

# CGF Forest Positive Coalition

## Intro to the PPP DCF Methodology

July 2025



proforest



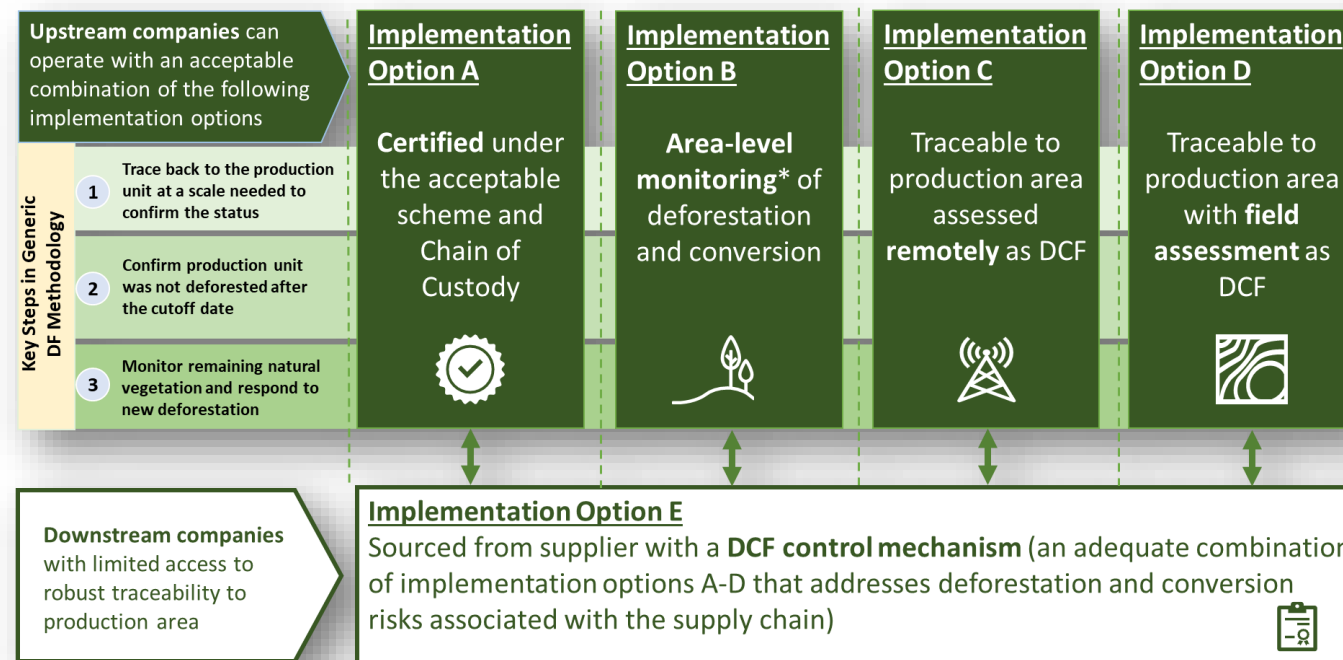


# Introduction

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## Objective of the webinar

- Key users to understand the CGF Forest Positive Coalition's Deforestation and Conversion Free Sourcing Methodologies
- To improve key users' ability to support CGF-FPC member DCF reporting



\*Sectorally aligned language; formerly referred to as "negligible risk"



# CGF Forest Positive Coalition & Theory of Change

# The Consumer Goods Forum: Forest Positive Coalition



## Members:



## Partnerships:



# CGF Forest Positive Coalition: Theory of Change



# CGF Forest Positive Coalition: Commodity Roadmaps



## The Roadmaps



Palm Oil



Soy



PPP



Beef

## Five Elements of the Roadmaps

- Managing own supply chains;
- Working with suppliers, traders and/or meatpackers;
- Monitoring production bases;
- Engaging in production landscapes and regions; and
- Promoting transparency and accountability,

*With individual and collective commitments,  
actions, and KPIs for each element*

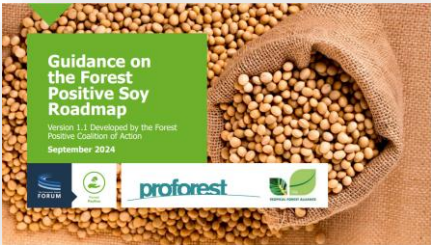
# CGF Forest Positive Coalition: Resources Available



