

2021 KEY PERFORMANCE INDICATORS RESULTS

As a sign of shared commitment, and as a condition of membership, members of the Forest Solutions Group endorse and adhere to a set of [Membership Principles & Responsibilities](#), and report annually on a set of Key Performance Indicators (KPIs) to track and disclose their progress on implementing the commitments made in the [Forest Sector SDG Roadmap](#).

This document provides an overview of the 2021 KPI results (based on 2020 data).

Status: August 2021



Working Forests

WE ARE COMMITTED TO BRINGING MORE OF THE WORLD'S WORKING FOREST UNDER SUSTAINABLE MANAGEMENT

To implement sustainable forest management practices that are inclusive, and protect and enhance biodiversity and ecosystem services, in 2020:

- **97%** of the 10 million hectares of forests that FSG members directly manage were certified by an independent third party
- FSG members reached a total of almost **63,000 smallholders** directly through programs designed to support the adoption

of sustainable forestry practices or manufacturing, and/or building capacity to obtain and retain certification

- In addition to the conservation measures in their productive forests, FSG members have set aside on average **22%** of their land primarily for nature conservation or restoration purposes, representing an area of almost 2.4 million hectares.

To promote impact at scale:

- They also contributed to the conservation and restoration of around **850,000 hectares** of land beyond the boundaries of their own landholdings
- **All FSG members** reported engaging in long-term context-based landscape management approaches focused on fire prevention, watershed stewardship, enhancing biodiversity and ecosystem services.



Bioeconomy

WE ARE COMMITTED TO SCALING UP THE SECTOR'S CONTRIBUTIONS TO A CIRCULAR BIOECONOMY

To bring to market low-carbon and circular wood fiber products, in 2020:

- On average, FSG members invested **0.63%** of total revenues into R&D to bring to market innovative bio-based solutions.



Circularity

WE ARE COMMITTED TO BRINGING RESOURCE-EFFICIENT, BIO-BASED AND CIRCULAR BUSINESS MODELS TO SCALE

To drive circularity at every stage of the forest product value chain, in 2020:

- On average, FSG members reused **70%** of their process residuals and waste generated either as raw material input in their own value chain or as a feedstock for other industries

- On average, **37%** of the total fiber used in FSG member's paper & board production was recycled fiber
- **85%** of FSG members systematically apply circular design principles or guidance to maximize products recovery potential

- **75%** of FSG members are actively contributing to improving the recovery rate of wood fiber products by collaborating with actors in their value chain, and with local or regional authorities.



Climate

WE ARE COMMITTED TO ADVANCING AND STRENGTHENING THE ROLE OF FORESTS, WOOD FIBER PRODUCTS AND THE FOREST SECTOR IN GLOBAL CLIMATE CHANGE MITIGATION AND ADAPTION

To strengthen the role of working forests in climate change mitigation and adaptation, in 2020:

- FSG members planted a total of approximately 250 million trees to supplement naturally regenerating forests, regrow forests harvested for their wood supply, or for restoration activities
- For that, they grew a total of around **215 million seedlings** in their nurseries
- **All FSG members** reported engagement in long-term grassroots conservation

and restoration efforts in close collaboration with NGOs or local communities.

To drive emissions reductions and improved resource efficiency across the full value chain, in 2020:

- **66%** of FSG members have set time-bound and verified CO₂ reduction targets using the GHG Protocol and aligned with climate science. The remaining members are currently working towards that goal
- **92%** of FSG members have quantified their Scope 3 emissions and reported progress

in reducing these emissions

- FSG members consumed on average **29,403 GWh** of energy, of which **64%** came from renewable sources mostly through the use of woody biomass derived from harvesting, processing and manufacturing wood fiber
- FSG members set a baseline of an average GHG emission intensity of **0.42 mt CO₂eq per ton of saleable product**.



Water

WE ARE COMMITTED TO EXPANDING CONTEXT-BASED WATER STEWARDSHIP APPROACHES

To drive water stewardship in their manufacturing operations, in 2020:

- FSG members withdrew **40.5m³** of water per ton of saleable production, of which **91.6%** was returned to water sources, suppliers or third parties for reuse

- As a measure of water quality, FSG members reported an average of **6.2 kg Chemical Oxygen Demand (COD)** per ton of saleable production

- On average, **97.5%** of FSG members' manufacturing operations have water consumption reduction plans in place for the **8.5%** of water consumed in regions of high water stress.



People

WE ARE COMMITTED TO ENHANCING THE SECTOR'S ATTRACTIVENESS, DIVERSITY, INCLUSIVENESS AND SAFETY

To attract and retain talent, and enhance workforce diversity, in 2020:

- **58%** of FSG members reported having a numerical, time-bound target on increasing inclusion and diversity

- Of the **26%** average share of female employees, **21%** were in senior management positions
- FSG members provided an average of **14 training hours per employee**.

To drive progress on health & safety in the sector, in 2020:

- FSG members reported an average Total Recordable Incident Rate (TRIR) of **1.3 per 100 full time employees**.



Communities

WE ARE COMMITTED TO ENHANCING THE LIVELIHOODS AND SUPPORTING THE RESILIENCE OF FOREST-DEPENDENT COMMUNITIES AND LOCAL ECONOMIES

To enhance livelihoods and support the resilience of forest-dependant communities, in 2020:

- FSG members invested an average of **16 million USD** in community initiatives

- **62%** of FSG members included a provision on minimum wage in their supplier code of conduct
- **All FSG members** reported having a policy or practices on community engagement in place, in line with the principles of free,

prior and informed consent (FPIC) for Indigenous Peoples, when applicable

- **75%** of FSG members have a remedy in place for workers found to have been subjected to human rights abuses.



Procurement

WE ARE COMMITTED TO STRENGTHENING AND ENHANCING RESPONSIBLE PROCUREMENT PRACTICES, TRANSPARENCY AND TRACEABILITY THROUGHOUT THE VALUE CHAIN

To enhance responsible procurement practices, in 2020:

- **All FSG members** had a publicly disclosed sourcing policy applicable to equally fiber and non-wood fiber products, and evaluated on average **90%** of their suppliers for compliance.

To ensure transparency and traceability throughout the value chain, in 2020:

- On average, **64%** of the total volume of wood fiber product intake from FSG members was certified by an externally recognized certification scheme

- **100%** of the total volume of non-certified wood fiber products was covered by due diligence and traceability systems.

The KPI results are based on 2020 data from the following FSG member companies: Empresas CMPC, Enviva, Hancock Natural Resource Group, International Paper Company, Mondi Group, New Forests, Philip Morris International, Smurfit Kappa Group, Stora Enso, Sumitomo Forestry Group, The BTG Pactual Timberland Investment Group, The Navigator Company.