COMMUNICATION ON ENGAGEMENT (COE)

Finnish Forest Industries Federation (FFIF)



Period covered by this Communication on Engagement

From: 28 June 2022

To: 28 June 2024

Part I. Statement of Continued Support by the Chief Executive or Equivalent

Please use the box below to include the statement of continued support signed by your organization's Chief Executive or equivalent.

28 June 2024

To our stakeholders:

I am pleased to confirm that Finnish Forest Industries Federation reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its content.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

enert

Mrs. Paula Lehtomäki CEO, Finnish Forest Industries

Part II. Description of Actions

Please use the box below to describe the actions your organization has taken in support of the Global Compact. It is strongly recommended that the actions taken are related to one or more of the specific activities suggested. *Please refer to the complete list of suggested activities for your type of organization found <u>here.</u>*

Finnish Forest industries Federation (FFIF) has been a business association member of UN Global Compact since June 2022. As an association, one of the main roles is to spread information about the UN Global Compact in order to encourage new members to join the initiative. Other activities include sharing information of different events, educational programs, campaigns as wells as information on sustainability topics in general. The biggest member companies of FFIF have been active members of the UN Global Compact for a long time already, and hence FFIF is also increasingly reaching out to its small and medium size companies.

During the past two years FFIF has engaged in different activities related to UN Global Compact's main topics, namely sustainable development, and corporate sustainability. These themes have also been regularly discussed in FFIF committees and working groups. In its meeting in December 2023, the FFIF Environment Committee for example had a dedicated corporate responsibility session with in-depth review of sustainability related legislation. The session held by external sustainability specialist focused on already adopted and upcoming sustainability legislation broadly, and how the companies should prepare for that.

In June 2024, together with the UN Global Compact Network Finland, the FFIF organized a sustainability webinar with the specific focus on small and medium size companies. During the webinar the UN Global Compact Network Finland had the opportunity to present the network and showcase its activities, especially regarding SMEs. In addition, during the webinar, a review of ongoing and upcoming legislation was given for the attendees. Also, two FFIF members of the UN Global Compact Network in Finland presented their journey and experience with the UN Global Compact.

In September 2023, the FFIF also participated in the UN Flag Day celebrations and published related social media content and blog post. FFIF has also promoted and participated actively in different events organized by the UN Global Compact Network Finland or other similar organizations as well as published sustainability related content on its website and social media channels.

In addition to specific activities, the Finnish forest industry has a long tradition with sustainability agenda. The first voluntary sustainability commitments of the forest industry in Finland were published already in 2013. The renewed sustainability commitments for 2025 were published in the spring 2018 and they are updated and followed regularly. The renewed commitments, with stricter targets, cover all dimensions of responsibility – ecological, financial, and social – and guide the whole forest industry sector to make even more sustainable choices. Second progress report for sustainability commitments was published during the UNGC reporting period in November 2022 and the third progress report will be published in autumn 2024. Reports show clear progress in majority of the 17 commitments that are aligned with the SDGs

Part III. Measurement of Outcomes

Please use the box below to include the most relevant qualitative and/or quantitative indicators to measure the outcome of the activities described in Part II above.

The FFIF joined the UN global Compact in June 2022, and at least one of our member companies has joined the initiative after that. Our activities have taken place closer to the end of the reporting period, and is very likely that more, especially small- and medium-size companies (SMEs) will join the initiative during this year. The sustainability webinar that was organized together with the UN Global Compact Finland network in June 2024 gathered close to 30 sustainability specialists mainly from SMEs acting in the field of forest and carpenter industry.

In addition to new members in the network, big forest industry companies Stora Enso, UPM and Metsä Group were among the first members in the UN Global Compact Finland network and have been working actively in the network since joining it in 2002-2003.

During 2022 we also carried out our second progress report regarding our voluntary sustainability commitments that are aligned with the SDGs. After publishing the report in November 2022, it has been presented on several occasions and downloaded multiple times from our webpage. In addition to describing the progress towards our commitments it included 63 specific case studies from our member companies and association describing practical examples of sustainability actions connected to 17 goals, also relevant to ten principles of the UN Global Compact.

In 2023 the FFIF also published first results from its biodiversity road map that is being carried out together with the wood processing industry. The biodiversity roadmap helps to better understand the impacts of forest management and the actions for biodiversity on the forest environment. The roadmap shows that we are on the right track. By many indicators, forest biodiversity has seen positive development in recent decades. Future scenarios show that the measures already in place and the measures to be further intensified will reinforce this trend.

In addition to the biodiversity road map, the FFIF is also updating its climate road map that was originally published in 2020. The updated scenarios show that our mills could phase-out the use of fossil fuels around 2035 and be carbon-negative soon after that.

Both road maps are examples of how the industry is supporting SDGs and the UN Global compact principles related to environmental sustainability.