Sabah Landscape Program (WWF Malaysia)
21. The Chiapas Landscape (Earthworm Foundation)
22. Social Management Capacity Building Program (Earthworm Foundation)

- **Supply Chain Security:** By engaging with actors production landscapes, downstream supply chain companies can increase their presence in and knowledge of production landscapes, helping to build stronger relationships with producers and suppliers, which can help secure future supply of commodities. Additionally, many Coalition members have prioritised engagement in landscape initiatives that support producers' economic resilience, particularly for smallholders, in recognition of the fact that if commodity production does not support economic resilience and local development then it will decline, reducing commodity supply.
- **Risk Mitigation:** The production of agricultural commodities is linked to environmental, economic, and social risks such as deforestation, loss of productivity, and forced labour. The presence of such risks in companies' supply chains can lead to legal and reputational concerns, supply chain disruptions, and other challenges. Through their efforts to implement sustainable practices, landscape- and jurisdictional-level initiatives help mitigate these risks and ensure supply chain resilience, especially considering many systemic risks cannot be addressed by individual companies alone. For example, lack of land title can prevent farmers from accessing loans, improved agricultural inputs, etc which negatively impacts yields and farmer livelihoods. In this case, the root cause of land tenure insecurity cannot be addressed by one company, collaboration with government is needed.
- **Scoreboard Leadership:** Investing in and engaging with landscape initiatives can positively impact companies' evaluations by CDP and other ESG reporting platforms. It also allows companies to communicate tangible, on the ground impacts of the steps they are taking to make commodity production better for people and the planet.

Image 1. Return on Investment and Impact of Private Sector Funding in Production Landscapes



Source: Proforest

Driving Climate, People, and Nature Goals in Siak, Indonesia

Smallholder peatlands absorb and store vast amounts of carbon, making their preservation key to realizing climate goals. In Indonesia, peatlands can be degraded and at risk for fires or encroachment for agricultural production.

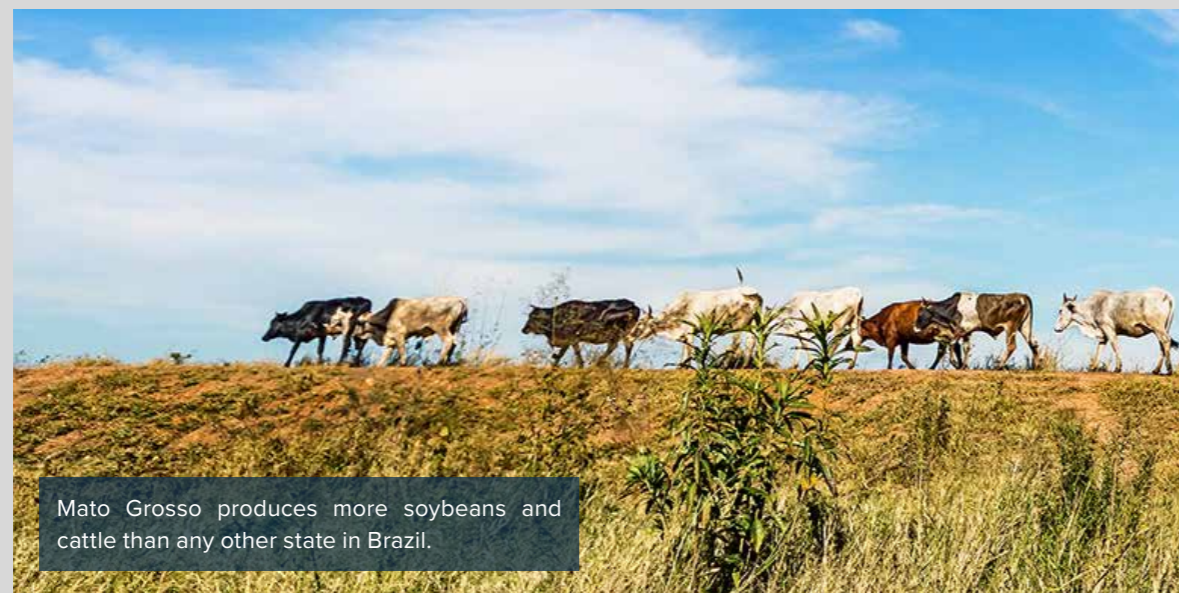
Through its Siak Project, Winrock International has developed a model for sustainable agricultural practices integrated with peatland management which aims not only to protect peatlands, but also support smallholder livelihoods and engage communities and government in participatory land use planning. Modelling estimates that applying this approach to 4,000 HA could reduce emissions by close to 4 million tCO₂e over 20 years.



