

Guidance on the Forest Positive PPP Roadmap

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Positive Coalition of Action

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Section 1: Introduction

Introduction



In 2020, The Consumer Goods Forum (CGF) created the Forest Positive Coalition of Action to drive collaborative, transformative change in the consumer goods industry by removing deforestation, conversion and degradation from key commodity supply chains and supporting the development of forest positive businesses and commodity production in forest positive landscapes. The Coalition developed Commodity Roadmaps for each of its four key commodities – palm oil, soy, paper, pulp and fibre-based packaging (PPP), and beef – to set out the Coalition's commitments and actions as well as how progress with implementation will be measured. The Coalition is developing Guidance on the Forest Positive Commodity Roadmaps to support members and any company outside the Coalition with implementation of the forest positive commitments laid out in the Commodity Roadmaps. The Guidance on the Forest Positive PPP Roadmap was developed by the Coalition's PPP Working Group and in consultation with key stakeholders in the PPP sector. It provides guidance and resources for manufacturers and retailers implementing the actions in the PPP Roadmap. It therefore follows the same structure as the PPP Roadmap and outlines five key areas for proposed individual business actions in compliance with relevant laws:

1. **Managing Own Supply Chains:** Ensure that PPP sourcing is forest positive, including minimizing risk of sourcing from controversial sources
2. **Engaging Suppliers:** Do business with upstream suppliers who are also committed to forest positive implementation across their entire business and find opportunities for collaboration to drive sector-wide transformation;
3. **Addressing High-priority Origins:** Build a shared understanding of countries which are a high-priority for engagement, and use this information in engagement with and to monitor suppliers and landscape initiatives;
4. **Engaging in Production Landscapes:** Drive transformational change in key PPP-producing landscapes through positive engagement in high-priority origins; and
5. **Increasing Transparency and Accountability:** Track, verify and report publicly on progress implementing the actions of the Roadmap focused on own supply, suppliers and priority landscapes.

The Guidance on the Forest Positive PPP Roadmap should be considered 'a living document'. It will be updated as more progress is made by the Coalition and will be further revised based on emerging regulation (e.g., EU Regulation on deforestation-free products).

Anti-trust



- ▶ All work of The Consumer Goods Forum is carried out in accordance with the CGF's Antitrust Guidelines, and in compliance with all competition laws, thus ensuring independence of activity, collaboration only on non-competitively sensitive issues, and protection of confidentiality of information. All reporting will be made subject to the applicable competition rules. Participating companies will undertake their own decisions on IF and HOW to implement the elements of this proposal in their individual supply chains.



Section 2:

Guidance on the Forest Positive PPP Roadmap

Summary of Key Proposed Actions with Priority Scale



The figure below includes a summary of all the key proposed actions included in the Guidance on the Forest Positive PPP Roadmap organised into four stages. Each stage can have a different duration depending on the complexity of a company's supply chain.

1st Stage

Element 1: Managing Own Supply Chains

- Optimise fibre use (see p.9)
- Develop a public forest positive PPP sourcing policy (see p.11) in line with the forest positive PPP definition (see p.12), controversial sources definition (see p.16) and no deforestation cut-off dates (see p.13)
- Develop a timebound action plan (see p.13)
- Credible certification schemes and equivalent assurance (see p.14)

Element 2: Engaging Suppliers

- Categorise suppliers (see p.19)
- Have clear supplier expectations which are aligned with the Coalition's Forest Positive Approach (see p.19)

Element 3: Addressing High-priority Origins

- Develop a list of high-priority countries (see p.22 & Annex 1)

Element 4: Engaging in Production Landscapes

- Identify priority production landscapes (see p.27)
- Select landscape initiatives to support (see p.27)

Element 5: Increasing Transparency and Accountability

- Report on the public information requirements and KPIs in Roadmap (see p.44)

2nd Stage

Element 1: Managing Own Supply Chains

- Improve traceability (see p.15)

Element 2: Engaging Suppliers

- Communicate the Forest Positive Approach and engage suppliers to improve performance (see p.20)

Element 3: Addressing High-priority Origins

- Engage in high-priority countries (see p.25)

Element 4: Engaging in Production Landscapes

- Calculate your production-base footprint (see p.27)

3rd Stage

Element 4: Engaging in Production Landscapes

- Leverage collaborative engagement to support improved practices on the ground (see p.28)

Element 5: Increasing Transparency and Accountability

- Verify reporting (see p.31)

4th Stage

Element 4: Engaging in Production Landscapes

- Monitor and report progress/impact (see p.28)

Post-2025 Priorities for the FPC Commodities

Over the past five years, the Coalition helped accelerate individual company action through implementation of our four [Commodity Roadmaps](#). These proposed commitments and KPIs for the five key areas of action of our Forest Positive Approach (*5 Roadmap Elements*).

Five years on, we are building on the progress achieved and prioritising proposed actions which create the most impact. Our focus moving forward will be on:

- **Recommended collaborative actions**, focused on addressing remaining common challenges in each commodity sector where FPC can play a role;
- **Tracking members' progress on priority KPIs** to continue driving progress on the three pillars of our Theory of Change, keeping transparency & accountability as a core element.

The recommended Commodity Roadmaps and Roadmap Guidance resources, containing the full KPI scope and individual company commitments and actions, remain a key reference for best practice on forest positive implementation across our four commodities.

Delivering on our Theory of Change...



... through our four Commodity Roadmaps



Post-2025 Priorities for Pulp, Paper, & Packaging

Fiber-based products and packaging

Progress & key remaining sectoral challenges

- PPP rose in the deforestation agenda (alternative to plastic packaging), with PPP now in scope of individual company deforestation commitments and improved transparency
- Improvements to certification scheme standards to meet DCF, driven by the FPC. However there remains gaps for the schemes to meet DCF
- FPC PPP WG developed a better understanding of risks and priority countries for action with suppliers and in landscapes
- The packaging supply chain remains complex, with a large number of suppliers, low traceability, and low uptake of certification and low DCF performance

Priority recommended collaborative actions for the PPP Working Group post-2025:

- Continue to drive improvements in certification schemes to meet DCF and close gaps
- Engaging upstream packaging sector to help drive increased transparency, certification uptake, and DCF performance
- Building an understanding of the risks beyond deforestation (linked to degradation, conversion, land rights) and identifying opportunities for sectoral solutions

Tracking members' progress on priority KPIs

Element	Prioritised KPIs
Element 1: Own Supply Chain	☐ 1.3 % of total commodity volume that is in scope of Element 1 reporting, including narrative explanation of volumes excluded from scope ☐ 1.4 % recycled, % virgin fiber ☐ 1.5 % of virgin supply certified, and % per scheme and chain of custody model ☐ 1.8 % Deforestation and Conversion free (DCF) volumes, with % breakdown by DCF implementation option—<i>using the recommended FPC DCF methodology</i>.
Element 2: Suppliers & Traders	☐ 2.2.1 % of direct suppliers (by volume and/or sales, and number) engaged on the ‘Forest Positive Approach’ ☐ 2.2.2 Narrative of approach and actions to engage direct suppliers on the ‘Forest Positive Approach’
Element 3: Addressing High-priority Origins	The PPP Roadmap does not include KPIs for Element 3 nor requires public information.
Element 4: Landscapes	☐ 4.4 For each FPC landscape initiative and/or project your company is currently engaged in, information on: a) Name, location, timeline and other partners involved b) The initiative’s goals and progress reflecting the indicators of the FPC’s Landscape Reporting Framework c) The maturity of the initiative (linked to the ISEAL Core Criteria for Mature Landscape Initiatives and the FPC’s blueprint components)



Element 1: Managing Own Supply Chains



Element 1: Managing Own Supply Chains



The foundation of members' commitment to forest positive is ensuring their own supply is forest positive. The commitments and actions below apply to Coalition members and can be adopted by any downstream company in the PPP supply chain.

Key Actions	How to Implement the Actions	Key Resources
Optimise fibre use (1/2)	Before setting up a policy for sourcing of wood fibre-based materials in a sustainable way, identify, as part of a risk assessment, primary steps to reduce the pressure on forests by optimizing the current wood-fibre use. The following approaches could be considered: • Efficient use: Use of forest materials should be optimized while still meeting safety, regulatory, performance or cost requirements. This should not lead to compromising food availability or negatively impact other sustainability parameters from a life-cycle perspective. From a supply perspective this could mean, for example, to ensure resource efficiency using cascading value principles, so that no part of a felled tree and products emanating from that activity is wasted or used improperly. • Recycled content: Use of recycled wood/paper fibres should be optimized for their function and quality while meeting safety, regulatory, performance and cost requirements. Depending on geographical region from which the recycled fibre is collected consideration on social conditions of the full supply chain must be considered.	• WWF's Responsible Alternative Fibers: Assessment Methodology • Upstream's Design Principles for Materials used in Reusable Packaging & Foodware Services (to optimise fibre use efficiency) • WBCSD's SPHERE Packaging Framework (to optimise fibre use efficiency) • EcoPaper Database (for papers with alternative fibres and/or high recycled content) • Life cycle review of major alternative fibers for production of paper (Georgia Institute of Technology) • Assessing low-carbon transition Pulp and Paper methodology

Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
Optimise fibre use (2/2)	• Alternative fibres: Alternative fibres such as bamboo, wheat, cotton, agricultural residues etc. may be able to ease the projected future demand pressure on forests, but before selecting alternative fibres the full life cycle impacts should be assessed. Without due care, cultivation of alternative fibres can potentially contribute to increasing the pressure on forests and other ecosystems due to increased demand on agricultural areas. Companies are also encouraged to assess both the potential positive and negative environmental and social impacts in areas such as food security, biodiversity and local communities. <i>Note: The focus of the PPP Roadmap is on virgin fibre sourced but the Roadmap includes a proposed commitment for member's PPP sourcing policy goals to include "fibre use is optimized through increased efficiency and the use of recycled and alternative fibres as well as reducing and reusing packaging where appropriate".</i>	• WWF's Responsible Alternative Fibers: Assessment Methodology • Upstream's Design Principles for Materials used in Reusable Packaging & Foodware Services (to optimise fibre use efficiency) • WBCSD's SPHERE Packaging Framework (to optimise fibre use efficiency) • EcoPaper Database (for papers with alternative fibres and/or high recycled content) • Life cycle review of major alternative fibers for production of paper (Georgia Institute of Technology) • Assessing low-carbon transition Pulp and Paper methodology

Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
Develop a public forest positive PPP sourcing policy	Develop and implement an individualised public PPP sourcing policy that includes a commitment to ensure that PPP sourcing is forest positive, including minimizing risk of sourcing from controversial sources and ensuring legality. The policy should include quantitative and timebound targets and internal goals and be in line with the Coalition’s proposed definition of forest positive PPP (see row below) and controversial sources definition (see p.16). The policy goals should include: • There is transparency/traceability of virgin fibre origin, at least to country of harvest and to finer spatial units when needed based on risk and action to mitigate risk*; • Virgin fibre is certified to a credible third-party standard or equivalent assurance (where equivalent assurance is used, provide information publicly on the approach taken)**; • There is further engagement in priority countries and regions where there is still a risk of supply from controversial sources through engagement with suppliers and landscapes; • Fibre use is optimized through increased efficiency and the use of recycled and alternative fibres as well as reducing and reusing packaging where appropriate***. <i>* Advancing on traceability is an individual company effort with their suppliers supported by the PPP WG’s engagement with certification schemes</i> <i>** See definition of equivalent assurance on p.14</i> <i>*** Use recycled fibres where practical to do so and meeting product specifications (e.g., according to existing regulations for food packaging or company targets)</i>	• See PPP Roadmap (page 16) • AFi Core Principles, including elements on no-deforestation and no-conversion, avoidance of degradation, respect for the rights of indigenous peoples and local communities, policy scope, time-bound targets, and definitions (see pages 3-11) • AFi user guide: How to write a strong ethical supply chain policy

Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
Coalition's proposed definition of forest positive PPP	Forest positive PPP includes: 1. Supporting sustainable forest management which is defined as management that optimizes the ability of both natural and production forests and forested landscapes to protect biodiversity, reduce GHG-emissions, provide recreation and livelihoods while respecting the rights and preferences of local communities (<i>see point 5 below</i>) 2. Supporting conservation of forests and their HCVs or equivalent 3. Support restoration of forests and forest ecosystem values (e.g., landscape initiatives) 4. Respect human rights in line with the UN Guiding Principles on Business and Human Rights, and endorse and support the Universal Declaration of Human Rights 5. Secure free prior and informed consent (FPIC) of indigenous and local communities prior to any activity that may affect their rights, land, resources, territories, livelihoods, or food security 6. Operate an open, transparent and consultative process to resolve complaints and conflicts 7. Eliminating deforestation and conversion of natural ecosystems (with reference to a specified cut-off date), avoiding degradation and controversial sources*, and ensuring legality * When identified, measures should be taken individually by companies to work with suppliers to address risks related to pulp and paper from controversial sources	• Sustainable forest management (SFM) references: The main global SFM standards include FSC and PEFC. In high-risk countries, it is important for each company to confirm that the certification scheme can deliver on the forest positive PPP requirements (see p.14 for more details) . • Also see, FAO's Sustainable Forest Management (SFM) Toolbox • AFi definition of deforestation: <i>Loss of natural forest as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.</i> • AFi definition of conversion: <i>Change of a natural ecosystem to another land use or profound change in a natural ecosystem's species composition, structure, or function.</i> • AFi definition of degradation: <i>Changes within a natural ecosystem that significantly and negatively affect its species composition, structure, and/or function and reduce the ecosystem's capacity to supply products, support biodiversity, and/or deliver ecosystem services.</i>

Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
No deforestation cut-off dates	Cut-off dates for no-deforestation are in line with sectoral cut-off dates where they exist (e.g. credible third-party standards used by the company) and in all cases are no later than 2020, in line with the Accountability Framework initiative (AFi).	• AFi's document on Common Cutoff Dates
Alignment with the CGF-FPC PPP DCF methodology	The PPP Working Group, with additional consultation from AFi and CDP, have developed a methodology for reporting on DCF for PPP (see Annex 5).	• Annex 4 of this guidance
Develop a timebound action plan	Develop an individualised public timebound action plan to operationalise implementation of the policy setting out the actions the company will take to ensure PPP sourcing is forest positive, including target dates that builds on AFi guidance. Ambition/target dates: Be clear about target dates to achieve DCF across full scope. For complex supply chains, timelines may be longer to fully achieve DCF due to additional complexities, providing the company has ambitious strategies with demonstrable annual progress.	• AFi Core Principle 3 (see page 11) and Operational Guidance on Supply Chain Management • The CGF-FPC DCF methodology for PPP - Annex 4 of this guidance

Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
Credible certification schemes and equivalent assurance	In recent decades, forest certification has emerged as one of the key tools to improve forest management. Responsible forest management can help increase the value of standing forests and help protect them from illegal logging, conversion to other uses or other non-sustainable activities. Credible certification schemes and equivalent assurance should cover the full scope of requirements in the forest positive PPP definition (see p.12), have a robust assurance mechanism, and be consistent with guidance from ISEAL and ISO on good practice. The main global certification schemes are FSC and PEFC, both of which are used by Coalition members. In high-risk countries, it is important for each company to conduct an internal risk assessment to benchmark the requirements of the certification schemes chosen by the company to ensure fibre sources deliver on the forest positive PPP requirements. Definition of equivalent assurance developed in collaboration with AFi: Equivalent assurance is a process of verification and oversight that is not carried out as part of an established certification program but is nevertheless suitable and adequate for assuring that product volumes and/or suppliers adhere to FPC companies' PPP policies and to the forest positive PPP definition. Equivalent assurance should be consistent with relevant principles and good practices on quality of assurance defined by ISEAL and ISO, including but not limited to elements on consistency and rigor of assurance methodology, auditor competence, impartiality and independence, transparency, and documentation and retention of evidence. Notes: • The Coalition's interim list of high-priority countries developed with Earthworm Foundation (see Annex 1) is the recommended minimum list of countries to consider for reporting on high-priority sources, but companies should conduct their own assessments and implement due diligence where needed beyond countries in the high-priority list. • <i>Where equivalent assurance is used, provide information publicly on the approach taken.</i>	• ISEAL Codes of Good Practice • ISO Standards (ISO/IEC 17021-1 and ISO/IEC 17065) • Good practices for verification (including equivalent verification carried out separate from a certification scheme) are set out in the Accountability Framework: AFi Core Principle 11 (see page 25) and Operational Guidance on Monitoring and Verification

Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
Improve traceability	Have traceability of virgin fibre origin to at least country of harvest as an intermediary milestone and to finer spatial units based on risk and action to mitigate risk (note: this will be further revised based on emerging regulation). <i>The PPP Working Group is engaging with the main certification schemes on fibre origin information with Chain of Custody in 2023. Companies to also individually engage their suppliers to collect information on traceability.</i>	

Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
Controversial sources definition	Controversial sources definition: The definition of controversial sources includes illegally harvested or traded wood, wood harvested in violation of traditional and civil rights, wood harvested in forests in which high conservation values are threatened by management activities, and wood harvested in forests being converted from natural and semi natural forest to plantations or non- forest use. In line with the precautionary principle, any volume from unknown sources (for virgin fibre back to country of harvest) should be treated as potentially controversial. Legal considerations: The legality of the origin of fibres is, of course, a minimum requirement. Depending on the location of member company operations, different laws and regulations on wood fibre imports may apply. Some examples are listed hereafter: • United States: The amendment to the Lacey Act on timber import specifies criteria for traceability and legal imports. • European Union: The European Timber Regulation (EUTR) defines measures importers or traders must implement to trace sources of legal harvesting. • Australia: The Australian Illegal Logging Prohibition Act requires importers ensure traceability to legal harvesting. Other countries may also require specific trading documentation for import or trading wood fibre-based materials and products. Most countries accept fully certified FSC or PEFC materials to comply with the legislative demands but will still require documentation to be available on aspects such as region of harvest, species of wood, etc. Note that this may not be necessary for all products in all forms, but legal requirements should be included in a risk assessment.	• When sourcing products using a mass balance chain of custody approach, certification schemes have measures in place to identify and take measures regarding uncertified volumes from controversial sources, for example: FSC Controlled Wood and PEFC Controlled Sources (Appendix 1)

Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
Guidance on addressing social issues in own supply chain	The proposed forest positive PPP definition (see p. 12) includes respect for human rights and FPIC. Note: The PPP Working Group acknowledges that the wider scope of social issues related to virgin fibre and recovered fibre are important. IPLC rights are being integrated more thoroughly in the Forest Positive Coalition starting with palm oil and then across commodities. However, it was agreed that the Forest Positive Coalition will work on the rights of Indigenous Peoples and Local Communities but do not have the mandate to work on wider social issues (e.g., labour rights), as these will be addressed by the CGF Human Rights Coalition (HRC). The focus of the Coalition is on virgin fibre, not recovered fibres.	<i>Key references on respecting human rights including IPLC rights to be added.</i>
Small forest owners	<i>Guidance to be developed at a later stage (small forest owners include smallholders, family forest owners and community forest organisations).</i>	

Element 2: Engaging Suppliers



Element 2: Engaging Suppliers



The transformation of PPP products supply chains to forest positive across the entire sector can only be achieved if upstream suppliers also implement forest positive commitments across their entire business, thereby creating the scale and momentum needed. Coalition members are committed to doing business with upstream suppliers who are also committed to forest positive implementation across their business.

Key Actions	How to Implement the Actions	Key Resources
Categorise suppliers	<i>Definitions of different types of suppliers to be discussed in 2023.</i>	
Have clear supplier expectations which are aligned with the Coalition's Forest Positive Approach	Have a clear list of your individual company's expectations for direct suppliers, which describes the company's expectations in relation to suppliers' performance. This may be your company's own set of requirements (which can draw on the Forest Positive Approach or refer to the Forest Positive Approach directly - see summary below) or other tools your company is using. The five key elements of the Coalition's cross-commodity Forest Positive Approach are listed below. For the PPP Working Group, supplier engagement should focus initially on (a) ensuring PPP suppliers have a PPP sourcing policy and (b) that they are collecting information on origin for virgin fibre, at least to country of harvest (particularly for fibre-based packaging supply chains where information is lacking). 1. A public commitment to deforestation and conversion-free across entire PPP business including a public PPP sourcing policy and a public time-bound action plan with clear milestones 2. Process for regular supplier engagement 3. Mechanism to identify and to respond to non-compliance with policy commitments 4. Support initiatives delivering forest positive development at landscape and sectoral level 5. Regular public reporting against Key Performance Indicators (KPIs) <i>Detailed criteria for PPP under the five elements above will be developed, taking into account feedback received from stakeholders during the guidance document consultation.</i>	

Element 2: Engaging Suppliers



Key Actions	How to Implement the Actions	Key Resources
Communicate the Forest Positive Approach and engage suppliers	Actively communicate a summary of your individual requirements for direct suppliers (as outlined in the row above) and have a mechanism(s) for regular supplier engagement. The proposed supplier engagement process can be summarised in nine steps: 1. Communicate and integrate the Forest Positive Approach 2. Assess supplier performance 3. Agree individually on improvement plan with supplier 4. Supplier implements improvement plan 5. Provide support and capacity building 6. Monitor supplier progress 7. Take individual company action to respond to progress/lack of progress 8. Update supplier improvement plan 9. Report progress Proposed guidance on prioritisation of suppliers in the PPP Roadmap (p. 20) includes: This will involve reviewing all suppliers and identifying as a priority for engagement those that a) are not supplying certified products, or b) are sourcing from origins with a high risk of controversial sources, or c) are not committed to a forest positive approach across their whole supply base.	• Proforest guidance on supplier engagement for responsible sourcing

Element 3: Addressing High-priority Origins



Element 3: Addressing High-priority Origins



The objective of this Element is to identify the priority countries and regions where there is high priority of controversial sources related to PPP due to, for instance, a lack of certification or weak governance, and are prioritised for engagement to deliver forest positive PPP. This information will be used to inform actions to address identified issues, including identifying priority suppliers (Element 2) and landscapes (Element 4) for engagement.

Key Actions	How to Implement the Actions	Key Resources
Develop a list of high-priority countries (1/2)	Throughout 2023, the PPP WG collaborated with Earthworm Foundation to develop a list of high priority-countries (Annex 1). The scope considered for the list includes deforestation, degradation and for Indigenous Peoples and Local Communities (IP and LCs). There are two separate but complementary lists: List A: Top 5 high-priority countries for deforestation ➤ The PPP WG agreed to prioritize deforestation, as the Coalition is focusing on deforestation first, but to include visibility on the degradation and IP and LC rights priority levels in the countries with high priority for deforestation as, for forest positive it is important that these are also addressed List B: Top 10 high-priority countries for degradation OR IP and LCs rights ➤ Additional countries which are high priority for IP and LCs and/or degradation but not for deforestation Note: The interim list in the earlier version of this Guidance, which only included deforestation, has been replaced by the list developed with Earthworm Foundation	See Annex 1 for list of the high-priority countries

Element 3: Addressing High-priority Origins



Key Actions	How to Implement the Actions	Key Resources
Develop a list of high-priority countries (2/2)	For companies that have their own more detailed approach, the high-priority country list is a common reference for the Coalition. It is important to note that this is not a list of all the prioritized countries, but where the Coalition (companies) can focus efforts for engagement with suppliers and landscapes*. The list will also be used for reporting on the KPI (% of supply from high priority sources) under Element 1. It is the recommended minimum list of countries to consider when reporting on high priority sources, but companies can also use their own methodologies (which need to be transparent). Companies should conduct their own assessments and implement due diligence where needed beyond countries in the high-priority list. <i>*It should not limit companies from taking action in countries beyond the high-priority list where relevant (e.g. based on traceability information). Beyond the agreed high-priority country list, the full Earthworm Foundation Country Prioritisation Matrix (CPM) assessment results also include legality and labour & workers' rights. Companies can use the CPM results as a resource to inform their own risk mitigation plan including which countries they will prioritise for action based on for example traceability data (or can use their own assessment approach, which should be transparent). The full CPM results for 2024 are publicly available and can be used for reporting in 2025.</i>	

Element 3: Addressing High-priority Origins



Key Actions	How to Implement the Actions	Other available resources
Considerations for selecting high-priority countries	The criteria used for selecting the high-priority countries in the list (Annex 1): 1. Deforestation (List A), and degradation or IP and LCs rights (List B) in the pulp and paper context using Earthworm's Country Prioritisation Matrix (CPM)*, and 2. Pulpwood production (FAOstat) Methodology: • List A: High priority countries for deforestation in CPM sorted by pulpwood production importance (+USA which is medium, included due to it being the biggest global pulp producer) • List B: High priority countries for degradation OR IP and LCs rights in CPM sorted by pulpwood production importance, which are not already included in the deforestation priority list • FAO data to be replaced over time with Coalition members traceability data to ensure list reflects members most relevant sourcing areas with a targeted focus <i>* Earthworm's CPM is a pulp and paper focused prioritisation matrix at the country-level. Each pulp and paper producing countries receives a High, Medium or Low rating for the following categories: legality, deforestation, degradation, IP and LCs, and labour & workers' rights. Earthworm are seeking to incorporate EUDR country ratings once available. The full CPM results for 2024 are publicly available and can be used for reporting in 2025.</i>	• Deforestation Fronts by WWF • FSC National Risk Assessments • Estimating the role of seven commodities in agriculture-linked deforestation: oil palm, soy, cattle, wood fiber, cocoa, coffee, and rubber (WRI) • Preferred by Nature Sourcing Hub (formally NEPCON Sourcing Hub) • Verisk Maplecroft • World Resources Institute (WRI) Global Forest Watch

Element 3: Addressing High-priority Origins



Key Actions	How to Implement the Actions	Other available resources
Engage in high-priority countries	Take action to manage high-priority sources through individual engagement with each company's suppliers (see Element 2) and in landscapes (see Element 4, particularly prioritising production landscapes to transform to forest positive), as part of timebound action plan implementation. It is important to focus on the key issues linked to forest positive that make each country a high priority as identified in the assessment. See Annex 3 for guidance on how to mitigate risks from High/Medium rated countries in a supply chain, including guidance on the following tools to mitigate risk: certification, supplier assessment, satellite monitoring and landscapes engagement.	• FSC National Risk Assessments • Annex 2 for guidance on how to mitigate risks from High/Medium rated countries in a supply chain

Element 4: Engaging in Production Landscapes



Element 4: Engaging in Production Landscapes



In addition to ensuring the forest positive supply of their key commodities, Coalition members recognise the need to drive transformation towards forest positive beyond their individual supply chains in the key landscapes where their commodities are sourced and produced. As outlined in the PPP Roadmap, Coalition members commit to collaborate in production landscapes and drive positive outcomes for people, nature, and climate. To build this collaboration in practice, Coalition members are focusing on actions in production landscapes and jurisdictions in the priority countries/regions identified.

Key Actions	How to Implement the Actions	Key Resources
Calculate your production footprint	Calculate your production footprint using the methodology developed in collaboration with 3Keel or your company's methodology on PPP footprint for volumes and estimate area. The Coalition will use its aggregated production-base footprint, a neutral proxy to reflect the level of impact, leverage, and shared responsibility that the Coalition recognizes, to articulate its landscape ambition. For more details see the Coalition's Strategy for Collective Action in Production Landscapes. Once completed, the aggregated production-base footprint and the approach used to calculate the footprint will be made public.	
Identify priority production landscapes	Companies can use their own methodology for prioritising production landscapes, considering high priority origins. Companies can use or build on the high-priority country list (see Annex 1 on p.33) and should make their methodologies publicly available.	• Engaging with Landscape Initiatives: A Practical Guide for Supply Chain Companies by Proforest (see Part 1: Preparing to engage in a production landscape) • Forest Positive Coalition Strategy for Collective Action in Production Landscapes

Element 4: Engaging in Production Landscapes



Key Actions	How to Implement the Actions	Key Resources
Select landscape initiatives to support	Select landscape initiatives to support, considering high priority production landscapes and the Principles for Collaborative Action (see the 10 principles on p. 22 of the Coalition's Strategy for Collective Action in Production Landscapes). Companies can collaboratively invest in an initiative in the Coalition's Portfolio of Landscape Initiatives which can be found on pp.25-26 of the Coalition's Strategy for Collective Action in Production Landscapes .	• Engaging with Landscape Initiatives: A Practical Guide for Supply Chain Companies (Proforest) • Landscape, Scale Action for Forest, People, and Sustainable Production: A Practical Guide for Companies (WWF, TFA, Proforest) • Beyond Supply Chains: Pulp, Paper and Packaging Companies Take Landscape Action for Sustainability at Scale - JA Hub (jaresourcehub.org) (TFA, CDP, Proforest)
Leverage collaborative engagement	Leverage the scale of collaborative engagement, for example, through exploring collaboration with upstream supply chain actors.	• Collective Action and Investment in Landscape Initiatives: The Business Case for Forest Positive Transformation(CGF FPC) • What constitutes a company landscape investment or action? (ISEAL)
Monitor and report progress/impact	Monitor and report progress against the KPIs for the landscape initiatives. The Coalition will develop a framework for monitoring activities and impact across the Coalition's Portfolio of Landscape Initiatives which will be included in subsequent versions of the Guidance on the Forest Positive PPP Roadmap.	• Making Credible Jurisdictional Claims: ISEAL Good Practice Guide (ISEAL) • Effective Company Actions in Landscapes and Jurisdictions: Guiding Practices (ISEAL) • Landscape Reporting Framework (Proforest)

Note: More references (including those above) can be found on TFA's Jurisdictional Approaches Hub at jaresourcehub.org

Element 5: Increasing Transparency and Accountability



Element 5: Increasing Transparency and Accountability



Accelerating progress and building credibility through ongoing transparency and accountability is a central part of the Coalition's Forest Positive Approach. Coalition members are committed to reporting publicly on the agreed set of KPIs and public information requirements in the PPP Roadmap, at least annually.

