

# ORGANIZATIONAL GUIDE FOR ENVIRONMENTAL ACTION

FORESTS



# ORGANIZATIONAL GUIDE FOR ENVIRONMENTAL ACTION – FORESTS

CDP's questionnaires, guidance and scoring methodology provide a guide towards best practices in environmental management for companies. This CDP roadmap provides a snapshot of actions companies are taking at each stage of the journey towards environmental excellence. The information below is intended as a guide, rather than an exhaustive list of requirements to reach each stage.





# CASE STUDIES (2019)

## Amaggi

**Forests-related issues are integrated into long-term business objectives, strategy for long-term objectives and financial planning with a long-term time horizon of 5-10 years**

All areas of Amaggi conduct board-level analysis of company strategy in the short, medium and long term. This includes analysis of trends, including forest related issues and their impacts on the company. For example, Amaggi's trade and origination area has incorporated adherence to Amaggi's social and environmental criteria in its expansion planning and analyzes municipalities according to their environmental risks. In addition, the company has a formal commitment to support financial mechanisms that value forests and natural resources, such as Payment for Environmental Services, green-bonds and other financing conservation mechanisms.



**A- for soy**

## Fuji Oil

**Palm oil – traceability & supplier compliance and engagement**

Fuji Oil requests all primary suppliers to comply with their no deforestation, no planting on peatlands and no exploitation (NDPE) palm oil procurement policy and engages with them to ensure compliance. Fuji Oil shares its procurement policy with direct and indirect suppliers and distributes a self-diagnosis tool through which suppliers confirm compliance and progress. Fuji Oil conducts onsite visits to dealers and plantations to evaluate compliance and assists in improving and correcting issues. As a result, suppliers have formulated policies that include "zero deforestation, zero peatland development, and zero exploitation" and implemented them among their own suppliers including farmers.

Fuji Oil's goal is to achieve full traceability to the mill by 2020. Traceability in the second half of 2018 was 99%, up 4% from the same period last year. Fuji Oil reports that traceability was improved through working with suppliers.



**A for palm oil**

## L'Oréal

**Palm oil - supplier engagement & multi-stakeholder initiatives**

With the support of a consulting partner, L'Oréal engaged in a dialogue to collect data on supply chain flows and practices with more than 100 direct & indirect suppliers. In 2016, L'Oréal co-developed a new business model, the "SPOTS Project", involving its direct and intermediary supplier, an upstream producer and the NGO Wild Asia. As an end-user, far from mills & plantations connected to intermediary players, L'Oréal's role in the project is to challenge and support its direct suppliers to commit to sustainability and zero deforestation, and cascade the approach to upstream players for a joint support to the smallholders.

**Soy – have secured over 80% traceability to farm**

In 2018, 82% of total soybean oil is traced up to farms. L'Oréal has access to the complete list of farmers and a map of their fields, reviewed by a third party, which allows the Group to have traceability to the farm level.



**A for palm oil  
& soy**



## Tetra Pak

### Timber products - have secured high levels of certified materials & traceability

Active supplier engagement and third party certification allows Tetra Pak to maintain traceability throughout their supply chain all the way back to the mill, and ensures that their minimum sourcing requirements, as outlined in their Procedure for Responsible Sourcing of Liquid Packaging Board, are met. These requirements are also embedded in contracts regulating the commercial relationship between Tetra Pak and its suppliers. Since 2015, 100% of the paperboard Tetra Pak purchased came from FSC Chain of Custody certified suppliers, of which 69% was FSC Chain of Custody certified and 31% FSC Controlled Wood certified in 2018. This enabled Tetra Pak to put 119 billion labelled packages on the market in 2018.



**A for timber products**

## Unilever

### Palm oil - participation in jurisdictional approaches

Unilever works with governments and NGOs to achieve sustainability solutions at landscape/ jurisdiction level. Priority landscapes include Aceh, North Sumatra, Central Kalimantan, Riau in Indonesia as well as Sabah in Malaysia. Current projects in these areas focus on RSPO certification of smallholders to better position them in the palm industry and increase the supply of certified materials in the market.



**A for palm oil & soy**

## Mondi PLC

### Timber products – a commitment to no deforestation with a cutoff date of 2007 & ecosystem restoration

'No-deforestation' was formally first implemented with FSC certification in Mondi PLC's South African forests in 2000, followed by their Russian logging operations a few years later. No-deforestation requirements in the supply chain were first formally stipulated in Mondi PLC's performance requirements developed in 2007. Mondi has a commitment to no conversion of natural habitats to plantations and protecting high conservation areas within their owned and managed forest landscapes and beyond.

In 2018, Mondi PLC set aside 24% of their owned and managed forests for conservation. With WWF, Mondi PLC is participating in a project in Bulgaria to restore riparian forests. 50 hectares have now been restored, with scope to extend the project. They are also continuing with the WWF-Mondi Wetlands Stewardship Partnership where 15,434 ha of wetlands was under monitoring in 2018.



