



Climate Action in Practice: **Actionable Insights to Reduce Deforestation**

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With the support of



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Welcome to the *Climate Action in Practice Guide*

The Consumer Goods Forum's Towards Net Zero Coalition has developed a new resource to help retailers and manufacturers turn climate ambition into action

This collection is organized into six focused packets, each addressing a specific challenge identified by our members. Every publication offers practical guidance, real-world examples, and actionable insights to accelerate progress toward a more sustainable future

Designed for companies at any stage of their climate journey, this guide provides the knowledge and support needed to drive meaningful change

Where to start | Six key challenges, one common framework

Six key challenges identified by our members:



For each key challenge, this publication provides the following resources:



This documents highlights one are of focus. Refer to the full Action in Practice Guide for a comprehensive view across all six challenges

Where to start | High-level impact and feasibility estimates can guide prioritization¹

Action area	Impact		Scope for action			
	Emissions reduction	Co-benefits (business, social, environmental)	Affordability	ease of implementation	Public sector support	Degree of control
Reduce deforestation	High	High	Medium	Low	High	Medium
Enhance sustainable agriculture	High	High	Low	Medium	Medium	Medium
Merchandise sustainable products	High	High	Medium	Medium	Low	High
Reduce food loss...	High	High	Low	Medium	Low	Medium
...and food waste	Medium	Medium	High	High	High	Medium
Increase low-carbon energy...	Low	Medium	Medium	High	Medium	High
...and low-carbon transportation	Medium	Low	Low	Medium	High	High
Adopt circular or sustainable packaging	Low	Medium	Medium	Medium	High	Medium

1. The impact and feasibility estimates provided are relative assessments that evaluate each action area in comparison to the other areas in these materials. The ratings are based on high-level assessments of each action area as a whole and are not necessarily representative of each individual activity within a given area

Reduce deforestation

Shared Vision of The Future:

*Suppliers successfully adopt
**deforestation-free sourcing
strategies** to ensure sustainable
production and forest protection*

Return to key
challenges



Climate Action in Practice Guide | Preview of reducing deforestation insights, resources, and activities to consider

Topic resources to follow ...

Reducing Deforestation Overview

Overview | What to know about sustainable agriculture

Strategic Context

- Transitioning suppliers to more sustainable farming and livestock management practices are among the most significant decarbonization actions retailers can take.

Key Challenges

- Real-time impacts of supply chain volatility and the time-intensive nature of transitioning to more sustainable practices highlight the urgent need for swift action.
- A key constraint for suppliers is the complexity of defining and cost-effectively measuring the impact of sustainable agriculture action (e.g., challenges in impact modeling, traceability, demonstrating long-term permanence).
- Technology for reducing emissions from livestock (e.g., methane masks, Bovaer, manure management) remains costly and challenging to scale.

Opportunity & Solutions

- Sustainable ag can increase crop resiliency against pests, drought, and extreme weather. There is clear business value in enhancing supply chain resilience and reducing volatility and disruptions.
- Advancing this topic requires value chain collaboration and sourcing strategies to manage risks. Significant co-financing will be needed to further accelerate action.

Regional Considerations

Regional considerations

The EU Deforestation Regulation (EUDR) sets a new global benchmark, mandating traceability across value chains for seven high-deforestation-risk commodities, and requires retailers to tailor DCF strategy by region:

High-risk commodity hotspots

- North America**
 - US: soy, timber, cattle
 - Canada: timber
- Latin America**
 - Brazil: soy, cattle, timber, coffee
 - Argentina: soy
 - Ecuador: cocoa
- Africa**
 - Côte d'Ivoire: cocoa
 - Ghana: cocoa
 - Nigeria: timber, rubber
- Asia**
 - China: timber, cattle
 - Indonesia: palm, coffee, rubber
 - Malaysia: palm, timber
 - Thailand: rubber, palm
 - Vietnam: coffee, rubber
- Oceania**
 - Australia: beef, timber

Activities Retailers Should Consider

Actions | Early-stage retailers can accelerate learning by leveraging existing programs; advanced retailers can scale through innovation

Early action should prioritize high-impact opportunities and leverage existing programs