## Roadmap Implementation Guidance



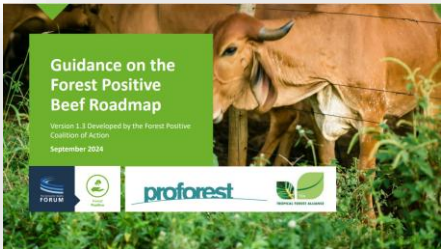
Palm Oil



Soy



PPP

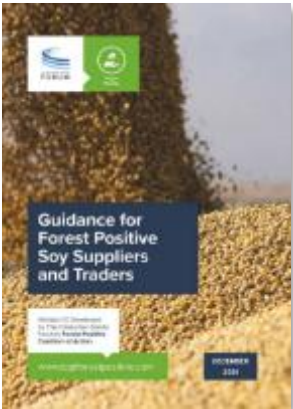


Beef

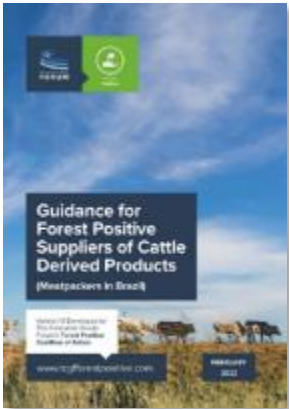
## Guidance for Forest Positive Suppliers



Palm Oil



Soy



Beef (EN)



Beef (PT)

## Palm Oil Monitoring & Response Framework



# FPC Roadmaps: Element 1



Element 1 covers members' own supply chains and volume sourcing, including a commitment to be deforestation and conversion free with corresponding KPIs to track progress to DCF.



## DCF COMMITMENT

Public commitment to eliminate legal and illegal deforestation and conversion of natural ecosystems in the commodity supply chain



## KPI REPORTING

**KPI:** % DCF for commodity volume using FPC commodity specific DCF Methodology

**SCOPE:** Report on full commodity scope, and disclose any exclusions

# FPC Roadmaps: Element 2



Element 2 covers how members' suppliers can be 'forest positive' across the supplier's commodity business, not just for volumes sourced by FPC members.



## COMMITMENT

Members communicate and implement the 'forest positive approach' with suppliers and collaborate with them to address barriers to sector-wide progress.