**A- for timber products**



# Jerónimo Martins SGPS SA

## Soy - a commitment to no deforestation with a cutoff date of 2009

Jerónimo Martins SGPS SA are a member of Consumer Goods Forum (CGF) and have adopted its 2020 Zero Net Deforestation Commitment, which includes all soy, both directly present as an ingredient or used in the supply chain as animal feed. The commitment applies to all of their direct operations and the supply chains of their private brand and perishable products in all geographies (Portugal, Poland and Colombia).

To implement their commitment Jerónimo Martins SGPS SA follow CGF's Sustainable Soy Sourcing Guidelines (2016), which explicitly prohibit production on land with native forests, riparian vegetation, natural wetlands, steep slopes and areas designated by law to serve the purpose of native conservation and/or cultural and social protection or High Conservation Value with a conversion cut-off date not later than 2009.

## Cattle products - supplier engagement & compliance

Since 2014, Jerónimo Martins SGPS SA conduct an annual survey of all suppliers of private brand and perishable products and packaging where deforestation commodities, including beef, have been identified. Jerónimo Martins SGPS SA requests information on the commodity's geographic origin and certification and all suppliers also undergo audits that include environment and social aspects. Jerónimo Martins SGPS SA Code of Conduct for Suppliers is a part of all contracts and commits suppliers to incorporate ethical and environmental concerns. Jerónimo Martins SGPS SA reserves the right to terminate business relations with suppliers that do not comply with the Code and that refuse to implement corrective measures.

For the 2% of beef sourced from countries identified by CGF as a deforestation risk (Uruguay), Jerónimo Martins SGPS SA have engaged directly with the most representative suppliers and identified the municipality where production took place.

1. CGF's referenced definition of "zero net deforestation" specifies that natural forests should not be converted to commodity production areas. This is a no (gross) deforestation approach consistent with Accountability Framework initiative's recommendations. See [https://accountability-framework.org/wp-content/uploads/2020/03/OG\\_Applying\\_Definitions-Mar2020.pdf](https://accountability-framework.org/wp-content/uploads/2020/03/OG_Applying_Definitions-Mar2020.pdf) for more details.



**A- for timber products, palm oil, soy & cattle products**

# Kering Group

## Cattle products - supplier compliance & ecosystem restoration

Kering's sustainability principles are included in all supplier contracts which specifically forbid them from using leather from farms involved in any form of deforestation in the Amazon biome since July 2006 or farms included in the Brazilian Institute of the Environment and Renewable Natural Resources' (IBAMA) embargo list. Suppliers are audited through the Group's central audit process which covers environmental aspects. Kering also engages regularly with its key suppliers through workshops on its sustainability strategy and its standards for sustainable raw materials.

Kering focuses on key sourcing regions and works with Savory to support farmers pursuing and demonstrating positive ecological outcomes on their land. This will provide the Group with a new sustainable sourcing solution that verifies its key raw materials and provides traceability back to the farm.



**A- for cattle products**



## About CDP

CDP works to see a thriving economy that works for people and planet in the long term. Through disclosure we focus investors, companies and cities on taking action to build a truly sustainable economy by measuring and understanding their environmental impact. CDP's work on forests helps companies and their investors address their exposure to deforestation risk and seize opportunities from proactively tackling deforestation.

## CDP offers solutions and support suitable for companies at each stage

**CDP Reporter Services:** Can ensure you are up to date with leading practices incentivized through CDP's questionnaire and scoring developments, so you can be best prepared to respond to them. Your account manager will take the time to identify the changes and leading practices most critical to your business, to provide you with the understanding to be able to prioritize areas for action, how to report this and stay ahead of the curve.

**Supply Chain membership:** To help you tackle your environmental impact outside your business by leveraging your procurement power. Supply chain membership can help drive environmental performance improvements in your supply chain and put your suppliers on their own pathway towards environmental excellence.

Through its work on supply chains, CDP works with big purchasing members to request their suppliers to disclose to the world's largest environmental reporting platform and provide details about relevant impacts related to climate change, deforestation, and water. CDP supply chain disclosure has continuously grown its impact over the past decade. Starting with 14 members, it now has expanded to bring together over 150 major purchasing organizations around the world, collectively representing more than US\$4 trillion in procurement spend. In 2020, CDP supply chain members have requested more than 15,000 suppliers to identify and manage climate change, deforestation and water-related risks.

Through CDP supply chain disclosure on forests, CDP aims to steer companies toward deforestation-free supply chains by highlighting the business risks and opportunities associated with deforestation and leveraging the procurement power of customers. In 2020, CDP has 19 supply chain forest members, including big retailers Walmart Inc, Metro AG, Grupo Big and J Sainsburys Plc, manufactures L'Oreal and KAO Corporation and Chinese poultry processing company Fujian Sunner Group. These members have requested over 700 suppliers to assess how they are exposed to deforestation risks across seven key commodities: cattle products, cocoa, coffee, natural rubber, palm oil, soy and timber products. Through the CDP forests reporting framework, these suppliers are engaged to increase transparency and progress to remove deforestation and forest degradation from their operations.

## For more information please contact:

### CDP Forests

[forests@cdp.net](mailto:forests@cdp.net)

### CDP Worldwide

Level 4  
60 Great Tower Street  
London EC3R 5AD  
Tel: +44 (0) 20 3818 3900  
[www.cdp.net](http://www.cdp.net)