Key Actions	How to Implement the Actions	Key Resources
Report on the public information requirements and KPIs in Roadmap	Publicly report on progress made in delivering on your forest positive PPP sourcing policy (see Element 1). The reporting should include all the public information requirements and KPIs in the Forest Positive PPP Roadmap, and be publicly reported at least annually. The PPP Roadmap includes KPIs for: • Element 1: certification, traceability and high-priority sources • Element 2: engagement with suppliers and their performance • Element 4: Information on company's contribution to the mitigation of deforestation/conversion or to forest positive outcomes via support for landscape and jurisdictional initiatives Scope of reporting: The PPP Roadmap includes public reporting requirements for both manufacturers and retailers. Report on the KPIs individually across all PPP products (should include fibre-based packaging), but collaborative efforts will focus on fibre-based packaging. Report on progress either individually (e.g., company website), and/or through platforms/initiatives (e.g. CDP).	• See Annex 3 for a summary of the public reporting requirements in the PPP Roadmap v1.5 and detailed guidance for reporting in 2024 on the public information requirements and KPIs for each Element of the PPP Roadmap • See the Forest Positive Coalition's Annual Report for public reporting in 2023 • AFi Operational Guidance on Reporting, Disclosure and Claims for principles for effective reporting

Element 5: Increasing Transparency and Accountability



Key Actions	How to Implement the Actions	Key Resources
Disclose KPI methodologies used to calculate/report on KPIs	In 2024, report on the KPIs using your company's own methodology, ensuring it is aligned with the PPP Roadmap and with the Coalition's guidance (where available) as much as possible. Companies are encouraged to publicly disclose the methodologies used to calculate/report on the KPIs as well as the scope of products included in the reporting of the KPIs. To report on % DCF, ensure alignment with the CGF-FPC PPP DCF methodology, developed by the PPP Working Group, with additional consultation from AFi and CDP (see Annex 4).	Annex 4 of this guidance – the CGF-FPC PPP DCF methodology
Scope of Company Reporting	To address existing inconsistencies across the scope of company reporting, the coalition developed a common DCF methodology for PPP including best practice and ambition to including full scope of volumes for DCF reporting. In acknowledgment that for many companies this is not yet possible, the proposed approach is to focus on transparency. Report publicly: a) % of total volumes in scope; b) An explanation of the % excluded from scope.	The CGF-FPC DCF methodology for PPP – Annex 4
Target dates	Be clear about target dates to achieve DCF across full scope. For complex supply chains, timelines may be longer to fully achieve DCF due to additional complexities, providing the company has ambitious strategies with demonstrable annual progress.	The CGF-FPC DCF methodology for PPP– Annex 4
Disclose time reference	Be transparent about the reporting period for each KPI. - For reporting in 2023 for volume KPIs (e.g. % volume certified), use information and data from 2022 (financial reporting year, which may vary across companies). - However, for reporting on action KPIs (e.g. % suppliers engaged), companies may choose to show in their reporting progress up to the reporting deadline, particularly if reporting a baseline.	
Verify reporting	Companies that have their report independently verified, are encouraged to provide information on this.	AFi Operational Guidance on Monitoring and Verification

Note: All reporting will be in accordance with the relevant competition laws, with the necessary precautions taken regarding commercially sensitive information. Confidential, ³³ commercially sensitive information must not be disclosed.



Section 3:

Annexes

Developed in collaboration with:

Earthworm



Annex 1: The High-priority Country List

High-priority Country List

Two separate lists: High priority countries for deforestation and additional priority countries for degradation and IP and LCs rights in the pulp and paper context. Both prioritised using volume data (FAO pulpwood production) together with Earthworm Foundation’s Country Prioritisation Matrix (CPM) 2023 results.

List A: Top 5 high-priority countries for deforestation

High priority countries for deforestation + USA which is medium rating (included since biggest global pulp producer) sorted by pulpwood production importance, and the degradation and IP and LCs priority level in those countries

Country	Deforestation	% of global m3 of woodpulp produced in 2021 (FAOstat)	Degradation	IP and LCs Rights
USA	Medium	25.1%	Medium	Low
Indonesia	High	6.8%	High	High
Vietnam	High	2.7%	High	Medium
Argentina	High	0.7%	High	High
Malaysia	High	0.2%	High	High

35.5%

Methodology:

- 1) **List A:** High priority countries for deforestation in CPM sorted by pulpwood production importance (+USA which is medium rating, included due to it being the biggest global pulp producer)
- 2) **List B:** High priority countries for degradation OR IP and LCs rights in CPM sorted by pulpwood production importance, which are not already included in the deforestation priority list
- 3) FAO data to be replaced over time with Coalition members traceability data to ensure list reflects members most relevant sourcing areas with a targeted focus

List B: Top 10 high-priority countries for degradation OR to IP and LCs rights

High priority countries for degradation or IP and LCs rights sorted by pulpwood production importance, which are not already included in List A

Country	Degradation	IP and LCs Rights	% of global m3 of woodpulp produced in 2021 (FAOstat)	Deforestation associated to pulp & paper
Brazil	Low	High	10.7%	Low
Russia	High	High	6.6%	Low
Finland	Medium	Low but High regional priority	4.3%	Low
Sweden	Medium	Low but High regional priority	4.3%	Low
Chile	Low	High	3.2%	Low
Canada	High	High	2.1%	Low
Turkey	Medium	High	1.7%	Low
Czech Rep	High	Low	1.0%	Low
Thailand	High	High	0.4%	Low
Slovakia	High	Low	0.4%	Low

34.7%

Earthworm Foundation's Country Prioritisation Matrix



Earthworm Foundation's (EF) most recent results for the country prioritisation matrix for the pulp and paper commodity can be found [here](#).

EF exercises due care in preparing and updating the matrix. EF uses publicly available data and its own professional expertise to calculate the scores to reflect the reality of the pulp and paper supply chain. The results do not reflect the overall deforestation in a country. The results, findings or recommendations of this matrix are based on the circumstances, facts and available knowledge EF had at the time of publication. Any changes in such circumstances, facts and available knowledge may adversely affect the results, findings or recommendations of this prioritisation matrix. The results are to be used as an indication to help companies prioritize actions within their supply chain against four key themes of responsible sourcing for wood fibre based products: Deforestation, Degradation, disregard for Indigenous Peoples and Local Communities' (IPLCs) rights or Workers' rights.

All warranties, conditions and other terms implied by law are excluded to the fullest extent possible. EF shall not be liable for any indirect or consequential losses.

The results from 2024 can be used for reporting in 2025 (on volumes from 2024). The EF Country Prioritisation Matrix will be updated as an ongoing process.

Developed in collaboration with:

Earthworm



Annex 2: Guidance on Risk Mitigation

Guidance on risk mitigation

How to mitigate risks from High / Medium rating* countries in a supply chain

- The guidance focuses on VIRGIN FIBRE: deforestation, degradation, IP and LCs (and legality) but companies are encouraged go beyond the Coalition's scope to include recovered fibre and labour and workers' rights
- The guidance can also be useful for retailers who lack traceability information

How the Guidance can be used:

Each company can then use the guidance to individually develop their own risk mitigation approach based on context (e.g., where they are sourcing from, position in supply chain, which certification schemes they accept)

Tools to mitigate risk *(see next slides for details on each tool):*

Certification

Supplier Assessment

Satellite Monitoring

Landscape
Engagement



*Note:

- For medium rating, need to agree on how the different tools can mitigate risk (especially for certification)

Guidance on risk mitigation - Certification

Forest Stewardship Council (FSC) 	Program for the Endorsement of Forest Certifications (PEFC) 
International non-profit multistakeholder organization <u>Governed by representatives of CSOs and commercial sector.</u>	Umbrella organization comprised of a global alliance that endorses national forest certification systems. <u>Governed privately.</u>

Forest Management (FM) Forest level certification, verifying standard requirements through on-site audits	Controlled Material (CW/CS) DD process at company buying fiber (no forest certification or checks)	Chain of Custody (CoC) Certification at trader or transformation site level for compliance. No certification of fiber.
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Initial review indicates the following (TBC): ▶ FSC contains requirement to maintain and/or enhance HCVs (section 9) while PEFC makes no mention of HCVs ▶ A study from various forestry institutes as well as various NGOs (example) find FSC to be more detailed and prescriptive than PEFC endorsed certifications ▶ FM is more prescriptive than CW/CS and requires actual certification of the raw material ▶ A CoC certified company is not obliged to only sell certified fiber --> verify that the fiber at origin is certified ▶ EUDR: certification can be used as one point of evidence of compliance, but it is the company's responsibility to decide if this is sufficient on its own ▶ For further detail on certification schemes delivery on the main AFi requirements for DCF see Annex 5
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RECOMMENDATIONS ON USE FOR RISK MITIGATION

- It is recommended to prioritize FM over CW/CS (or apply higher risk reduction power to FM than to CW/CS)
- It is recommended to buy certification claims. However, if physical volumes are not certified, additional scrutiny is advised (particularly for high-priority sources) such as supplier engagement, landscape approaches, grievance monitoring and satellite monitoring.
- The CPM assesses a country's priority level for five categories: legality, deforestation, degradation, IPLCs and labour. FSC --> mitigates risk of all categories to an extent. PEFC --> mitigates risk across categories but requires extra scrutiny for mitigation of some risks – company to check how each national scheme mitigates risk of deforestation* (*i.e. cut off-date included?*), degradation and IPLC
- For prioritized countries or high deforestation areas with high legality priority (e.g. corruption), certification is one - but not the only - tool for risk mitigation --> recommend to apply together with supplier assessments or landscape projects.



Companies can decide which certification schemes to use to mitigate risk in an area – read the standards to see which fits your requirements and the requirements for a credible certification scheme (see p.14 of the PPP Roadmap Guidance).

Links to Roadmap Element 1: Own Supply Chain

Forest positive PPP sourcing policy to include ‘Virgin fibre is certified to a credible third-party standard or equivalent assurance’.

*See the Coalition's PPP DCF methodology (Annex 4) for details

Guidance on risk mitigation - Supplier Assessment



Coalition members are committed to doing business with upstream suppliers who are also committed to forest positive implementation across their business. The proposed supplier engagement process, to be undertaken by each Coalition member individually, includes communicating forest positive requirements (*see green box*) to suppliers, assessing suppliers' performance and progress against expectations, and devising strategies to promote continuous improvement.

In the context of this guidance, see below two recommended tools companies can use for risk mitigation through supplier assessment:

Remote supplier assessment: verification of supplier's policy and DD process using a questionnaire (align with Roadmap Element 2- *see green box*). If necessary, can lead to timebound Action Plans for suppliers to become compliant or to an on-site assessment for added scrutiny if needed.

Onsite supplier assessment: Can lead to timebound Action Plans for suppliers to become compliant. Verification should cover at a minimum that the supplier is able to:

- Provide traceability of supply chain back to forest source (necessary for high/medium priority CoH)
- Has a Due Diligence process, ensuring forestry operations upstream abide by no illegal logging, no deforestation, no impact on HCVs, FPIC*
- Show that human and workers' rights are respected at their own site

Assessments to be carried out by a second or third-party organization that has the relevant expertise and capacity.

RECOMMENDATIONS ON USE FOR RISK MITIGATION

- Use supplier assessments for risk mitigation with short term, time delimited action plans to encourage suppliers towards compliance
- Can reduce rating of all categories, depending on action plan focus

Links to Roadmap Element 2: Suppliers

The five key elements of the Coalition's cross-commodity Forest Positive Approach are listed below. For the PPP Working Group, supplier engagement should focus initially on (a) ensuring PPP suppliers have a PPP sourcing policy and (b) that they are collecting information on origin for virgin fibre, at least to country of harvest.

A public commitment to deforestation and conversion-free across entire PPP business including a public PPP sourcing policy and a public time-bound action plan with clear milestones

1. Process for regular supplier engagement
2. Mechanism to identify and to respond to non-compliance with policy commitments
3. Support initiatives delivering forest positive development at landscape and sectoral level
4. Regular public reporting against Key Performance Indicators (KPIs)

See p.19 of the PPP Roadmap Guidance.

*Verifying supplier's DD is part of EUDR requirements for downstream operators

Guidance on risk mitigation – Satellite Monitoring



- If this system is used, it is recommended to prioritize a platform which allows for assessing areas that have direct links to your company's Supply Chain (by linking TTP data to mills)
- Requires a system with real time and accurate monitoring
- Results can be used by each company individually to prioritize suppliers for engagement projects or to monitor landscape areas
- Can be a valuable tool for monitoring requirements of EUDR



RECOMMENDATIONS ON USE FOR RISK MITIGATION

- Use for Deforestation Free KPI: If a supplier provides full TTP and satellite monitoring shows no deforestation since cut-off date → deforestation free
- Potential to use for Degradation monitoring (monitoring of HCVs, IFLs, Old growth forests...)

Links to Roadmap Element 1: Own Supply Chain

DCF implementation option: traceable to production area assessed remotely as DCF since cut-off date (see the Coalition's PPP DCF methodology (Annex 4 for details))

Guidance on risk mitigation – Landscape Engagement



- ▶ Multi-stakeholder, multi-commodity approach, with objective to resolve issues at a landscape level.
- ▶ By investing and engaging directly in landscapes with key stakeholders, companies can address and mitigate environmental and social production risks at scale
- ▶ Suppliers are one key stakeholder for inclusion in landscape approaches given their leverage to deliver positive results in the landscape
- ▶ Select landscape initiatives to support, considering high priority production landscapes and the Coalition's Principles for Collaborative Action (see the 10 principles on p. 22 of the [Coalition's Strategy for Collective Action in Production Landscapes](#)). The Coalition's Portfolio of Landscape Initiatives includes some initiatives companies can support (see the [Coalition's Strategy for Collective Action in Production Landscapes](#) pp. 25-26).



