

## **Statement from Consumer Goods Co-chairs, acting individually: production protection 1 December 2015**

As individual members of the CGF, we have taken significant steps to ensure that our commodity supply chains do not cause deforestation. We are making good progress, but we recognise that eliminating deforestation on a global scale remains a challenge and something we need to collaborate on.

Governments have an indispensable role to play and are coming together around large programmes that support jurisdictions (national or subnational governments) in developing and implementing plans to reduce emissions from deforestation, including REDD+ and other approaches. As individual companies we will collaborate with governments on public-private partnerships that support our shared objectives.

Our supply chains are significant but they are often only one factor in the complex web of causes of deforestation. We know that the next stage in the journey to tackle deforestation is to create solutions at a jurisdictional (whole landscape) level to manage the many causes of forest loss together, rather than through individual, isolated initiatives.

In furtherance of the objectives of the New York Declaration on Forests, we come together to signal our individual intent as companies to prioritise our commodity sourcing from areas that have designed and are implementing jurisdictional forest and climate initiatives. This will bring together the power of global agricultural supply chains and strong government commitments to reduce greenhouse gas emissions from forests and other landscapes while advancing economic development.

This “produce and protect” approach represents a significant new kind of public-private partnership in addition to and supportive of our current commitments to net zero deforestation. It reflects our commitment to reduce or eliminate deforestation from our supply chains, while benefitting from strong government commitment, significant public investment, and lower-risk sourcing. To qualify for preferential sourcing from our companies, these jurisdictions must have:

- A strategy for how to reduce emissions from forests and other lands whilst increasing agricultural productivity and improving livelihoods;
- A system for measuring and monitoring reductions in greenhouse gas emissions from deforestation and an established baseline;
- A commitment to adhere to social and environmental safeguards and monitor these efforts;
- High-level political commitment to, and support for, the compact’s design and implementation from government partners;
- Stakeholder engagement in the compact’s development and implementation; and
- Location in a country with an ambitious national UNFCCC target (currently called an Intended Nationally Determined Contribution or INDC).

Areas with existing initiatives that meet the criteria above will be the first priority for individual companies’ sourcing commitments, so long as quality and volume mandates can be fulfilled. Though the current pipeline of production protection compacts cannot fulfil global demand for all commodities, these locations are the source of significant volumes of the commodities that our companies require.

As co-chairs of the Consumer Goods Forum Sustainability Working Group we will work over the course of 2016 on expanding the uptake and implementation of this effort by other members in different geographies.

We hope that this statement and its follow-up actions will encourage further collaboration between business and government to help meet our shared objectives of economic development and forest protection, and lead to additional volumes of commodities sourced consistent with the CGF's zero net deforestation commitment.

[signatories]

**Marks & Spencer**

**Unilever**

### **Background**

As the world's population grows, feeding billions more people is a critical challenge. Yet doing so without depleting the Earth's resources, or exacerbating climate change, is necessary. Though deforestation rates are declining, they remain high – we lose an average of 3.3 million ha of forests each year after reforestation is considered. Roughly half of all tropical deforestation and forest degradation is driven by demand for commodities such as palm oil, beef, soy, pulp and paper, cocoa, and coffee, and global demand for these types of commodities is expected to grow 50 percent by 2050. Greenhouse gas emissions from forests and agriculture already account for approximately one-quarter of all emissions worldwide.

Yet some estimates show reducing deforestation, restoring forests, and improving agricultural practices has the potential to deliver one third the climate change solution the world needs over the next decades while increasing agricultural productivity, enhancing food security and smallholder incomes, and providing numerous ecosystem services such as biodiversity conservation and watershed protection and restoration. The drivers of deforestation and forest degradation, and the barriers to agricultural productivity transformation, should not be underestimated. To deal with them, and thus deliver on this incredible promise, ambitious, comprehensive public private partnerships for change – led by tropical forest countries themselves – are indispensable.

Taken on its own, the pressure of increasing demand for commodities would seem to pose an immutable challenge for those concerned about forest protection. It is not obvious that these agendas are mutually compatible.

However, when seen in the context of the broader land-use agenda, it is clear that forest protection and prevention of landscape degradation can be combined with agricultural productivity increases. Moreover, a true opportunity lies in the timely and fortuitous alignment of public policy, civil society, and commercial forces to realize this win-win potential. To achieve this, a package of incentives must be designed to convincingly demonstrates that commitments to reducing deforestation, improving land use, and reducing emissions holds the most promise for increased and sustained economic growth, as well as for safeguarding the environment and agricultural production capacity.

In 2010, the Board of the Consumer Goods Forum (CGF) pledged to mobilise resources within their respective businesses to help achieve zero net deforestation by 2020. The Board recognised then that this can only be achieved both by individual company initiatives and by working collectively with NGOs, development banks, governments and others – to create funding mechanisms and other schemes that will incentivise and assist forested countries to conserve their natural assets and enable them to achieve the goal of zero net deforestation, whilst meeting their goals for economic development.

Reflecting this need for ambitious government action to help reduce emissions from deforestation, in June 2014, ahead of the UN Secretary General's Climate Summit, the CGF urged governments to make the REDD+ (Reducing Emissions from Deforestation and forest Degradation) programme a priority for supporting appropriate local and national policies that protect forests and support livelihoods.