Example activities include

- Inventory own ingredient landscape by identifying hotspots and ingredients with highest emissions
- Prioritize regen pilots for ingredients with highest emissions and value chain control, such as key ingredients for private label products or existing vertically integrated farms
- Identify and join existing supplier regenerative carbon offsetting programs (e.g., established upstream programs looking to on-board retailers) to avoid steep learning curve and establish partnerships

Retailers further along in the journey should focus on scaling/advancing established initiatives

Example activities include

- Engage in landscape-level initiatives¹ to share costs, amplify benefits and accelerate progress through a regional approach
- Develop advanced incentive/penalty system to drive supplier action
- Build out digital supply chain capabilities for complex, fragmented systems (e.g., use satellite imagery and AI models to supplement supplier data to map sustainability risks/opportunities across supply chain and enhance traceability)
- Consider business model innovation to mitigate risks and identify opportunities (e.g., backward integration of supply chain can increase control over product value chain and mitigate risks)

Relative Impact & Feasibility

Relative impact & feasibility | Sustainable agriculture drives major emissions reduction and other benefits; financing is biggest barrier

	Impact	Feasibility
High	<p>Emissions reduction</p> <p>Reduces carbon emissions from high-impact sources like fertilizers & land use change, as well as lowering methane emissions from ruminants and rice farming</p>	<p>Co-benefits (biodiversity, soil, water, environmental)</p> <p>Enhances supply chain resilience and yields ecosystem benefits including increased biodiversity and improved water quality</p>
Medium	<p>Affordability</p> <p>The transition to sustainable practices is expensive for farmers, and pilots are costly for CPGs, presenting a barrier</p>	<p>Ease of implementation</p> <p>Though many sustainable ag practices are not highly technical, they require supplier training and a change in ways of working. Often the most difficult aspect is the measurement to prove impact.</p>
Low	<p>Public sector support</p> <p>Government programs & international frameworks encourage sustainable practices through funding and regulation, though there is also strong lobbying against</p>	<p>Degree of control</p> <p>Meaningful progress requires long-term supplier partnership and potentially preferential purchasing agreements</p>

Retailer Case Studies

Case studies | Retailers leverage partnerships to accelerate adoption of regenerative agriculture across key crop supply chains

Levers in action: Retail case studies

- Alford Delhaize USA partners to launch farm-to-shelf regenerative agriculture pilot across wheat supply chain**
- Walmart and PepsiCo partner to advance regenerative agriculture across 2 million acres for key crops**
- Tesco launches two low carbon trial farms in its UK supply chain**

"Best Source of Truth" Resources

Resources | Evolving regulations demand greater supply chain transparency and understanding of upstream sustainable practices

Description	Relevant resource(s)
EU Corporate Sustainability Reporting Directive (CSRD) : Requires companies with significant EU activities to disclose their environmental and social impacts (including supply chain), increasing transparency and accountability in sustainability efforts	CSRD Reporting Essentials CSRD FAQ
EU Corporate Sustainability Due Diligence Directive (CSDDD) : Requires companies to disclose human rights and environmental impacts in their own operations, subsidiaries, and relevant business partners throughout their value chains	CSDDD overview CSDDD FAQ
US SEC Climate Disclosure Rules (pending challenges)	US SEC Climate Disclosure overview
California SB 253 : Requires companies with businesses in California to disclose climate-related financial risks in registration and measures adopted to address risks in reports	SB 253 FAQs: Climate-related financial risk disclosure
Denmark's 2020 carbon tax on livestock : Will tax livestock farmers \$40-\$50/ tonne of CO ₂ e emissions emitted by cows, sheep and pigs. It is the first carbon tax on agriculture and signals trajectory of regulations to come and will impact some prices 2020 and onward	Denmark 2020 carbon tax overview

Overview | What to know about reducing deforestation

Strategic Context



Land use change, primarily from deforestation, accounts for **up to 20% of global GHG emissions**¹



EU regulation requires retailers to address supply chain exposure to high-deforestation-risk commodities² or face potential import bans

Key Challenges



Secure deforestation-free supply early to hedge against future price spikes amid limited availability



Establish traceability for high-risk commodities, recognizing the complexity and need for transparent, collaborative supplier relationships