## KPI REPORTING

**KPIs:** Suppliers engaged on the elements of the Forest Positive Approach as well as supplier performance

**SCOPE:** Suppliers commit and implement the approach across their commodity business



# Generic FPC DCF methodology

# Generic DCF Methodology

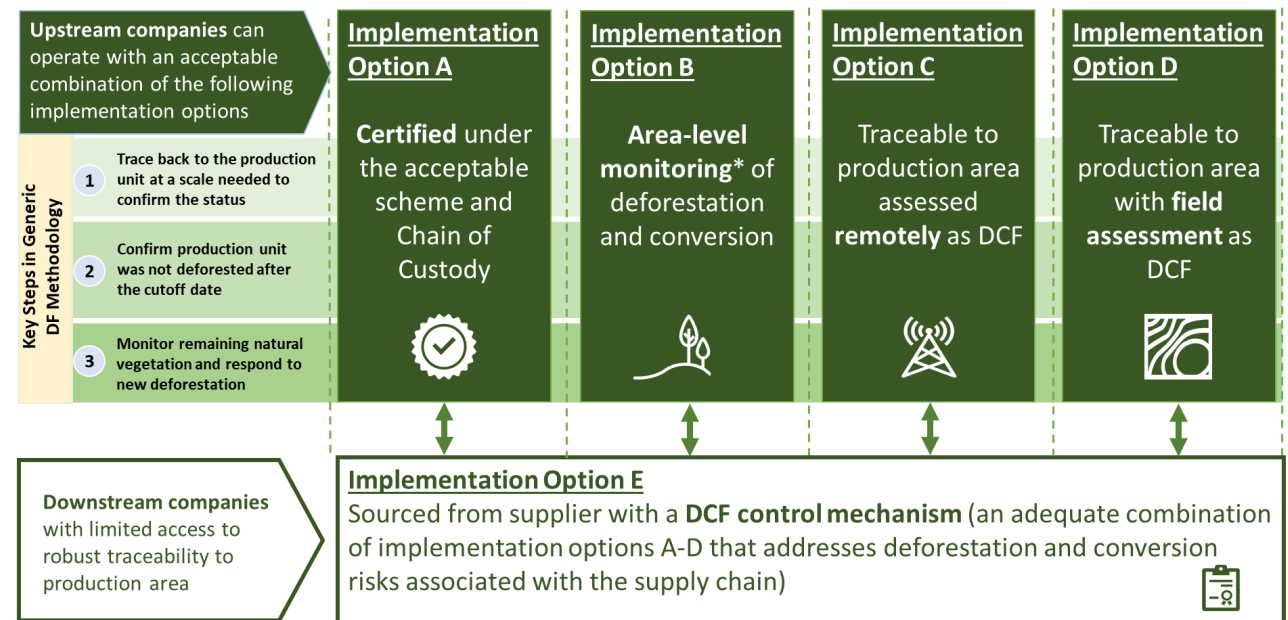


Developed in consultation with key partners, including:



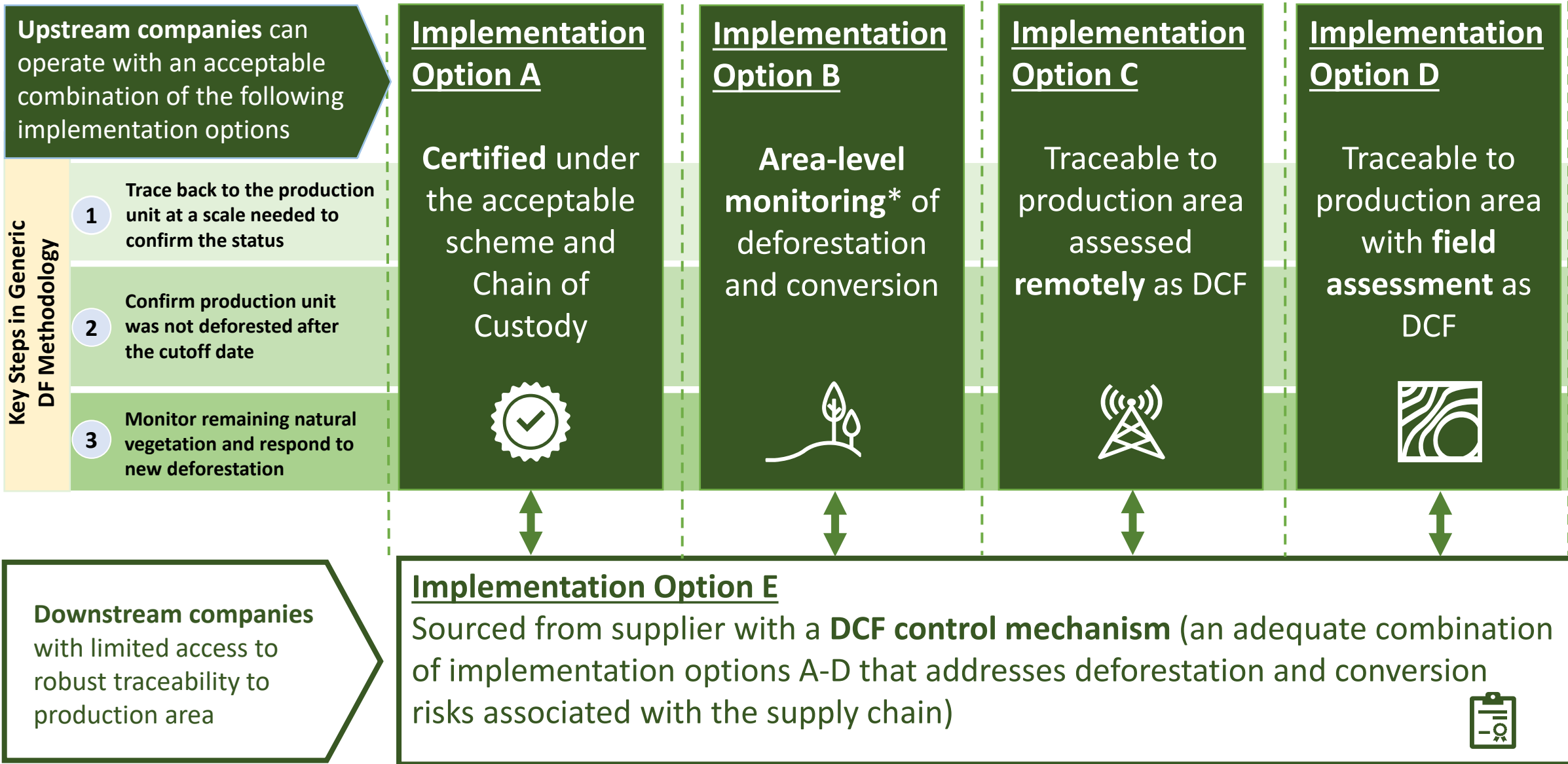
**Alignment:** The coalition has worked to achieve an aligned approach to DCF to provide greater consistency and credibility for reporting on %DCF volumes across members and in the sector. By socialising the methodology, the coalition can support wider uptake and alignment across the sector.