Links to Roadmap Element 4: Production Landscapes

AMBITION: The Coalition will **transform production landscapes into forest positive landscapes** by:

- Taking action and collaborating with stakeholders in areas equivalent to the Coalition's combined production base-footprint (in hectares) by 2030; and
- Catalyzing wider positive transformation

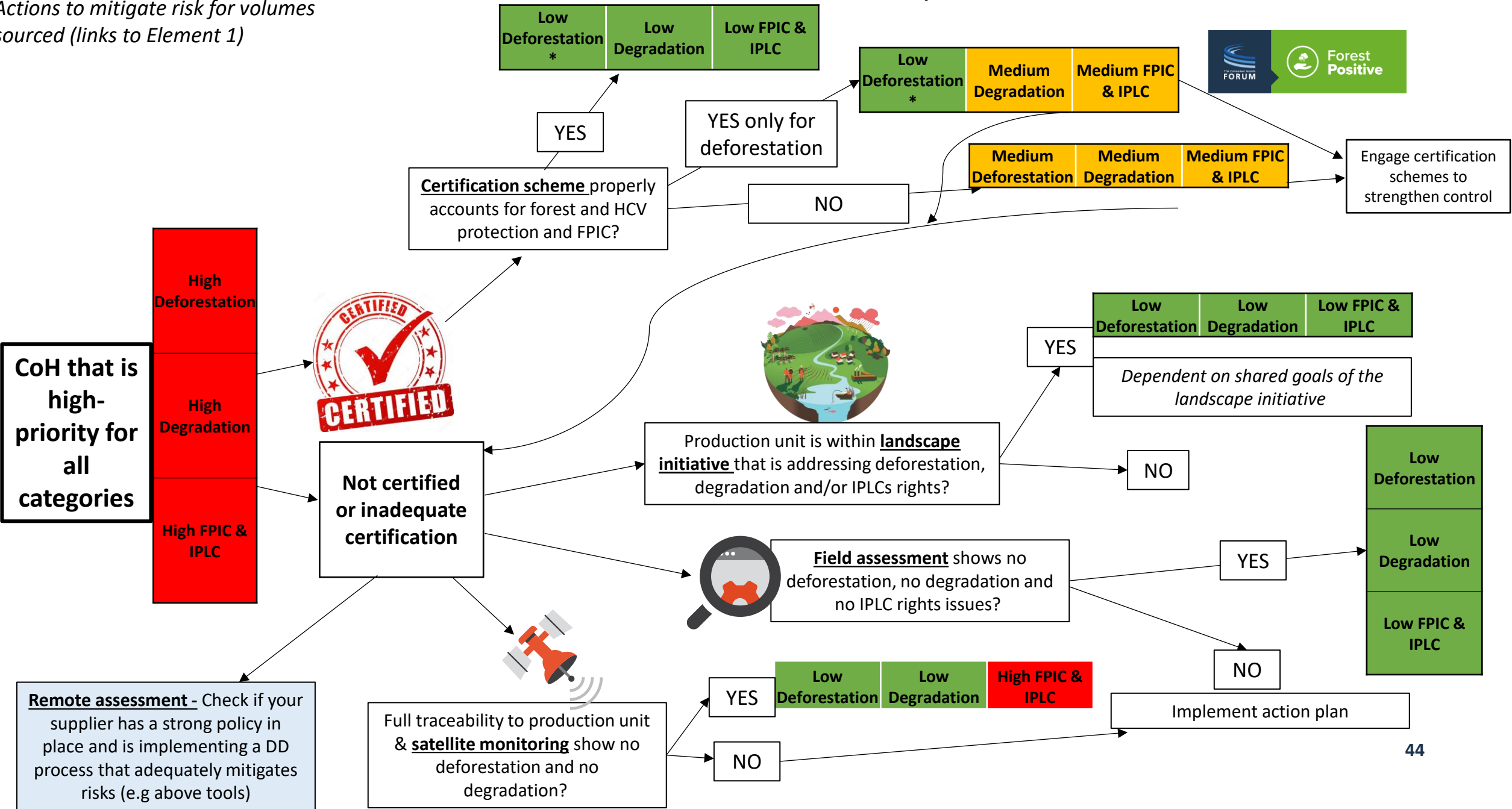
RECOMMENDATIONS ON USE FOR RISK MITIGATION

- Landscape initiatives can help companies address systemic priorities that go beyond their supply chain and contribute to overall Climate, Nature, and People goals
- Can reduce rating of all categories, depending on agreed goals of stakeholders in the landscape initiative

Guidance on risk mitigation – example of proposed action

Actions to mitigate risk for volumes sourced (links to Element 1)

*Refer to PPP DCF methodology on how certification can be used for DCF claims.





Annex 3: Reporting Guidance on the Forest Positive PPP Roadmap KPIs v1.5

Summary of Public Reporting Requirements in the Forest Positive PPP Roadmap



For Manufacturers	For Retailers
ELEMENT 1: OWN SUPPLY CHAIN	ELEMENT 1: OWN SUPPLY CHAIN
Public information requirements	Public information requirements
☐ 1.1 PPP Sourcing Policy including commitment to the forest positive goals ☐ 1.2 Timebound action plan summary	☐ 1.1 PPP Sourcing Policy including commitment to the forest positive goals ☐ 1.2 Timebound action plan summary
KPIs	KPIs
☐ 1.3 % of total commodity volume that is in scope of Element 1 reporting ☐ 1.4 % recycled, % virgin fibre ☐ 1.5 % of virgin supply certified, and % per scheme and chain of custody model ☐ 1.6 % of virgin supply traceable to origin (at least to country of harvest) ☐ 1.7 % of supply from high priority sources ☐ 1.8 % Deforestation and Conversion free (DCF) volumes and breakdown ☐ 1.9 % volumes under engagement to progress towards DCF	☐ 1.3 % of total commodity volume that is in scope of Element 1 reporting ☐ 1.4 % recycled, % virgin fibre ☐ 1.5 % of virgin supply certified, and % per scheme and chain of custody model ☐ 1.6 % of virgin supply traceable to origin (at least to country of harvest) ☐ 1.7 % of supply from high priority sources ☐ 1.8 % Deforestation and Conversion free (DCF) volumes and breakdown ☐ 1.9 % volumes under engagement to progress towards DCF
ELEMENT 2: SUPPLIERS	ELEMENT 2: SUPPLIERS
Public information requirements	Public information requirements
☐ 2.1 Direct supplier list	☐ 2.1 Direct supplier list
KPIs	KPIs
☐ 2.2 Proportion of suppliers informed about the Forest Positive Suppliers approach ☐ 2.3 Number or proportion of suppliers identified as priority for engagement, and % engaged ☐ 2.4 Performance of engaged suppliers and changes over time including progress on delivery across entire business	☐ 2.2 Proportion of suppliers informed about the Forest Positive Suppliers approach ☐ 2.3 Number or proportion of suppliers identified as priority for engagement, and % engaged ☐ 2.4 Performance of engaged suppliers and changes over time including progress on delivery across entire business

Summary of Public Reporting Requirements in the Forest Positive PPP Roadmap



For Manufacturers	For Retailers
ELEMENT 3: ADDRESSING HIGH-PRIORITY ORIGINS	ELEMENT 3: ADDRESSING HIGH-PRIORITY ORIGINS
<i>For the high-priority country list see Annex 1 of the PPP roadmap guidance</i>	<i>For the high-priority country list see Annex 1 of the PPP roadmap guidance</i>
ELEMENT 4: PRODUCTION LANDSCAPES	ELEMENT 4: PRODUCTION LANDSCAPES
Public information requirements and KPIs	Public information requirements and KPIs
☐ 4.1 Priority production landscapes identified ☐ 4.2 Methodology used to identify priority production landscapes to transform to forest positive ☐ 4.3 # of landscape initiatives currently engaged in ☐ 4.4 For each landscape initiative your company is currently engaged in, information on: a) Name, location, timeline and other partners involved b) Report on type of engagement (e.g disbursed financial, in-kind, capacity, preferential sourcing) c) Specific actions or projects that are supported d) How the actions intend to address systemic issues and contribute to delivering forest positive goals (at least one of conservation, restoration, positive inclusion of farmers and communities, multi-stakeholder platforms or partnerships) e) Linkages to shared landscape-level goals developed through multi-stakeholder process	☐ 4.1 Priority production landscapes identified ☐ 4.2 Methodology used to identify priority production landscapes to transform to forest positive ☐ 4.3 # of landscape initiatives currently engaged in ☐ 4.4 For each landscape initiative your company is currently engaged in, information on: a) Name, location, timeline and other partners involved b) Report on type of engagement (e.g disbursed financial, in-kind, capacity, preferential sourcing) c) Specific actions or projects that are supported d) How the actions intend to address systemic issues and contribute to delivering forest positive goals (at least one of conservation, restoration, positive inclusion of farmers and communities, multi-stakeholder platforms or partnerships) e) Linkages to shared landscape-level goals developed through multi-stakeholder process

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs



This Annex provides guidance for members on 2024 reporting according to the public requirements in the PPP Roadmap v1.5. For each element of the PPP Roadmap, guidance is provided on public information requirements and KPIs. Please note that for Element 2: Suppliers there is separate guidance for manufacturers (green table) and retailers (blue table). For public information requirements and KPIs, links to corresponding [CDP 2023 Forests questions](#) have been identified (more information below). This guidance is a 'living document' and will be updated as more progress is made on proposed KPIs and aligned definitions/methodologies for future reporting cycles.

Note:

- *Relevant CDP references will be updated soon with links to the 2024*
- Members to publicly report on all of the Roadmap KPIs for each Forest Positive Coalition commodity that is material to their business.
- All reporting will be in accordance with the relevant competition laws, with the necessary precautions taken regarding commercially sensitive information. Confidential, commercially sensitive information must not be disclosed.

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs



Increased alignment with CDP from 2023-onward: Companies reporting via CDP’s forests questionnaire can use or build on the information submitted to CDP to complete their reporting for the Forest Positive Coalition Annual Report, and vice versa. The Coalition collaborated with CDP and AFI to increase alignment of reporting requirements with the Accountability Framework’s guidance and the CDP Forests questionnaire. To improve alignment, the Coalition has updated the Roadmap KPIs related to Element 1 and Element 2 for Soy and Palm Oil. Changes to existing questions **(dark red)** and new questions **(dark red*)** intended to support aligned reporting have also been included in CDP Forests 2023 questions (see tables below).



Summary of key changes that result in more alignment:

2023 Changes in Forest Positive Coalition Commodity Roadmaps*	Changes in CDP 2023 Questionnaire
PPP • Addition of traceability KPI <i>Soy</i> • Updated Element 1 KPIs (traceability, risk and DCF) to report on full volume • More clarity on "progress of volumes" KPI metrics • More clarity on "supplier performance and progress" metrics in guidance <i>Palm Oil</i> • New deforestation and conversion free KPI • More clarity on "progress of mills/volume" KPI metrics • More clarity on "supplier performance and progress" metrics in guidance *Note: Full revision of Palm Oil and Soy Roadmap KPIs completed for 2023 reporting. Full revision for PPP and Beef Roadmap KPIs to be completed for future reporting cycles.	<i>Relevant across commodities:</i> • Targets question allows reporting on "progress" for NDPE/DCF volumes and mills and other processing facilities • Targets question, Supplier Engagement question, and Compliance question include a clear definition of "action" expected in T1 supplier performance tracking as well as beyond T1 • New risk assessment questions for risk classification • New question that provides breakdown of DCF and non-DCF volumes • More detailed reporting on landscape/jurisdictional engagement <i>PPP</i> • Targets question now includes option related to recycling

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 1: Managing Own Supply Chains



Guidance on the Public Information Requirements in the Roadmap

Public Information Requirements	Guidance	Link to CDP Forests 2023 Questions
1.1 PPP Sourcing Policy including commitment to the forest positive goals (1/2)	Develop and implement your own individual public PPP sourcing policy that includes a commitment to ensure that PPP sourcing is forest positive, including minimizing risk of sourcing from controversial sources and ensuring legality. The policy should include quantitative and timebound targets and internal goals, and be in line with the Coalition’s proposed definition of forest positive PPP and controversial sources (<i>see Element 1 of the Guidance on the Forest Positive PPP Roadmap p.12 for the current forest positive PPP definition and p.16 for the controversial sources definition</i>). The policy goals should include: • There is transparency/traceability of virgin fibre origin, at least to country of harvest and to finer spatial units when needed based on risk and action to mitigate risk; • Virgin fibre is certified to a credible third-party standard or equivalent assurance (where equivalent assurance is used, provide information publicly on the approach taken); • There is further engagement in priority countries and regions where there is still a risk of supply from controversial sources through engagement with suppliers and landscapes; • Fibre use is optimized through increased efficiency and the use of recycled and alternative fibres as well as reducing and reusing packaging where appropriate	• F4.5: Does your organization have a policy that includes forests-related issues? • F4.5a: Select the options to describe the scope and content of your policy. • F4.6b: Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions. <i>Note: new columns request data on the countries/areas selected cutoff dates apply to and the reason for selecting cutoff dates.</i> • F4.6a: Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation? Other related questions: • F0.7a: Identify the parts of your direct operations or supply chain that are not included in your disclosure. • F4.6: For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 1: Managing Own Supply Chains



Public Information Requirements	Guidance	Link to CDP Forests 2023 Questions
1.1 PPP Sourcing Policy including commitment to the forest positive goals (2/2)	<i>Cut-off dates for no-deforestation are in line with sectoral cut-off dates where they exist (e.g. credible third-party standards used by the company) and in all cases are no later than 2020, in line with the Accountability Framework initiative (AFi).</i>	• F4.5: Does your organization have a policy that includes forests-related issues? • F4.5a: Select the options to describe the scope and content of your policy. • F4.6b: Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions. <i>Note: new columns request data on the countries/areas selected cutoff dates apply to and the reason for selecting cutoff dates.</i> • F4.6a: Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation? Other related questions: • F0.7a: Identify the parts of your direct operations or supply chain that are not included in your disclosure. • F4.6: For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 1: Managing Own Supply Chains



Public Information Requirements	Guidance	Link to CDP Forests 2023 Questions
1.2 Timebound action plan	Have a public timebound action plan in place for the actions the company will take to ensure PPP sourcing is forest positive, including target dates.	• F6.1: Did you have any forests-related timebound and quantifiable targets that were active during the reporting year? • F6.1a: Provide details of your forests-related timebound and quantifiable target(s), and progress made. <i>Note: revised question structure to allow for more precise and comparable assessment of progress towards achieving targets. Additional dropdown options to include new target areas, such as driving transformational change in landscapes or sectors.</i>

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 1: Managing Own Supply Chains



KPIs	Guidance	Guidance on Narrative Reporting (if no data)	Link to CDP Forests 2023 Questions
NEW KPI: 1.3 % of total commodity volume that is in scope of Element 1 reporting	a) Report on the % of the total commodity volumes that is in scope of Element 1 reporting. b) Provide a narrative explanation of the % excluded from scope. <i>Note 1: To address existing inconsistencies across the scope of company reporting, the coalition developed a common DCF methodology for PPP including best practice and ambition to including full scope of volumes for DCF reporting. In acknowledgment that for many companies this is not yet possible, the proposed approach is to focus on transparency. For further details on categories of scope to consider, see the CGF-FPC PPP DCF methodology in annex 4.</i> <i>Note 2: It is encouraged that scope of reporting is consistent across all Element 1 KPIs. If scope of reporting differs between these KPIs (e.g. for DCF) clarification is to be provided. The value reported in the '% in-scope' KPI constitutes 100% (the total) for the remaining Element 1 KPIs. Volumes excluded from scope of reporting (out of scope) can also be considered non-DCF and are not captured in the KPI for progressing towards DCF.</i>	Describe in the timebound action plan how the company is planning to progress towards including full volumes of PPP in scope, and provide a narrative explanation of components of scope which have been excluded from reporting	F0.7: Are there any parts of your direct operations or supply chain that are not included in your disclosure? F0.7a: Identify the parts of your direct operations or supply chain that are not included in your disclosure. F1.5d: Why is your organization not disclosing production and/or consumption data for your disclosed commodity(ies)? F1.5e: Why is production and/or consumption data not available for your disclosed commodity(ies)?