Team conducts a visit to the Tora Demoplot as part of Winrock International's Siak Project in Siak, Indonesia. Credit: Winrock International

Incentivising Climate Action in Mato Grosso, Brazil

In Mato Grosso, Brazil, there are millions of hectares of natural ecosystems on farmers' lands which can legally be deforested or converted, including land in the Brazilian Amazon and Cerrado (Brazilian Savanna). Protecting standing forests is key to meeting climate goals due to both their role in capturing and storing CO₂, and because when cleared stored CO₂ is released into the atmosphere. With its Conserv initiative, the Amazon Environmental Research Institute (IPAM) is making regular payments to farmers who commit to not deforest these lands, thereby increasing the economic value of standing forests that could otherwise be cleared for agricultural use. With financial support from Forest Positive Coalition members, IPAM is working to integrate this model with Mato Grosso's jurisdictional Produce, Conserve, Include (PCI) initiative.



Mato Grosso produces more soybeans and cattle than any other state in Brazil.

Supply Chain Partners: Key Actors in Production Landscapes

The Coalition's goal of transforming production landscapes to forest positive represents Coalition members' ambition as a collective; however, to make the production of the Coalition's key commodities truly forest positive – for all volumes in all regions – wider investment from the private sector in production landscapes is essential.

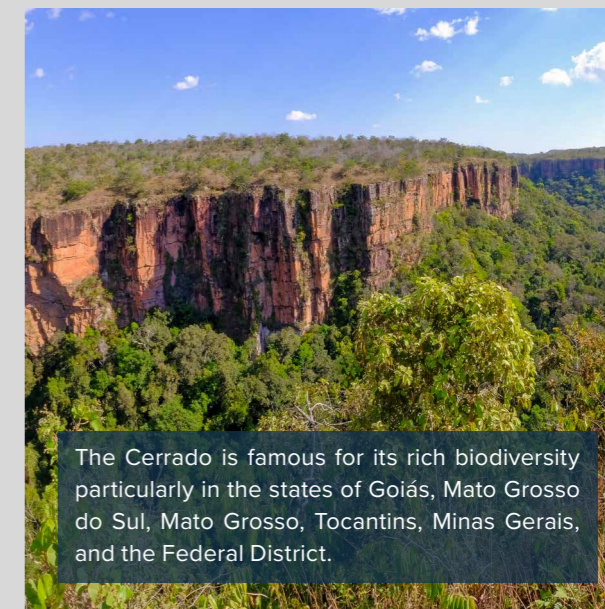
Therefore, in efforts to make landscape engagement a top priority for private sector actors throughout the value chain, a key element of the Coalition's Forest Positive Approach – which Coalition members are working to implement in their own operations and in those of their upstream suppliers – is engagement in production landscapes. Additionally, the Coalition's Landscape Strategy is grounded in collaboration with suppliers and traders. Suppliers hold a range of positions in the value chain, including manufacturers, traders, refiners, and vertically integrated companies with production sites. Thus, by collaborating with supply chain partners, the Coalition is working to increase support for production landscapes throughout the value chain and catalysing wider investment in, and the forest positive transformation of, production landscapes.