**Transparency:** The coalition has a commitment to report transparently on DCF, with the intention to engage suppliers to uptake these same principles.



*\*Sectorally aligned language; formerly referred to as “negligible risk”*

# Generic DCF Methodology



\*Sectorally aligned language; formerly referred to as “negligible risk”

# Generic DCF Methodology



The generic methodology is adapted into commodity specific interpretations for each of the four CGF-FPC commodities



*Palm  
Oil*



*Soy*



*Pulp, Paper, and  
fibre-based  
packaging*

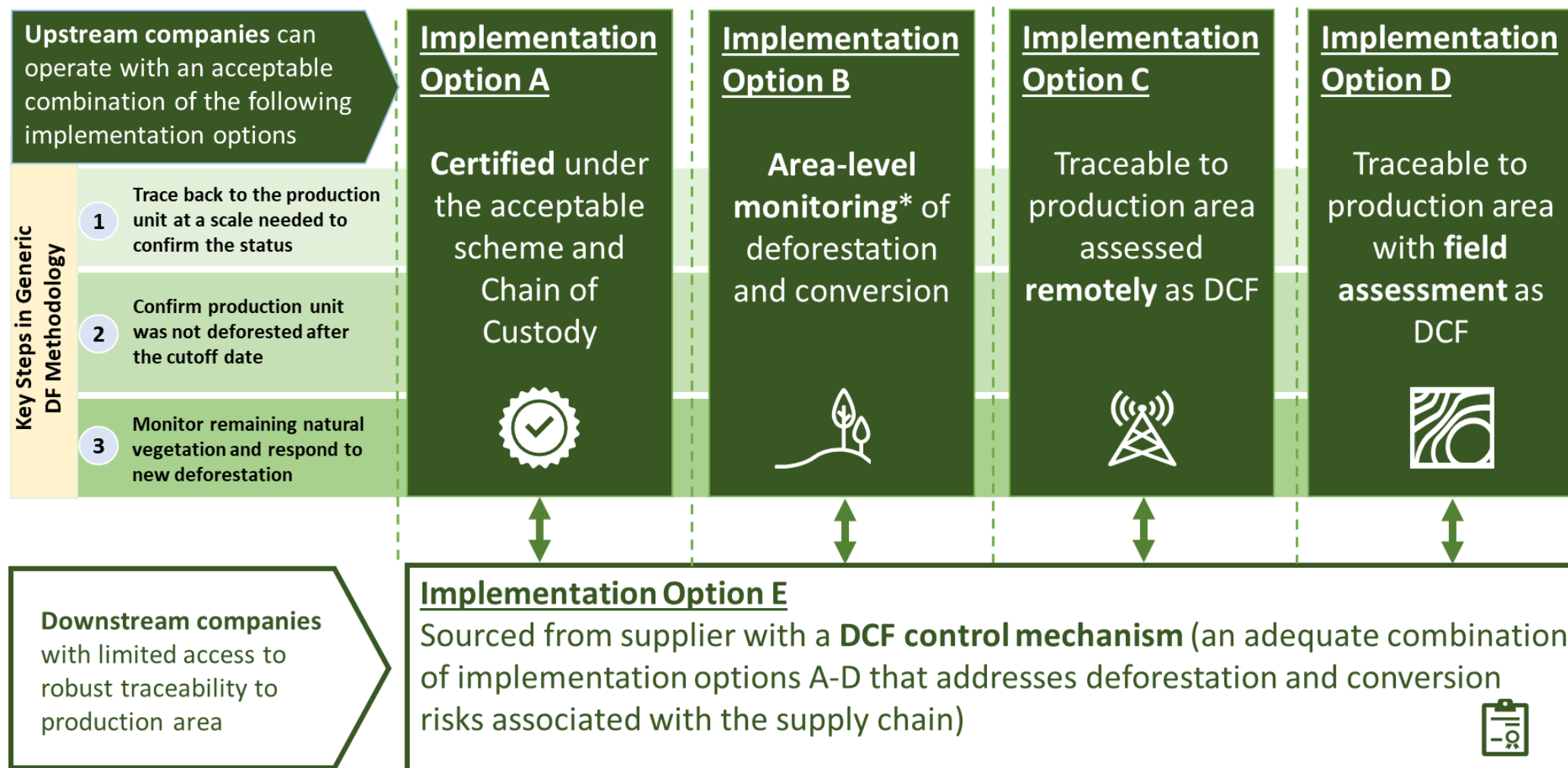


*Cattle  
Derived  
Products*



# **CGF-FPC PPP DCF Methodology**

# PPP DCF Methodology



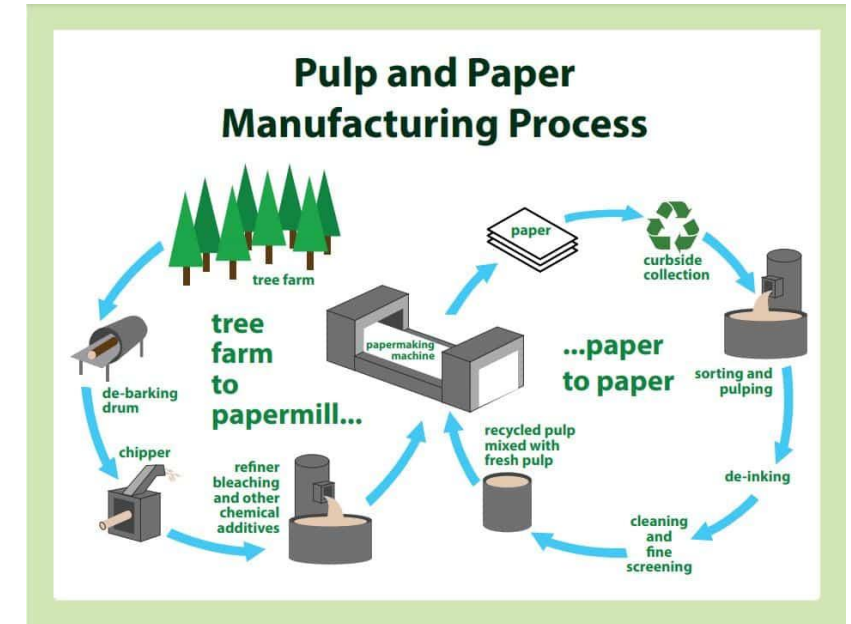
\*Sectorally aligned language; formerly referred to as “negligible risk”

# Traceability expectations for PPP

Within the generic DCF methodology, *'tracing back to production area at a scale needed'* is the first step within each of DCF implementation option. Traceability data is critical to understanding the status of volumes and where to address risks. However, building traceability systems can be resource-intensive. Therefore, it is crucial to **collect data at a level of granularity that enables effective risk management and mitigation.**

For PPP, the industry norm is to **achieve at least traceability to country of harvest.** More granular information, to **sub-national level or forest unit can be challenging to achieve** because of many intermediaries in the supply chain, particularly for packaging. Pulp and pulp sources (chips, timber waste, timber) can also travel significant distances, providing additional complexities, as a mill could source some fibre from a forest that is potentially in a different continent.

While there is **strong emphasis on certified volumes within the pulp and paper sector**, certification schemes may not automatically pass on traceability data to the end buyer, which contributes to barriers to traceability. For countries with higher priority or risk levels, companies can work towards achieving more granular traceability.



Source: <http://Robert C. Williams Museum of Papermaking>

*\*For more information on recycled fibre see following slides*

# Self-reporting forms for suppliers



It is common practice for FPC members and other buyers to send a **‘self-reporting form’** or **‘traceability template’** to their suppliers in an annual process of collecting data regarding the supplier’s volumes and the volumes sold to the buyer.