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs – Element 1: Managing Own Supply Chains



Guidance on the KPIs in the Roadmap for Manufacturers and Retailers

KPIs	Guidance	Guidance on Narrative Reporting (if no data)	Link to CDP Forests 2023 Questions
1.4 % recycled, % virgin fibres	Report the proportion of total in scope fibre/PPP volume purchased (including fibre-based packaging) which is from recycled fibres. Can also include information on alternative fibres used where available. Report the proportion of total fibre/PPP volume purchased which is from virgin fibres. Disclose the methodology used and scope of fibre products included. For manufacturers: This applies to the material used by the manufacturer member. For retailers: This applies to the fibre used by own brand manufacturers supplying the retailer member. Note: The Roadmap is not focused on recycled fibre but use of recycled material is important so % use will be reported including information on alternative fibres where available.	Describe in the sourcing policy/timebound action plan how the company is planning to optimize use of recycled and alternative fibres and increase efficiency where possible, according to company targets.	• F6.1a: Provide details of your forests-related timebound and quantifiable target(s), and progress made. <i>Note: New guidance now includes % recycled to different schemes (there is no specific reference to virgin fibre in this question).</i>

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 1: Managing Own Supply Chains



KPIs	Guidance	Guidance on Narrative Reporting (if no data)	Link to CDP Forests 2023 Questions
1.5 % of virgin supply certified, and % per scheme and chain of custody model	Report the proportion of total in scope virgin fibre volume purchased (including fibre-based packaging) which is certified, and the proportion per scheme and chain of custody model. Disclose the methodology used and scope of fibre products included. Companies can also report on ‘% of virgin supply with equivalent assurance, including methodology used’ (<i>see Element 1 of the Guidance on the Forest Positive PPP Roadmap p.14 for a definition of equivalent assurance</i>). For manufacturers: This applies to the material used by the manufacturer member. For retailers: This applies to the fibre used by own brand manufacturers supplying the retailer member.	Describe in the sourcing policy/timebound action plan how the company is planning to increase proportion of volumes sourced that are certified.	F6.3a: Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Annex 4: 2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs – Element 1: Managing Own Supply Chains



KPIs	Guidance	Guidance on Narrative Reporting (if no data)	Link to CDP Forests 2023 Questions
1.6 % of virgin supply traceable to origin (at least to country of harvest)	Report the proportion of total in scope virgin fibre volume purchased (including fibre-based packaging) which is traceable to at least country of harvest as an intermediary milestone and to finer spatial units based on risk and action to mitigate risk (note: this will be further revised based on emerging regulation). Disclose the methodology used for determining virgin fibre origin. For manufacturers: This applies to the material used by the manufacturer member. For retailers: This applies to the fibre used by own brand manufacturers supplying the retailer member.	Describe in the sourcing policy/timebound action plan how the company is planning to increase proportion of volumes sourced that are traceable.	• F1.5c: For your disclosed commodity(ies), indicate the percentage of the production/ consumption volume sourced by national and/or sub-national jurisdiction of origin. • F6.2a: Provide details on the level of traceability your organization has for its disclosed commodity(ies).

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 1: Managing Own Supply Chains



KPIs	Guidance	Guidance on Narrative Reporting (if no data)	Link to CDP Forests 2023 Questions
1.7 % of supply from high priority sources	Report the proportion of total in scope fibre/PPP volume purchased (including fibre-based packaging) which comes from high priority sources, according to the company's methodology for prioritisation. Disclose the methodology used for classifying volumes as high priority sources and scope of fibre products included. For manufacturers: This applies to the material used by the manufacturer member. For retailers: This applies to the fibre used by own brand manufacturers supplying the retailer member. Guidance for reporting on this KPI: Volumes which could come from high priority sources*, which include: a) uncertified volumes without equivalent assurance, from unknown countries or high priority countries**, or b) volumes from any other controversial sources <i>*See Annex 1 of the PPP roadmap guidance for the Coalition's High-priority Country List. This is the recommended minimum list of countries to include in reporting, but companies can also use their own methodologies (which need to be transparent). Companies should conduct their own assessments and implement, due diligence where needed beyond countries in the high priority list.</i> <i>**Members to disclose if they are using their own methodology</i>	Describe in the sourcing policy/timebound action plan how the company is planning to categorize volumes which come from high priority sources.	• F2.3*: Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for? • <i>Note 1: New exploratory question asking if companies have classified sourcing areas by deforestation and/or conversion risk. If yes, provide methodology and optional column to upload risk classification. Can be cross-referenced with DCF reporting question (F1.5b).</i> • <i>Note 2: determining high-risk countries is the first step in identifying high-priority countries</i> • F1.5c: For your disclosed commodity(ies), indicate the percentage of the production/ consumption volume sourced by national and/or sub-national jurisdiction of origin.

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 1: Managing Own Supply Chains



KPIs	Guidance	Guidance on Narrative Reporting (if no data)	Link to CDP Forests 2023 Questions
NEW KPI: 1.8 % Deforestation and Conversion free (DCF) volumes and breakdown	Report the % of total in scope virgin PPP volume that is: a) DCF and break-down into: % DCF certified¹ (disaggregated by certification scheme) % DCF monitored (field/remote) <i>Disclose the methodology used to determine whether PPP volumes are DCF/not and how related KPIs were calculated. Methodology to align with the CGF-FPC PPP DCF methodology (annex 4).</i> b) % additional volumes from low-risk origins² (volumes not already reported through the implementation options in metric a). Volumes to be traceable at least to Country of Harvest to report on this metric. c) % year on year change in DCF volume including narrative explanation³	Describe in the timebound action plan how the company is planning to source DCF PPP.	F1.5b*: Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively. <i>Note: New question provides information on verification methods for DCF volumes, and progress on traceability level for non-DCF volumes. ‘Points of traceability’ can be used to determine associated risk of non-DCF volumes. Can be cross-referenced with Risk Classification question (F2.3). For companies with only non-DCF volumes, information can be gathered through original traceability question</i> Other related questions: F2.3*: Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for? F6.3a: Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? F6.4: For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments? F6.4a: Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s). F1.5a: Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free. F1.7: Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

¹% certified to initially be reported as a combination of ‘purchased as certified’, ‘supplier confirmation that material is from a certified source’ and ‘purchased from a certified supplier’. Companies to clarify, under which of these categories their volumes fall.

²Other CGF-FPC commodities use a negligible risk approach, however this has yet to be developed for the forestry sector. Pending development of a negligible risk methodology for the pulp sector, companies are to report separate values for DCF volumes and volumes from low-risk origins, ensuring transparency (see [Annex 4 of the Roadmap guidance](#))

³Please note that the FPC methodology to classify volumes as DCF is continuously evolving to reflect the progress of the sector. The coalition is committed to increasing alignment and transparency of DCF reporting, including the acknowledgment of best practice and ambition for companies to progress towards including full volumes in reporting scope. These steps are central to the coalition's goal of accelerating efforts to remove commodity-driven deforestation from supply chains. This means that every time members update their methodology to align with FPC guidance, % DCF may decrease to increase later.

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 1: Managing Own Supply Chains



KPIs	Guidance	Guidance on Narrative Reporting (if no data)	Link to CDP Forests 2023 Questions
1.9 % volumes under engagement to progress towards DCF	Report on the % of in scope volumes under engagement to progress towards DCF, and change compared to previous year. Describe the engagement, for example: % virgin fibre from forests in the process of being physically certified, % volumes covered by active supplier engagement processes, investment in a landscape initiatives (linked to supply chain), % volumes covered by improved traceability or monitoring	Describe in the timebound action plan how the company is planning to make progress towards sourcing DCF PPP.	No specific question but covered through other CDP questions on certification, supplier engagement, landscape engagement.

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 2: Engaging Suppliers



Guidance on Public Information Requirements in the Roadmap

Public Information Requirement	Guidance	Link to CDP Forests 2023 Questions
2.1 Direct supplier list	Suppliers with whom the company has a direct commercial relationship and from which members sourced PPP in previous year.	• F2.2a: Provide details of your organization’s value chain mapping for its disclosed commodity(ies) - column “Your suppliers’ production and primary processing sites: attach a list of names and locations (optional)”
Recommended Additional Public Info.	Guidance	Link to CDP Forests 2023 Questions
Summary of the Forest Positive Approach	Make available a summary of requirements for suppliers, which describe the company’s expectations in relation to suppliers’ performance. This may be your company’s own set of requirements (which can draw on the Forest Positive Approach or refer to the Forest Positive Approach directly - <i>see summary under Element 2 of the Guidance on the Forest Positive PPP Roadmap</i>) or other tools your company is using.	No related question.
Supplier engagement approach	Recommendation to make available a high-level description of the approach adopted to engage suppliers to communicate performance expectations, assess performance and monitor progress, as well as how related KPIs are calculated.	• F6.8: Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement. • F6.9: Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.



Guidance on the KPIs in the Roadmap for Manufacturers

Element 2

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 2: Engaging Suppliers



Guidance on the KPIs in the Roadmap for Manufacturers

KPIs	Guidance	Guidance on Narrative Reporting (if no data)	Link to CDP Forests 2023 Questions
2.2 Proportion of suppliers informed about the Forest Positive Suppliers approach	Report the proportion of direct suppliers or proportion of volume sourced from direct suppliers to which company's expectations (based on the 5 elements of the Forest Positive Approach) and process for assessing and monitoring performance were communicated, according to the company's approach for supplier engagement. Make available a summary of requirements for suppliers. More detailed KPIs and how to calculate them are presented below: • % suppliers engaged and informed of Forest Positive Approach: Number of suppliers to whom the Forest Positive Approach has been communicated and engaged under an improvement plan divided by total number of suppliers from whom company sourced PPP products in previous year • % volume from suppliers engaged and informed of Forest Positive Approach: Total volume of virgin fibre sourced in previous year (1 Jan – 31 Dec) from suppliers to whom Forest Positive Approach has been communicated and engaged under an improvement plan divided by total volume of virgin fibre sourced in same year	Describe in the sourcing policy/timebound action plan how the company is planning to communicate supplier requirements (aligned with the Forest Positive Approach) and process for assessing and monitoring performance to suppliers.	• F6.1a: Provide details of your forests-related timebound and quantifiable target(s), and progress made. <i>Note: Modification to Targets question that allows for progress/performance reporting over time. Elements of measuring supplier performance broken down into target metrics which can be reported against. This links to the Supplier Engagement question (F6.8/6.9), where promoting compliance with commitments across whole business can be disclosed by CGF suppliers.</i> • F6.8: Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement. <i>Note: Modification to Supplier Engagement question to capture the type and extent of engagement with a company's direct suppliers, and gathers data for measuring supplier performance across their entire business. Performance can be tracked against linked targets.</i>

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 2: Engaging Suppliers



KPIs	Guidance	Guidance on Narrative Reporting (if no data)	Link to CDP Forests 2023 Questions
2.3 Number or proportion of suppliers identified as priority for engagement, and % engaged	Report the proportion, volume, or number of direct suppliers that have been identified as priority for engagement (according to the company's methodology for prioritization) and proportion engaged. Disclose the methodology used to prioritise suppliers for engagement. Guidance in the Roadmap (p. 20) includes: This will involve reviewing all suppliers and identifying as a priority for engagement those that - are not supplying certified products, or - are sourcing from origins with a high risk of controversial sources, or - are not committed to a forest positive approach across their whole supply base.	Describe in the sourcing policy/timebound action plan how the company is planning to prioritise suppliers for engagement.	• F6.1a: Provide details of your forests-related timebound and quantifiable target(s), and progress made. <i>Note: Modification to Targets question that allows for progress/performance reporting over time. Elements of measuring supplier performance broken down into target metrics which can be reported against. This links to the Supplier Engagement question (F6.8/6.9), where promoting compliance with commitments across whole business can be disclosed by CGF suppliers.</i> • F6.8: Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement. <i>Note: Modification to Supplier Engagement question to capture the type and extent of engagement with a company's direct suppliers, and gathers data for measuring supplier performance across their entire business. Performance can be tracked against linked targets.</i> • F6.4a: Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s). <i>Note: new column requests quantitative data on non-compliant suppliers engaged.</i>

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 2: Engaging Suppliers



KPIs	Guidance	Guidance on Narrative Reporting (if no data)	Link to CDP Forests 2023 Questions
2.4 Performance of engaged suppliers and changes over time including progress on delivery across entire business (1/2)	To report on overall progress and change in performance for all engaged direct suppliers, companies can use different KPIs. Some examples of KPIs are presented below: • Average supplier score: Once each supplier has been assessed against their performance on meeting the Forest Positive Approach and assigned, the average score of all suppliers can be calculated • % change in average supplier score: Calculate % change in average score (can be year on year or more regular). NB. It is advised to only compare suppliers who supplied in both periods to show actual change in suppliers' performance. • Number/% of suppliers meeting each of the five requirements under the Forest Positive Approach: Number of suppliers with Public commitment to 'deforestation and conversion-free' across entire commodity business including a public PPP sourcing policy and time-bound action plan with clear milestones; number of suppliers with Mechanism to identify and to respond to non-compliances with policy commitments; etc.	Describe in the sourcing policy/timebound action plan how the company is planning to assess suppliers' performance against expectations (aligned with the Forest Positive Approach) and monitor their progress.	• F6.1a: Provide details of your forests-related timebound and quantifiable target(s), and progress made. • <i>Note 1: Modification to Targets question that allows for progress/performance reporting over time. Elements of measuring supplier performance broken down into target metrics which can be reported against. This links to the Supplier Engagement question (F6.8/6.9), where promoting compliance with commitments across whole business can be disclosed by CGF suppliers.</i> • <i>Note 2: Participation in the CDP Supply Chain program allows CGF members to collect data from their suppliers and report against targets.</i> • F6.8: Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement. • <i>Note1: Modification to Supplier Engagement question to capture the type and extent of engagement with a company's direct suppliers, and gathers data for measuring supplier performance across their entire business. Performance can be tracked against linked targets.</i> • <i>Note2: Participation in the CDP Supply Chain program allows CGF members to collect data from their suppliers and report against targets. Supplier engagement and compliance with Forest Positive Approach can be tracked as a target, populated by supplier data from Supplier Engagement question when companies collect suppliers' data through Supply Chain program.</i> • F6.4a: Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s). <i>Note: new column requests quantitative data on non-compliant suppliers engaged.</i>

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 2: Engaging Suppliers



KPIs	Guidance	Guidance on Narrative Reporting (if no data)	Link to CDP Forests 2023 Questions
2.4 Performance of engaged suppliers and changes over time including progress on delivery across entire business (2/2)	• Change in number/% of suppliers meeting Forest Positive Approach: Calculate change in number of suppliers meeting the Forest Positive Approach (can be year on year or more regular). NB. It is advised to only compare suppliers who supplied in both periods to show actual change in suppliers' performance. • % suppliers assessed in different categories of performance: Number of suppliers in each performance category (low, medium, high and not assessed) divided by total number of suppliers from whom company sourced PPP products in previous year • % volume from suppliers in different categories of performance: Total volume of virgin fibre sourced in previous year (1 Jan – 31 Dec) from suppliers in each performance category (low, medium, high and not assessed) divided by total volume of virgin fibre sourced in previous year	Describe in the sourcing policy/timebound action plan how the company is planning to assess suppliers' performance against expectations (aligned with the Forest Positive Approach) and monitor their progress.	• F6.1a: Provide details of your forests-related timebound and quantifiable target(s), and progress made. • <i>Note 1: Modification to Targets question that allows for progress/performance reporting over time. Elements of measuring supplier performance broken down into target metrics which can be reported against. This links to the Supplier Engagement question (F6.8/6.9), where promoting compliance with commitments across whole business can be disclosed by CGF suppliers.</i> • <i>Note 2: Participation in the CDP Supply Chain program allows CGF members to collect data from their suppliers and report against targets.</i> • F6.8: Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement. • <i>Note1: Modification to Supplier Engagement question to capture the type and extent of engagement with a company's direct suppliers, and gathers data for measuring supplier performance across their entire business. Performance can be tracked against linked targets.</i> • <i>Note2: Participation in the CDP Supply Chain program allows CGF members to collect data from their suppliers and report against targets. Supplier engagement and compliance with Forest Positive Approach can be tracked as a target, populated by supplier data from Supplier Engagement question when companies collect suppliers' data through Supply Chain program.</i> • F6.4a: Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s). <i>Note: new column requests quantitative data on non-compliant suppliers engaged.</i>