Suppliers are in a strong position to invest in and engage with production landscapes because their strong relationships with other actors in sourcing areas means they have context-specific knowledge of sourcing areas needed to ensure initiatives are successful and can provide additional leverage needed to incentivize change – especially by increasing the critical mass of stakeholders working towards shared goals.

Downstream companies can help mobilise upstream actors by particularly working with their procurement and country-level teams to leverage relationships with suppliers and other actors in production landscapes, better understand opportunities for engagement, and share responsibility for action.

Leveraging Multistakeholder Action in the Cerrado

In 2022, the Coalition and the Soft Commodities Forum (SCF) began collaborating to address soy-driven deforestation and conversion in the Cerrado of Brazil through landscape engagement. Both the Coalition and SCF recognize the need to act beyond supply chains to meet climate and nature commitments and, through collaboration with other supply chain actors, financial resource and influence can be leveraged and duplication of efforts avoided. Mapping of each groups' priority areas for engagement resulted in two common municipalities in Mato Grosso, Campos de Julio and Campo Novo do Parecis, which will be the initial focus for collaboration in landscape engagement. SCF's Farmer First Cluster strategy aims to incentivize farmers to improve production practices and conserve and restore natural ecosystems on their land. This strategy is complimented by the Forest Positive Coalition's approach which emphasizes the need for landscape level action to be shaped by multi-stakeholder partnerships with positive outcomes for indigenous peoples and local communities, in addition to climate and nature positive interventions.



The Cerrado is famous for its rich biodiversity particularly in the states of Goiás, Mato Grosso do Sul, Mato Grosso, Tocantins, Minas Gerais, and the Federal District.

Convening Local Value Chain Actors in Chiapas, Mexico

The Chiapas Landscape Initiative is located in Chiapas, Mexico's poorest state, where nearly 50 percent of the population lives in extreme poverty. Earthworm Foundation facilitates multi-stakeholder processes to protect key remaining forests and protected areas, increase the resilience of smallholder farmers, and generate tools to implement deforestation- and exploitation-free supply chains. The Chiapas landscape today focuses on two priority regions: Marques de Comillas and La Encrucijada, which are two key geographies for oil palm production in Mexico.



The Earthworm team surveys land with a local producer in the Chiapas landscape. Credit: Earthworm Foundation