These forms generally request the breakdown of volumes to collect the following data:

1. *Traceability data scope*
2. *Products*
3. *Percentage recycled vs virgin fibre*
4. *Certification claim & Percentage certified by each scheme*
5. *Country of Harvest*

Note, if there is no buyer specific segregation implemented, the supplier may report the full list of fiber sources associated with volume-based ratio.

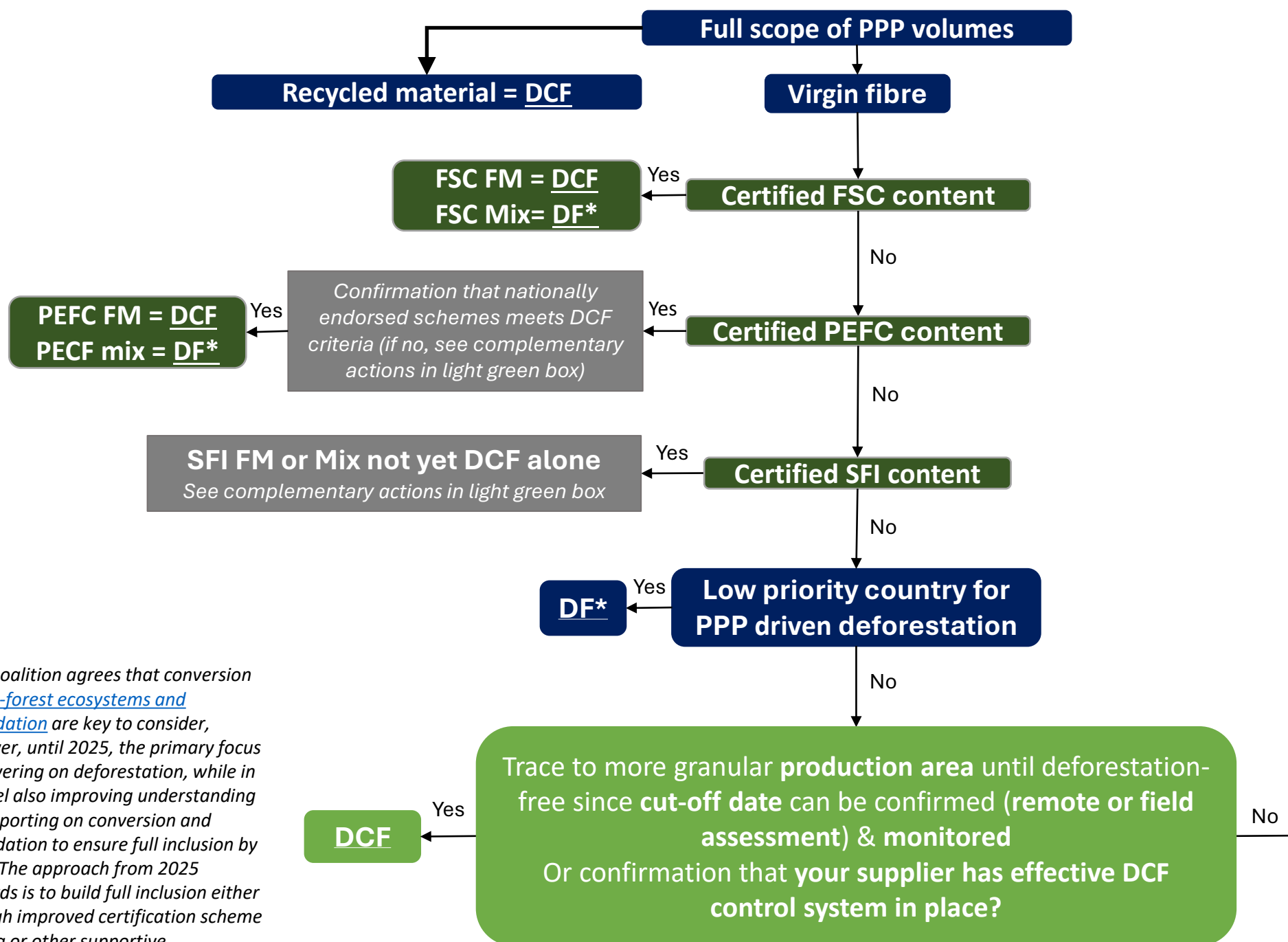


Throughout this webinar, *‘what may FPC company buyers request from suppliers?’* for each DCF pathway will be highlighted. Much of this information is likely to be collected through a self-reporting form for suppliers to complete.