Guidance on KPIs for RETAILERS

Element 2

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 2: Engaging Suppliers



Guidance on the KPIs in the Roadmap for Retailers

KPIs	Guidance	Guidance on Narrative Reporting (if no data)	Link to CDP Forests 2023 Questions
2.2 Proportion of suppliers informed about the Forest Positive Suppliers approach	Report the proportion of suppliers or proportion of volume sourced from suppliers to which company's expectations (based on the 5 elements of the Forest Positive Approach) and process for assessing and monitoring performance were communicated, according to the company's approach for supplier engagement. Make available a summary of requirements for suppliers. For retailers, the focus initially will be on own brand suppliers. <i>See examples of KPIs and how to calculate them on p.19.</i>	Describe in the sourcing policy/ timebound action plan how the company is planning to communicate supplier requirements (aligned with the Forest Positive Approach) and process for assessing and monitoring performance to suppliers.	• F6.1a: Provide details of your forests-related timebound and quantifiable target(s), and progress made. <i>Note: Modification to Targets question that allows for progress/performance reporting over time. Elements of measuring supplier performance broken down into target metrics which can be reported against. This links to the Supplier Engagement question (F6.8/6.9), where promoting compliance with commitments across whole business can be disclosed by CGF suppliers.</i> • F6.8: Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement. <i>Note: Modification to Supplier Engagement question to capture the type and extent of engagement with a company's direct suppliers, and gathers data for measuring supplier performance across their entire business. Performance can be tracked against linked targets.</i>

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 2: Engaging Suppliers



KPIs	Guidance	Guidance on Narrative Reporting (if no data)	Link to CDP Forests 2023 Questions
2.3 Number or proportion of suppliers identified as priority for engagement, and % engaged	Report the proportion, volume, or number of suppliers that have been identified as priority for engagement (according to the company's methodology for prioritization) and proportion engaged. Disclose the methodology used to prioritise suppliers for engagement. For retailers, the focus initially will be on own brand suppliers. Guidance in the Roadmap (p. 20) includes: This will involve reviewing all suppliers and identifying as a priority for engagement those that a) are not supplying certified products, or b) are sourcing from origins with a high risk of controversial sources, or c) are not committed to a forest positive approach across their whole supply base.	Describe in the sourcing policy/timebound action plan how the company is planning to prioritise suppliers for engagement.	• F6.1a: Provide details of your forests-related timebound and quantifiable target(s), and progress made. <i>Note: Modification to Targets question that allows for progress/performance reporting over time. Elements of measuring supplier performance broken down into target metrics which can be reported against. This links to the Supplier Engagement question (F6.8/6.9), where promoting compliance with commitments across whole business can be disclosed by CGF suppliers.</i> • F6.8: Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement. <i>Note: Modification to Supplier Engagement question to capture the type and extent of engagement with a company's direct suppliers, and gathers data for measuring supplier performance across their entire business. Performance can be tracked against linked targets.</i> • F6.4a: Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s). <i>Note: new column requests quantitative data on non-compliant suppliers engaged</i>

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 2: Engaging Suppliers



KPIs	Guidance	Guidance on Narrative Reporting (if no data)	Link to CDP Forests 2023 Questions
2.4 Performance of engaged suppliers and changes over time including progress on delivery across entire business	To report on overall progress and change in performance for all engaged suppliers, companies can use different KPIs. See <i>examples of KPIs on pp.19-20 of the PPP roadmap guidance</i>. For retailers, the focus initially will be on own brand suppliers.	Describe in the sourcing policy/timebound action plan how the company is planning to assess suppliers' performance against expectations (aligned with the Forest Positive Approach) and monitor their progress.	• F6.1a: Provide details of your forests-related timebound and quantifiable target(s), and progress made. • <i>Note 1: Modification to Targets question that allows for progress/performance reporting over time. Elements of measuring supplier performance broken down into target metrics which can be reported against. This links to the Supplier Engagement question (F6.8/6.9), where promoting compliance with commitments across whole business can be disclosed by CGF suppliers.</i> • <i>Note 2: Participation in the CDP Supply Chain program allows CGF members to collect data from their suppliers and report against targets.</i> • F6.8: Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement. • <i>Note 1: Modification to Supplier Engagement question to capture the type and extent of engagement with a company's direct suppliers, and gathers data for measuring supplier performance across their entire business. Performance can be tracked against linked targets.</i> • <i>Note 2: Participation in the CDP Supply Chain program allows CGF members to collect data from their suppliers and report against targets. Supplier engagement and compliance with Forest Positive Approach can be tracked as a target, populated by supplier data from Supplier Engagement question when companies collect suppliers' data through Supply Chain program.</i> • F6.4a: Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s). <i>Note: new column requests quantitative data on non-compliant suppliers engaged.</i>

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 2: Engaging Suppliers



Antitrust note: Reporting should be limited to information on the overall performance of Tier 1 Suppliers (aggregated) as the safest option. If members wish to report on individual suppliers' performance, the metrics to be reported on should not include competitively sensitive information (e.g. prices, costs, volumes). There should be no commentary that could imply business is not to be done with a specific supplier based on its performance.

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs – Element 3: Addressing High-priority Origins



V1.5 of the Roadmap does not include KPIs for Element 3 (*see Annex 1 of the PPP roadmap guidance for the High-priority Country List*).

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 4: Engaging in Production Landscapes



Guidance on the Public Information Requirements and KPIs in the Roadmap for Manufacturers and Retailers

Public Information Requirements and KPIs	Guidance	Link to CDP Forests 2023 Questions
4.1 Priority production landscapes identified	List the priority landscapes that your company has identified ☐ Priority area or landscape initiative 1 ☐ Priority areas or landscape initiative 2 ☐ Etc.	• F6.10a: Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation. <i>Note: new drop-down options and revised column requests data on the process of prioritizing landscapes/jurisdictions for engagement</i>
4.2 Methodology used to identify priority production landscapes to transform to forest positive	Report on methodology used for the prioritisation of landscapes ☐ Using company specific methodology to prioritise production areas to engage in to transform towards forest positive areas? ☐ Using an existing methodology for prioritising production landscapes. Please select from the list below: ○ CGF Forest Positive Coalition to select landscape initiatives through process of Expression of Interest ○ Linkages to identification of commodity specific high priority areas/ high-risk origin areas linked to Element 3 ○ AFI work with Trase and others on identifying low and high priority areas ○ Other, namely: ☐ Methodology not yet developed	• F6.10a: Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation. <i>Note: new drop-down options and revised column requests data on the process of prioritizing landscapes/jurisdictions for engagement</i>

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 4: Engaging in Production Landscapes



Public Information Requirements and KPIs	Guidance	Link to CDP Forests 2023 Questions
4.3 # of landscape initiatives currently engaged in	Report on how many landscape initiatives your company is contributing to in this current year. <i>Note: this can differ from and/or include only a sub-set or selection of the prioritised landscape initiatives or areas.</i> ☐ Number of landscape initiatives engaged in:	Related questions: • F6.10: Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals? • F6.10b: Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year. <i>Note: Can be used to calculate number of landscape initiatives engaged in by adding up the number of initiatives reported on in this question.</i>
4.4 For each landscape initiative your company is currently engaged in, information on:		• F6.10b: Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year
4.4a) Name, location, timeline and other partners involved	Report on the following for each landscape initiative currently engaged in: ☐ Name of the initiative: ☐ Location of the initiative (country and region): ☐ Committed timeline of engagement (number of years or until when): ☐ Other partners involved (including other Coalition members and key stakeholders):	<i>Note: new columns request data on types of stakeholders engaged</i>

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 4: Engaging in Production Landscapes



Public Information Requirements and KPIs	Guidance	Link to CDP Forests 2023 Questions
4.4b) Report on type of engagement (e.g disbursed financial, in-kind, capacity, preferential sourcing)	Report on how you contribute/support the landscape initiative ☐ Disbursed financial support: ☐ In-kind support, including: ☐ Preferential sourcing: ☐ Other, including: Alternatively, please refer to the engagement categories identified by SourceUp or CDP.	• Also F6.10c*: For each of your disclosed commodities, provide details of the production/consumption volumes from each of the jurisdictions/landscapes you engage in. <i>Note: new question which can be used to report on preferential sourcing</i>
4.4c) Specific actions or projects that are supported	List the specific activities support for the current year that you support: ☐ Activity 1: ☐ Activity 2: ☐ Etc.	
4.4d) How the actions intend to address systemic issues and contribute to delivering forest positive goals (at least one of conservation, restoration, positive inclusion of farmers and communities, multi-stakeholder platforms or partnerships)	Select which of the following forest positive elements the initiative contributes to: ☐ Conservation and sustainable management of forests and natural ecosystems ☐ Restoration and rehabilitation of deforested areas and natural ecosystems ☐ Positive and lasting inclusion and resilience of farmers and local communities ☐ Sustainable partnership development. ☐ Other, e.g. specific goals or outcomes of the landscape initiatives	

2024 Reporting Guidance for the Forest Positive PPP Roadmap KPIs

– Element 4: Engaging in Production Landscapes



Public Information Requirements and KPIs	Guidance	Link to CDP Forests 2023 Questions
4.4e) Linkages to shared landscape-level goals developed through multi-stakeholder process	<i>In cases where the landscape level initiative has defined goals that are different from or additional to the elements of Forest Positive listed under 4.d</i> Report on how specific action(s) and/or project(s) that are supported are linked to or contribute to specific landscape level goals, objectives our outcomes where these have been defined. Support / contribution to landscape level specific goal of the initiative: ☐ Goal, objective, outcome 1: ☐ Goal, objective, outcome 2:	<i>Note: new columns request data utilization of a collective monitoring framework</i>

Annex 4.

CGF Forest Positive Coalition

PPP DCF methodology

Version 0 Developed by the Forest Positive
Coalition of Action

November 2023



Guidance: Deforestation-and Conversion-free (DCF) Methodology



The CGF Forest Positive Coalition has developed recommended guidance on best practice for reporting on **%DCF volumes**. This document provides a proposed framework for credible reporting by companies.

The CGF FPC PPP Roadmap includes a proposed **KPI to track %DCF volumes**. The coalition is also working to further **socialize** the methodology with the **wider sector**.

The development of Version 0 of the proposed PPP DCF methodology has been led by the FPC PPP Working Group (PPP WG) with Proforest's support and **AFi/CDP consultation**.

Contents: CGF-FPC DCF Guidance for PPP



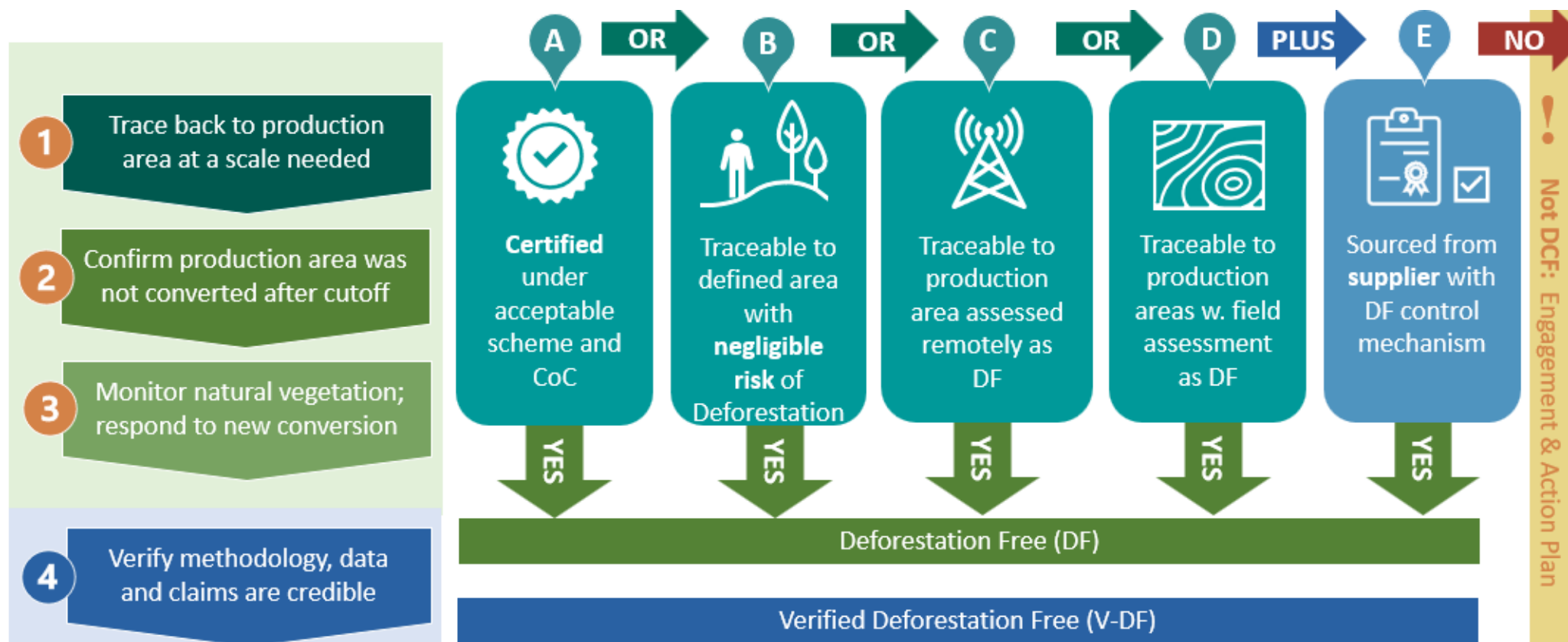
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Introduction to Generic Deforestation and Conversion Free (DCF) Methodology

A high-level overview of the generic DCF
methodology

Introduction: The Generic DCF Methodology



- There are **3 key steps** to confirm the production of raw material was deforestation free (DF).
- The **detailed DF methodology** for every commodity will vary depending on factors such as location, size of producer, production system etc.
- For each commodity, the methodology elements are **developed in detail** for all implementation options being used.
- In general, any **combination** of these different options can be used to demonstrate DCF.
- Where none of them can be applied, the material cannot be considered DF and **engagement and further action** is recommended.
- For **directly sourced volumes**, any combination of implementation options A to D can be used.
- For **indirectly sourced volumes** (E), provide confirmation that an appropriate combination of A to D is being used.

Note:

* The generic DCF methodology is developed in consultation with key partners, including AFi, CDP, Trase, and many others.



