

## Transparency is the foundation of a forest-positive future

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It is often said in the corporate world: you can't manage what you can't measure.

The same is true in our actions to end commodity-driven deforestation. Thanks to improved technology such as satellite monitoring and increased efforts around supply chain traceability, every day we gain a clearer understanding of the massive global problem of deforestation, and in turn, the scale of actions needed to address it. Unfortunately, the picture is not always a pleasant one: for example, studies from the World Resources Institute show in 2021, the world lost 11.1 million hectares of tropical forest, and lost boreal forests at a record rate. Last fall, we learned deforestation in the Amazon had hit a 15-year high. A recent report from CDP and the Accountability Framework Initiative calculates that 211 companies collectively risk losses of almost \$80bn this decade due to inaction to protect forests.

With each new report, the scale of the deforestation crisis becomes clearer, the stakes become higher, and the call for action becomes stronger.

Yet while each new set of data can paint a daunting picture of the challenge ahead, reasons to be hopeful still remain. Increasing our awareness of the existence, location, and causes of deforestation is both an essential step in creating meaningful solutions to this global crisis and measuring their impact. Without visibility and transparency, followed by measurement and disclosure, real progress cannot be made, and we will not be able to create the forest positive future that our planet desperately needs.

This is a critical concept that businesses must grasp in order to meaningfully participate in efforts to build a forest positive future. As the world's leading initiative of corporate action against commodity-driven deforestation, The Consumer Goods Forum's Forest Positive Coalition of Action has embraced this need for greater transparency as a central tenet of our work to remove deforestation, forest degradation and conversion from palm oil, soy, paper, pulp, and fibre-based packaging, and beef supply chains.

This increased transparency takes many forms within our Coalition's work, all of which are outlined in our open-source <u>Commodity Roadmaps</u> and <u>collective reports</u>. Coalition members are working diligently to strengthen their understanding of how exactly their businesses are connected to deforestation risks, whether that be in their own supply chains, in those of their suppliers or traders, or perhaps across the world in the regions and communities where their key commodities are sourced. They are also publicly reporting, individually and collectively, against industry- and stakeholder-approved <u>Key Performance Indicators that measure their progress becoming forest positive businesses</u>. Due to the complexity of global supply chains, gathering this information can be challenging, and many companies still have ways to go before they have the complete picture of their relationship to deforestation. However, we have seen first-hand that without this specificity, along with concrete goals, public progress reports, and collectively accountability, a forest positive future will never be our reality.

Not only must companies work on increasing transparency to prevent and remedy risks in their operations, but they also need to do so to build critical stakeholder and consumer trust. It is critical that businesses can be judged on the progress they are making while being honest about the challenges they are facing. However, this clarity should not be a tool to criticise business for not

going far enough – far from it. Businesses should be celebrated for being open about the challenges they face. Public disclosure enables all of us in the industry to identify where issues exist, particularly when they are systemic or deeply rooted, and work together to address them. It facilitates collaborative action and widespread industry change. It also empowers businesses to work better with stakeholders to drive change on-the-ground.

The Coalition is not alone in this work: by collaborating with reporting platforms such as AFi, CDP, and Forest 500, together we are working collectively to make transparency the norm in the consumer goods industry — a feat that would radically change companies' relationships with deforestation and, in turn, their approaches to ending it.

Despite our leadership in this field, our Coalition cannot solve the issue of deforestation on its own. Even if all the members of our Coalition, who collectively represent a market value of more than US\$2 trillion, achieved deforestation-free supply chains for our key commodities, deforestation would still exist due to global demand elsewhere. Other companies and organisations must join the forest positive journey as well and participate in this culture of transparency and accountability. Your first step can be a simple yet powerful one: as the latest CDP and AFi report shares, just one-third of 675 companies have publicly announced no-deforestation or no-ecosystem conversion policies – the first action outlined in our Commodity Roadmaps as the critical foundation for becoming a forest positive business.

Businesses must lead the way in putting their heads above the parapet with honesty and accountability if we are to drive transformative change and end deforestation. Transparency is the key to unlocking a forest positive future – and businesses must not wait to use theirs.

Source: https://www.edie.net/transparency-is-the-foundation-of-a-forest-positive-future/