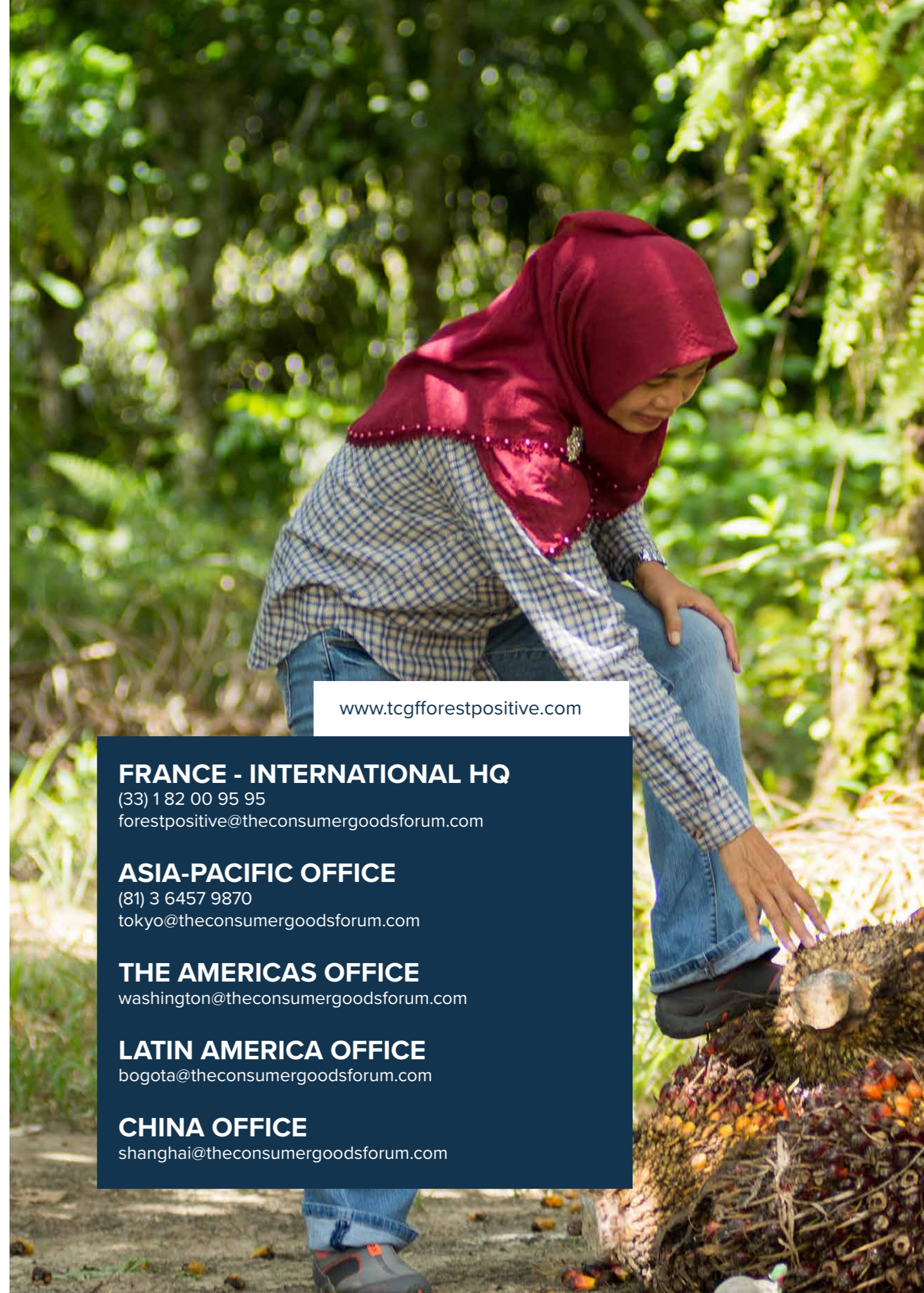
Important to achieving these objectives is the involvement of local value chain actors, including the Oleofinos refinery, which is a direct supplier to the Coalition members who fund the initiative, and local mills. The project focuses on supporting mills to adopt no deforestation, no peat and no exploitation (NDPE) action plans as well as working directly with the producers supplying the mills to support them in applying regenerative agricultural practices. Additionally, in the Encrucijada priority area, Earthworm Foundation collaborates together with the local government and oil palm refineries and mills to eradicate oil palm trees that have naturally spread from nearby palm oil plantations to protected areas and harm the local environment.

Conclusion

Given the complexity of global supply chains, Coalition members are often very distant from the farms, mills, and plantations that provide their key commodities. Supporting landscape- and jurisdictional-level initiatives therefore allows members to contribute to and help scale up invaluable efforts on-the-ground that not only fight the systemic drivers of deforestation, but also help protect and restore ecosystems, support communities, and improve livelihoods.

The Coalition encourages all stakeholders, particularly private sector actors, to reflect on the insights of this publication and consider how landscape engagement can be incorporated into existing sustainability efforts. Additional information about the Coalition's approach to landscape engagement strategy can be found [here](#).

Consumer goods manufacturers and retailers who are interested in joining the Coalition and taking collective action in production landscapes are invited to connect with the CGF Forest Positive team at forestpositive@theconsumergoodsforum.com. Landscape initiative implementers and other interested stakeholders wishing to join the Coalition's Portfolio of Landscape Initiatives and/or help shape the Coalition's ongoing strategy are also encouraged to reach out.



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