The DCF Methodology for PPP

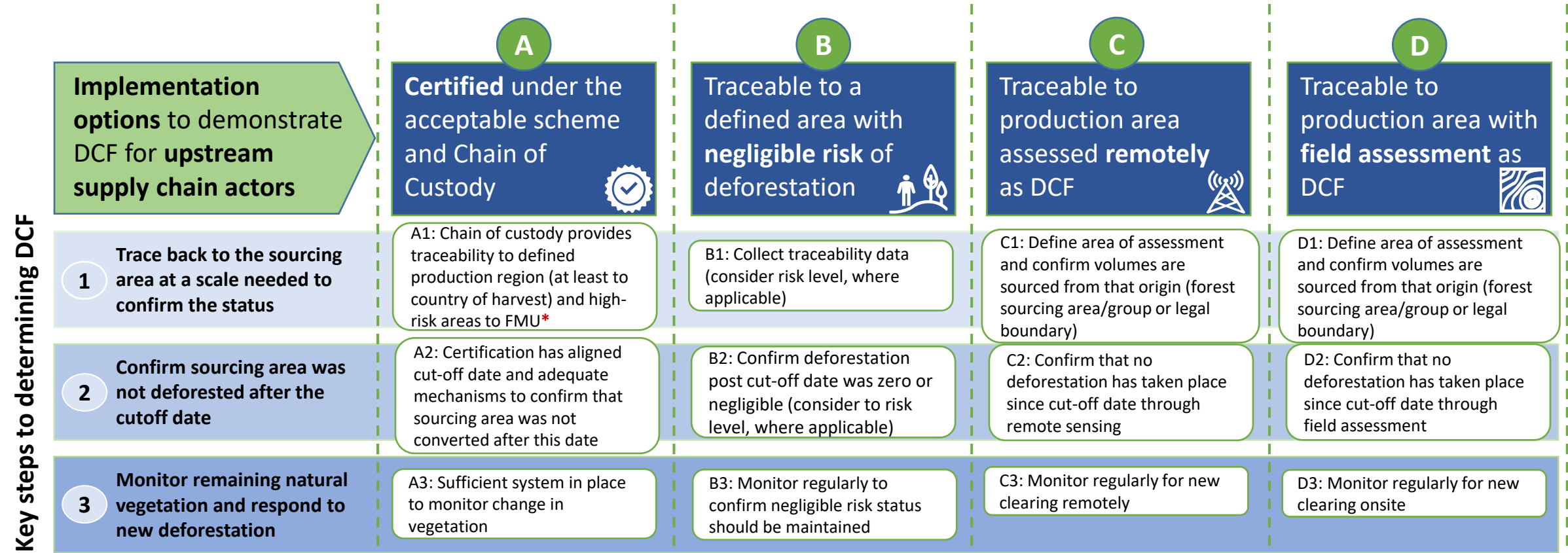
Applying the generic DCF methodology
in the context of PPP

Process to make DCF claims for PPP: Direct supply

(Upstream companies, suppliers and downstream companies with robust traceability to production area data)

There are **three steps** to determine if production of PPP was deforestation and conversion free (DCF) with any combination of implementation options available to demonstrate DCF - where none of them can be applied, the material cannot be considered DCF and engagement and further action is recommended.

Proposal for cut-off date: The DCF methodology builds from the PPP Roadmap Guidance as much as possible. *“In line with sectoral cut-off dates where they exist (e.g. credible third-party standards used by the company) and in all cases are no later than 2020, in line with the Accountability Framework initiative (AFi)”.*

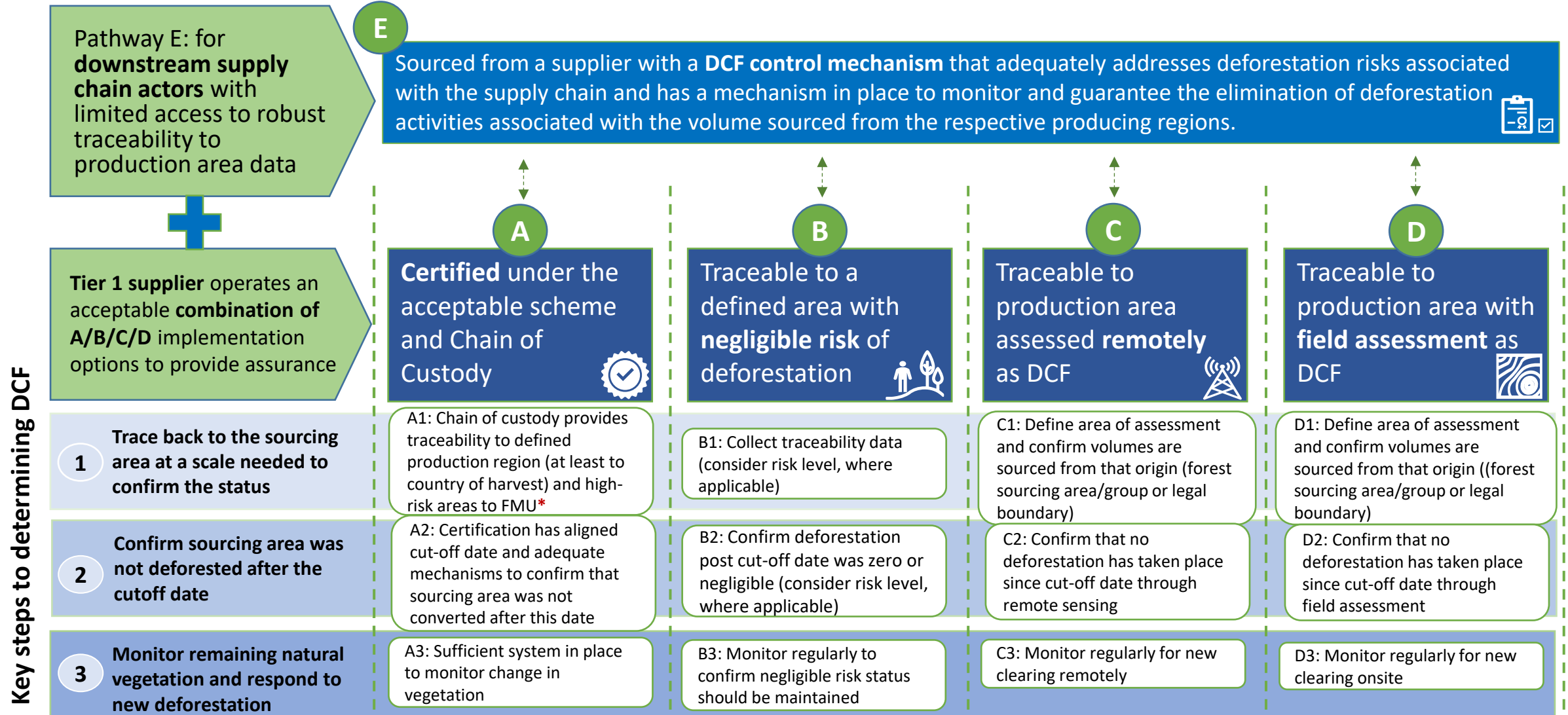


*Certification scheme may not automatically provide access to this data

Note on scope: The DCF methodology aims to align as closely as possible with the PPP Roadmap, so the product scope should cover all fibre-based products including both packaging and pulp & paper products (the main focus should be own brand/private label for retailers). See slides 90-92 for more detail.

Process to make DCF claims for PPP: Indirectly sourced volumes

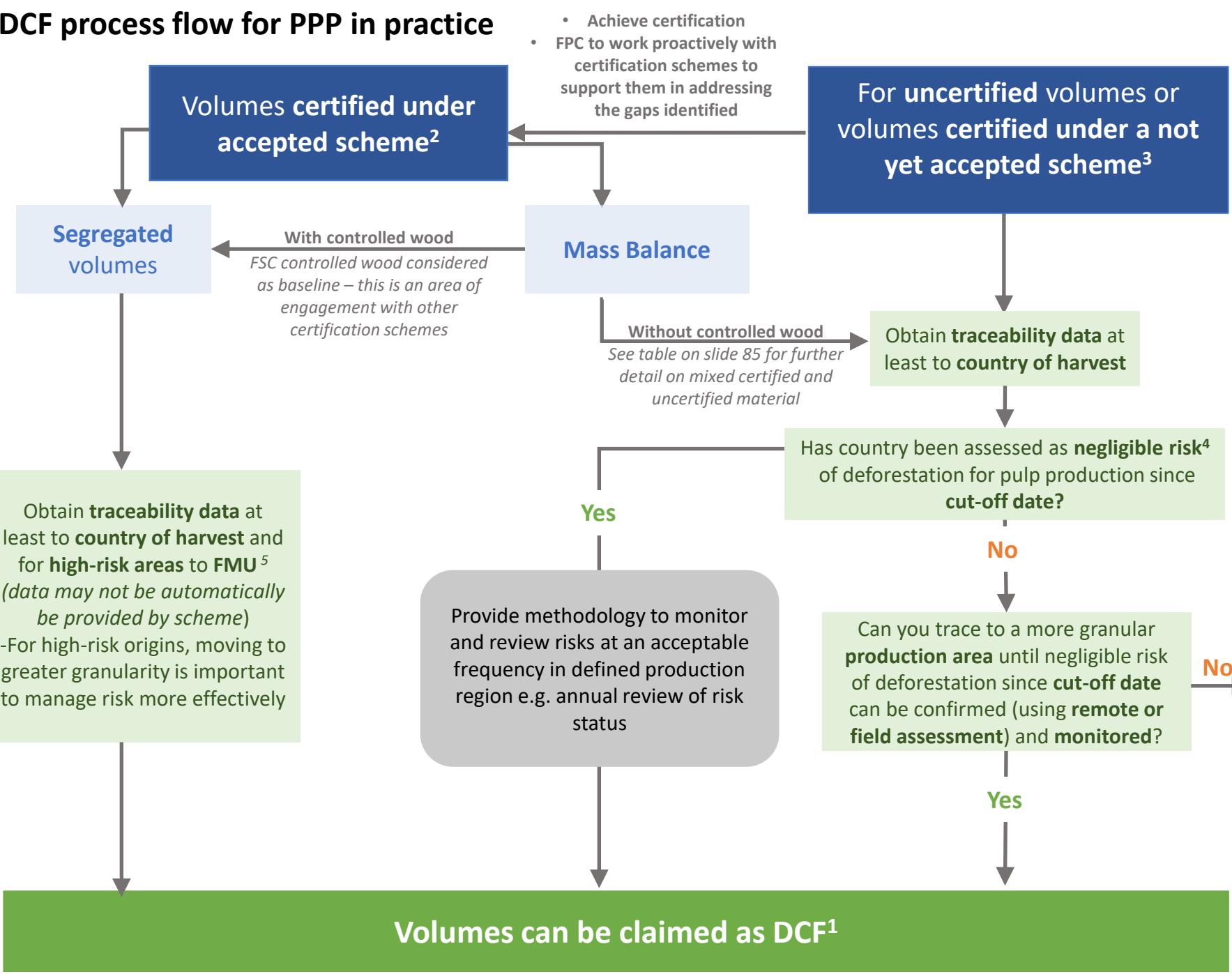
(Downstream companies with limited access to robust traceability to production area data e.g. retailers and some downstream manufacturers)



*Certification scheme may not automatically provide access to this data

Note on scope: The DCF methodology aims to build on the PPP Roadmap as much as possible, so the product scope should cover all fibre-based products including both packaging and pulp & paper products (the main focus should be own brand/private label for retailers). See slides 90-92 for more detail.

DCF process flow for PPP in practice



Notes:

¹Post-consumer recycled fibre is already considered to be DCF so is not shown in this flowchart. Companies should consider both recycled and virgin DCF fibre as DCF.

²This methodology assumes that ‘certified under accepted scheme’ relates to certified claims and volumes purchased by the FPC member company. If certified claims aren’t purchased, additional mechanisms through the ‘uncertified volumes’ route of the flowchart should be used. In the case of a certified T1 supplier/mill, those volumes will fall into Implementation Option E - the supplier DCF control mechanism option, as the supplier’s control mechanism will be through their certification (see slides 83-85 for detail on certification)

³ Companies can review the level of assurance the scheme does provide and whether it already provides a degree of assurance for DCF and what complementary actions are needed to ascertain DCF.

⁴Other CGF-FPC commodities use a negligible risk approach, however this has yet to be developed for the forestry sector (see slide 88). Pending development of a negligible risk methodology for the pulp sector, companies are to report separate values for DCF volumes and volumes from low-risk origins.

⁵ In regions of medium to high risk, traceability data should be obtained at a scale sufficient to determine DCF status. To manage risk more effectively it is recommended to achieve a level of granularity beyond just country of harvest.

Volumes not yet DCF

Programmes which may assist in progression towards DCF alongside implementing steps to improve traceability and monitoring include:

- 1. Supplier engagement:** Development of action roadmaps with suppliers to support movement towards certification or DCF compliance – see Element 2 of the PPP Roadmap⁶
- 2. Engagement with certification schemes (ongoing):** For volumes certified under a not yet accepted scheme
- 3. Engagement in landscape initiatives:** For uncertified volumes

Volumes that are in progress can be reported as ‘progressing towards DCF’ –further discussion on this is needed within the PPP WG, including guidance and the potential development of KPIs to track these metrics.

⁶Discussion on engagement also at the level of pulp mills ongoing within PPP WG



Implementation options for demonstrating DCF



Certified under an acceptable scheme and Chain of Custody



For certification schemes to be classified as an ‘acceptable scheme’, assessment is based on their delivery of the [main AFi requirements for DCF](#). These recommendations include criteria on prohibiting deforestation and conversion after a stated cut-off date, as well as using a chain of custody model that allows products to be linked to the site on which they were produced e.g. the provision of traceability data to the buyer. Certification scheme [definitions of deforestation, degradation and conversion](#) are also expected to align with those of AFi. For more details on certifications schemes, see next slide.

The PPP Working Group is monitoring progress and actively engaging with relevant certification schemes e.g. FSC, PEFC and SFI

A

Certified under an acceptable certification scheme

Certification Scheme	Deforestation-free (DF as per 2023 position – aligned to EUDR) NB: Forest degradation not included	Deforestation and conversion-free (DCF) NB: the "C" incorporates Non-Forest Conversion	Forest degradation-free (as per AFi definition) NB: Severe and Sustained degradation
FSC FM	Accepted	<u>Under revision</u> The degree to which the certification schemes are consistent with the FPC conversion and forest degradation criteria is currently undergoing a more in-depth revision. This process is to keep to the group's decision to incorporate these issues into the methodology from 2025 onwards, while also taking into account the ongoing revision processes that certification schemes are respectively undertaking.	
FSC CW	Accepted		
PEFC FM	Accepted – only if from CoH where the nationally endorsed scheme is aligned to EUDR		
PEFC CS	Not Accepted – no cut off date		
SFI FM	Accepted		
SFI CS	Not Accepted - no cut off date and definition not strong enough (only regional decline)		

Consideration of conversion and degradation



The group has considered how the following components should be included within the methodology:

- Conversion of grasslands and non-forest ecosystems to plantation and Degradation – [see AFi definitions](#)

The group agrees that conversion and degradation should be included within the methodology. Until 2025, the primary focus is delivering on deforestation, while in parallel also improving understanding and reporting on conversion and degradation to ensure full inclusion by 2030. The approach from 2025 onwards is to build full inclusion and further define this scope, potentially requiring the development of robust KPIs for monitoring.