# Recycled fibre



- The CGF-FPC PPP Roadmap is **not focused on recycled fibre**. However, the use of recycled material is important, and the % use is reported by coalition members, including information on alternative fibres where available.
- Fibre use is optimized through **increased efficiency and the use of recycled and alternative fibres** as well as reducing and reusing packaging where appropriate.
- **Recycled fibre** is considered **DCF**
- Information on recycled material and the checks associated with these volumes will likely to be collected through a self-reporting form that suppliers complete.



**Volumes not yet DCF:**  
Report on actions to address non-DCF volumes e.g.

- Implementing steps to improve traceability and monitoring
- Development of action roadmaps with suppliers to support movement towards certification or DCF compliance
- Engagement with certification schemes
- Engagement in landscape initiatives: For uncertified volumes

\*The coalition agrees that conversion of [non-forest ecosystems and degradation](#) are key to consider, however, 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 either through improved certification scheme criteria or other supportive mechanisms.



# Option A: Certification



Certification is frequently used as a tool to support companies in delivering their sustainability commitments. Adequate certification schemes with [AFI aligned](#) cut-off dates, [deforestation, degradation and conversion definitions](#), monitoring and an adequate chain of custody can deliver on DCF.

For DCF claims the material must be traceable back to a certified forest site (segregated or identity preserved), or if there is mixing (mass balance), controls must be in place to ensure that the non-certified material is also deforestation and conversion free. In recent decades, significant progress has been made towards **forest certification in the PPP sector**. However, there are places where **engagement beyond certification** is needed to tackle underlying governance issues and support action in priority regions where there is still a risk of supply from controversial sources and where certification alone does not yet effectively mitigate these risks.



**FSC mix (controlled wood) and FSC 100% (100% certified forest content)** can be considered deforestation free because of the control systems in place for uncertified material mixed with the certified content.



PEFC and SFI alone do not yet currently fully address DCF but it is important to recognize their contribution and potential future engagement. Volumes under these schemes can however, support mitigating risk associated with non-DCF volumes. *Complementary actions to volumes certified under PEFC and SFI to be considered DCF will be discussed further in Pathway E.*

# Option A: Certification

*What may FPC company buyers request from suppliers?*



## Certification claim on invoice:

- Product specification should state: *the Chain of Custody type, scheme & percentage certified*
- Supplier certificate number

## Self-reporting form (traceability data collection exercise):

1. Traceability data scope
2. Products
3. Percentage recycled vs virgin fibre
- 4. Certification claim & Percentage certified by each scheme**
5. Country of Harvest

# Option B: Area-level monitoring

**Geographic Scale:** PPP sourcing is scattered globally; however, **priority is for engagement in high and medium risk areas.** There is limited data available and no current sectoral framework which assesses and defines thresholds for ‘no to insignificant risk’. The PPP DCF methodology uses ‘Low risk’ terminology 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. Where possible, low-risk definition considers deforestation, conversion and degradation, with full inclusion of both degradation and conversion by 2030.

**Reporting:** % of volumes from low-risk countries to be disaggregated within the reporting on overall DCF volumes, ensuring transparency.

## Publicly available resources:

- [The Global Illegal Logging and Associated Trade Risk Assessment Tool](#) (from Forest trends): Publicly available global timber trade data, as well as key proxies/indicators of risk for 211 countries
- [Earthworm Foundation country prioritisation matrix \(CPM\) approach](#): To inform 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.

# Option B: Area-level monitoring

*What may FPC company buyers request from suppliers?*



## Self-reporting form (traceability data collection exercise):

1. Traceability data scope
  2. Products
  3. Percentage recycled vs virgin fibre
  4. Certification claim & Percentage certified by each scheme
  5. **Country of Harvest**
- *Buyers may also request independent audit to review internal system and verification traceability data.*
  - *Where no traceability information is available the buyer may engage supplier to support gaining visibility to Country of Harvest*



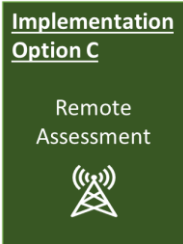
# Options C & D: Remote & Field Assessment



**C) Remote assessment of production area (to determine no conversion after cut-off date):** Not commonly used as an implementation option.

**D) Field assessment of production area:**

Not commonly used as an implementation option, though may form part of certification or auditing process, particularly for upstream companies or for downstream companies when there are grievances associated with key volumes or specific suppliers.



# Options C & D: Remote & Field Assessment



*What may FPC company buyers request from suppliers?*



## Self-reporting form (traceability data collection exercise):

1. Traceability data scope
2. Products
3. Percentage recycled vs virgin fibre
4. Certification claim & Percentage certified by each scheme
5. **Country of Harvest & Sub-national data for medium or high priority countries**

**Buyers may request transparency of the system a supplier implements & the assurance mechanism used, including:**

- Frequency and granularity of monitoring system
- Response system to deforestation events

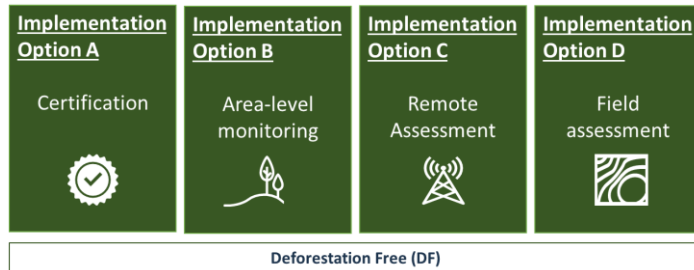


# Option E: Supplier DCF Controls



For **downstream supply chain actors** with limited access to robust traceability to production area data, but not commonly used in the PPP industry as focus is often primarily on certification.

*Described in previous slides*



OR

## Option E

Sourced from a supplier with a **DCF control mechanism** that adequately addresses deforestation risks associated within the supply chain with mechanism in place to monitor and guarantee the elimination of deforestation activities associated with the volume sourced from the respective PPP producing regions.

1. *Ensure Tier 1 supplier operates an acceptable combination of A/B/C/D to provide assurance*  
*AND*  
1. *Define methodology/criteria to individually approve suppliers (directly or through a 3<sup>rd</sup> party)*

DCF through Option E - Supplier volumes with DCF control mechanism  
(Options A-D)

Non DCF volumes reported by suppliers (see slide 16 for efforts to address non-DCF volumes)

# Option E: Supplier DCF Controls

*What may FPC company buyers request from suppliers?*



## **Self-reporting form (traceability data collection exercise):**

1. Traceability data scope
2. Products
3. Percentage recycled vs virgin fibre
4. Certification claim & Percentage certified by each scheme
5. Country of Harvest

**Buyers may request transparency of the DCF pathways implemented by the supplier and the methodology used & the assurance mechanism in place**

*See next slide for examples of what may be requested from suppliers sourcing PEFC or SFI volumes*

# Additional information requested from suppliers sourcing PEFC or SFI volumes



As PEFC and SFI alone do not yet currently fully address DCF, additional information may be requested from supplier to demonstrate complementary actions to support delivery of DCF volumes.

Examples of additional information which may be requested:

- **More granular traceability data** (*e.g. For SFI volumes, buyer may request sub-national data to define sourcing regions of USA/Canada and to identify potential associated risk of deforestation and conversion*)
- For PEFC volumes, **confirmation of which nationally endorsed scheme** the volumes was certified under, to determine if national scheme includes full implementation of DCF criteria (*e.g. deforestation cut-off date and AFI aligned definitions of deforestation*)
- Details of supplier's deforestation-free procurement policy and implementation processes

# Efforts towards addressing non-DCF Volumes



## Working with suppliers within supply chains:

- To effectively manage deforestation risk within supply chains
- Where no DCF approaches can be applied, material cannot be considered as DCF, and engagement is crucial to collaboratively mitigate risks

## Working beyond supply chains:

- Engage in production landscapes to collaboratively transform PPP production (see Element 4 of the [FPC PPP Roadmap](#) and [FPC Landscape strategy](#))

**A regular review cycle to assess strategy implementation and reprioritize efforts/investments to deliver on No Deforestation commitment**

What DCF data have you collected from your supplier?

What methodology do you use to assess your suppliers' DCF reporting approach?

How do you aggregate your suppliers' DCF data and report as your DCF claim?

How do you use the DCF data to make procurement decisions?

How does that influence your strategy and KPIs setting?



# Resources

# Resources



For further information on the following topics, visit the links below:

- For the PPP Roadmap follow this [link](#)
- For the PPP roadmap guidance follow this [link](#)



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**Thank you!**