Approach in practice: Accept the level of coverage on conversion and degradation included in the most widely used certification schemes until 2025 (see slide 82 for information on the different levels of coverage¹). Full inclusion of both degradation and conversion by 2030 (either through improved certification scheme criteria or other supportive mechanisms).

- This scope is applicable for all implementation options (beyond just certification)

Notes:

¹This is a key area for collaborative engagement with the certification schemes to ensure that schemes sufficiently address these issues.

Traceable to a defined area with negligible risk of deforestation

Steps to determine area is DCF

Steps to identify and respond to new DCF



For PPP, sourcing is scattered globally, including sourcing from many countries of low risk. The priority for companies is for engagement in high and medium risk areas. There is limited data available on clarifying low risk vs negligible risk and the extent of deforestation, with no sectoral framework currently available for negligible risk.

- **A negligible risk approach** (defined as very close to no risk) would require the development of a full methodology and a list of negligible risk origins e.g. as done for the Beef and Soy DCF workstreams. Language on Negligible risk has been used for the other CGF-FPC commodities DCF methodologies.
- So far, the PPP approach has recognized **high-risk and low-risk areas** rather than negligible risk.

Approach: The PPP DCF methodology is to use ‘Low risk’ terminology¹ as an interim approach, pending the development of a negligible risk methodology for the pulp sector. Low risk of deforestation in the context of PPP is adequate as an interim approach because of strong controls in many countries.

- **Volumes from low-risk countries to be reported separately to DCF volumes** (report % volume that is DCF, and % from the remaining volumes that are from low-risk countries), ensuring transparency.

Companies to develop their **own lists of countries** building on resources such as:

- [FSC Risk Assessment Platform](#): overview of the contents of all 60 FSC risk assessments for use when applying ‘FSC-STD-40-005 Requirements for Sourcing FSC Controlled Wood’
- [The Global Illegal Logging and Associated Trade Risk Assessment Tool](#) (from Forest trends): makes publicly available global timber trade data, as well as key proxies/indicators of risk for 211 countries
- [Earthworm Foundation country prioritisation matrix \(CPM\) approach](#): This work can be used by CGF-FPC members to inform their classification of countries according to deforestation rating (low/medium/high). The CPM also provides information on degradation, legality, land rights and labour rights. The low-priority category of the Country Prioritisation Matrix developed with Earthworm Foundation is not equivalent to negligible risk of deforestation.
- Pending future developments from the EU commission – the methodology for risk classification will aim to align with the EUDR risk guidance where possible

Note: Following discussion from the PPP WG there is potential for further study related to risk regions in future workplans

¹Where possible, low-risk definition considers low-risk of deforestation, conversion and degradation, with full inclusion of both degradation and conversion by 2030 (see slide 86)

For non-certified material

C Traceable to production area assessed remotely as DCF since cut-off date

Implementation option less frequently used, however still used by some CGF-FPC members e.g. to analyze deforestation in relation to radius of pulp mills

Steps to determine area is DCF



Steps to identify and respond to new DCF

D Traceable to production area with field assessment as DCF since cut-off date

Implementation option is relevant through auditing process, most applicable for upstream companies

Steps to determine area is DCF



Steps to identify and respond to new DCF

Sourced from supplier with DCF control mechanism



This pathway is most relevant for **downstream supply chain actors** with limited access to robust traceability to production area data:

Ensure **Tier 1 supplier** operates an acceptable **combination of A/B/C/D** implementation options to provide assurance (DCF control mechanism)



Develop a methodology/criteria for individually **evaluating approaches and data** being used and **approving suppliers** (either directly or through a third party for methodological development)



Comment: Companies currently implement a variety of different DCF control mechanisms.

- Group feedback suggests that identifying a minimum proposed set of criteria to define what are credible requirements for **T1 suppliers on DCF methodology and verification** would be useful, to be used as the basis of guidance for a proposed supplier DCF assessment methodology
- Pending confirmation from the PPP WG, this can be included in the future workplan. In the meantime, companies are to continue to determine their own methodology for assessing supplier DCF controls.



Guidance on the scope of reporting

Developing consistency on the scope reporting

The CGF-FPC acknowledges best practice and ambition for companies to progress towards including full volumes in reporting scope. To bring consistency and transparency on the scope of reporting, the Coalition's methodology highlights the need to report publicly on % of total volume in scope of DCF reporting, and transparency on what has been excluded from each category (*see next slide for guidance*).

Categories include scope of:

Products	Suppliers	Legal entities/ business affiliation	Production type
• <i>Own Brand vs non-Own Brand</i> • <i>Product type (e.g. palm derivatives, fibre-based packaging, leather)</i> • <i>Product lines</i>	• <i>Volumes from which suppliers e.g. top x suppliers covering 80% of volume (aggregated)</i>	• <i>Direct buy vs indirect buy (e.g. Franchisees, Joint ventures, Co-manufacturers)</i> • <i>Which part of business associated with the brand (e.g. not reporting across Group level)</i>	• <i>e.g. Independent smallholders</i>

Guidance on the scope of reporting



To address existing inconsistencies across the scope of company reporting, the coalition acknowledges best practice and ambition to progress towards including full volumes in reporting scope¹.

In acknowledgment that for many members this is not yet possible, the proposed approach is to focus on transparency. Report publicly:

- a) **% of total volumes in scope**
- b) **An explanation of the % excluded from scope**

Alignment with CDP/AFi for reporting is also a future action area.

To support companies in defining scope, see checklist below on what is included for full scope of reporting on PPP:

100% in scope² =

Checklist for Manufacturers

- ✓ All product types: P&P products and fibre-based packaging
- ✓ All production types
- ✓ All suppliers in scope of reporting
- ✓ Direct and indirect buy *e.g. co-mans, JVs, franchisees*

Checklist for Retailers (focus on own-brand volumes)

- ✓ All product types: P&P products and fibre-based packaging
- ✓ All product lines
- ✓ Reporting across group level
- ✓ Direct and indirect buy

Notes:

¹Be clear about target dates to achieve DCF across full scope.

² The group will further discuss what is considered as 100% scope – as PPP is so diverse. There may also be benefit in separating reporting on total volumes for products versus fibre-based packaging categories. Companies to use the EUDR list of relevant products from the Wood section as a guidance on full scope ([Annex 1 pp. 40](#)). The group can provide feedback on this list to identify any products deemed to be missing.



Annex of the PPP DCF Methodology:

**DCF Methodology
and European Union Deforestation
Regulation
(EUDR)**

Understanding the relevance of the DCF
methodology towards EUDR compliance

An Overview of European Union Deforestation Regulation (EUDR)

Outline of definitions, scope, and main requirements

EUDR scope and key definitions

- * Regulation covers **deforestation, forest degradation & legality of country of production**
- * Applies to **cattle, cocoa, coffee, oil palm, soya, rubber and wood**
- Upcoming reviews in 2024 -'25 will consider scope expansion to
 - additional commodities/products,
 - natural ecosystems”,
 - and finance sector.

‘deforestation-free’ under the EUDR means

- that the relevant products contain, have been fed with or have been made using, commodities that were produced on land that has not been subject to deforestation after December 31, 2020, and
- in case of relevant products that contain or have been made using wood, that the wood has been harvested from the forest without inducing forest degradation after December 31, 2020;

Forest definition based on FAO:

- land spanning more than 0,5 hectares with trees higher than 5 metres and a canopy cover of more than 10%, or trees able to reach those thresholds in situ, excluding land that is predominantly under agricultural or urban land use
- Forest definition explicitly excludes “agricultural plantations” (includes oil palm and agroforestry systems)

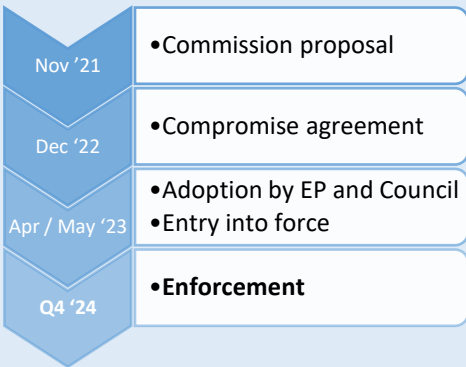
International law and laws of country of production:

- Includes labour rights laws; **human rights protected under international law** including FPIC; local tax, anti-corruption regulations

Primary obligations and timeline

*Companies need to:

- Ensure products placed on the EU market or exported from the EU:
 - Are **deforestation-free** following the EUDR definition
 - Comply with relevant **legislation of the country of production** (both national and international)
- By carrying out due diligence procedures on relevant commodities, meaning:
 - Collect data** on the source of a commodity/product
 - Geographic coordinates of all plots of land** where commodities were produced, (polygons required for plots of land more than 4 ha.)
 - Assess and mitigate risks** of non-compliance using available data sources and adequate and proportionate policies, controls and procedures
- Resulting in the following documentation to be provided to competent authorities:
 - A due diligence or ‘compliance’ statement for each shipment/product entering the EU market
 - Annual report on implementation of due diligence procedure
 - Documentation of risk assessment and mitigation procedures



✓ Existing tools such as certification, remote assessments, and field assessments can be used in the DD process

! HOWEVER geolocation and traceability data to all land plots are not provided by most existing tools

! Operators or traders may mandate an authorised representative to make available the due diligence statement on their behalf but retain the responsibility for the compliance

Applies to all operators and traders placing products on the EU market or exporting products from the EU market, regardless of their size, their legal status, or whether they are EU or non-EU companies.

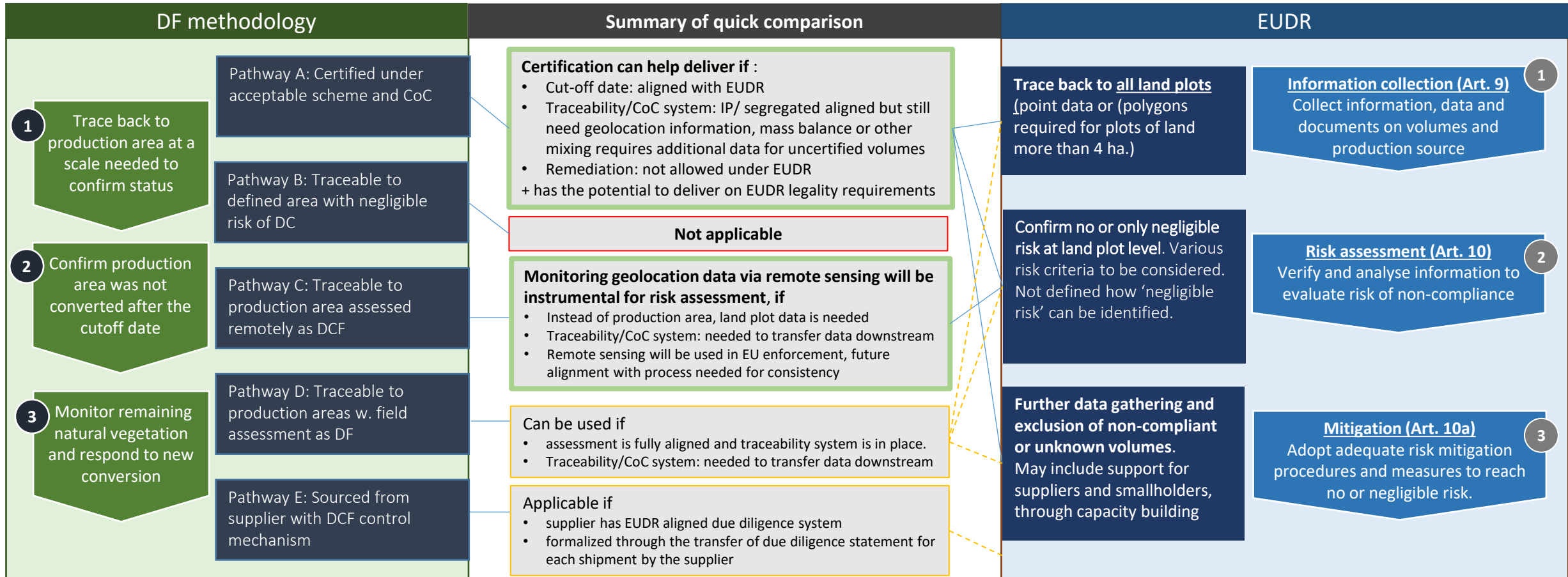
Notes:

- * The scope of EUDR **does not** currently cover the conversion of other natural ecosystems.
- * The full list of relevant products, including specific derivatives and embedded commodities covered in EUDR product scope can be found in Annex 1.
- * The term “Companies” refer to both operators and traders in the context of EUDR.

Generic DF Methodology and the EUDR Due Diligence Process

Assessing DCF pathways and means towards EUDR compliance

**tentative analysis based on evolving information on EUDR implementation and compliance*



A combination of certification data, remote assessments, and mapping of individual producers are likely the most effective mix towards DCF claims AND EUDR compliance **IF traceability and data management systems from all suppliers are in place** (upstream actors are able to pass on required EUDR information to their customers in compliance with antitrust rules)

Take-aways and Remaining Questions

Actions towards EUDR compliance needed but implementation hampered by lack of clarity

Take-aways

1. Companies applying the DCF methodology, and its controls have a due diligence system in place **that broadly aligns with the EUDR obligations and, in some aspects, goes beyond it**
 - A combination of certification, remote assessments, and mapping of producers will enable EUDR compliance
 - Companies and their suppliers need to assess compliance gap with EUDR while retaining DCF commitments and methodology roll-out
2. A **critical difference is the EUDR requirement on geolocation** and traceability data to all land plots, which does not allow for more flexible and cost-effective monitoring
 - requiring upstream suppliers to start improving their ability to identify point data for production area will be important
 - An EU-wide system to check geolocation data for each shipment will be put in place over time
3. While **implementation will be mandatory by end of '24**, uncertainties about the implementation of the EUDR persist, preventing more in depth-guidance and collaborative action to work towards compliance

Remaining Questions

4. Lack of clarity on the practicalities of EUDR prevent immediate action
 - What constitutes a viable mitigation action and how 'negligible risk' is defined
 - Which geospatial data sources will be the reference point for enforcement
5. Additional grey areas in the EUDR's design prevent detailed analysis
 - The process and flexibility on geolocation data collection and transfer
 - The definition of legality and how to monitor it
 - Country benchmarking methodology

(See [here](#) for discussion paper and recommendations for a forest positive impact)



Annex 5: Tracker of Updates to the Guidance on the Forest Positive PPP Roadmap

Annex 5: Tracker of Updates to the Guidance on the Forest Positive PPP Roadmap



Version of the PPP Roadmap Guidance	Updated Content	Date
v.1	First publication	February 2023
v.1.1	Addition of Annex 4: The CGF-FPC PPP DCF methodology and Annex 5: Tracker of updates	November 2023
v.1.2	Addition of the high-priority country list, risk mitigation guidance and updates to Element 3 to reflect these additions	April 2024
v.1.3	Update of Annex 4 (Reporting guidance on the Forest Positive PPP roadmap KPIs)	June 2024
v1.4	Minor language updates	September 2024
v1.5	Update of reference to high-priority countries	March 2025
V1.6	Minor language updates	August 2025
V1.7	Update on prioritised KPIs post-2025	May 2026
V1.8	Update to certification scheme implementation option table	July 2026



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