Expand deforestation commitments beyond private labels, working with national brand suppliers despite limited sourcing control

Opportunity & Solutions



Identify high-risk commodity and region combinations in your portfolio and develop a purchasing framework to guide buyers

1. "Climate Finance Thematic Briefing: REDD+ Finance", Climate Funds Update (2020). 2. As defined by EUDR (wood, Cattle, Cocoa, Coffee, Oil palm, Rubber, Soy)

Regional considerations

The **EU Deforestation Regulation (EUDR)** sets a new global benchmark, mandating traceability across value chains for seven high-deforestation-risk commodities, and requires retailers to tailor DCF strategy by region:

High-risk commodity origins¹

Not exhaustive



North America

- **US:** soy, timber, cattle
- **Canada:** timber



Africa

- **Côte d'Ivoire:** cocoa
- **Ghana:** cocoa
- **Nigeria:** timber, rubber



Oceania

- **Australia:** beef, timber



Latin America

- **Brazil:** soy, cattle, timber, coffee
- **Argentina:** soy
- **Ecuador:** cocoa



Asia

- **China:** timber, cattle
- **Indonesia:** palm, coffee, rubber
- **Malaysia:** palm, timber
- **Thailand:** rubber, palm
- **Vietnam:** coffee, rubber

1. Major producing countries by share of global output for EUDR high-deforestation-risk commodity
Source: FAO, USDA Foreign Agriculture Service

Actions | Early-stage retailers should prioritize own-brand strategy; advanced retailers can implement full-store purchasing frameworks

Early action should establish a robust DCF sourcing strategy for own-brand products

Example activities include







- **Develop an own brand deforestation-free policy**, including clear commitments and timelines
- **Identify high deforestation-risk commodities** within your product portfolio
 - Leverage EUDR, AFi, and CGF Forest Positive recommendations to prioritize commodities
 - Further refine priority commodities by relative purchasing volume
- **Initiate traceability improvement programs** for high-risk commodities, including deepening supplier relationships and leveraging monitoring tools to identify risk

Advanced actions should focus on scaling DCF practices across all store brands and categories

Example activities include

- **Develop a full-store purchasing framework** that embeds sustainability criteria and includes guidance on supplier expectations, verification standards, and compliance monitoring
- **Engage third-party suppliers** to adopt DCF practices, and incentivize their efforts
- **Upskill buyers** on high-risk commodities, region-specific risks, and integration of DCF practices into everyday purchasing decisions
- **Map branded product supply chains** to identify risks and opportunities and begin the DCF journey
- **Review certification availability and coverage** to determine where additional data validation may be needed

Relative impact & feasibility| Reducing deforestation is a major emissions lever, though retailers' upstream influence is limited

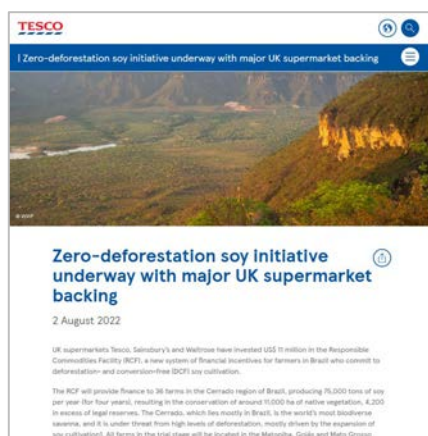
	Impact		Feasibility			
	High		Medium			
						
	Emissions reduction	Co-benefits (business, social, environmental)	Affordability	Ease of implementation	Public sector support	Degree of control
Rating	High	High	Medium	Low	High	Medium
Notes	Deforestation-free supply chains can significantly reduce emissions from land use change, which contribute up to 20% of global GHG emissions	Myriad environmental and social benefits (e.g., biodiversity, air and water quality); Plus, enhanced brand reputation and supply chain risk mitigation	Certified deforestation- and conversion-free (DCF) products can come at a premium due to costly third-party verification mechanisms	Often difficult to influence upstream practices, like animal feed production, that many retailers do not have visibility into	Strong regulatory frameworks (e.g., EUDR, CSRD) drive action through mandatory compliance	Meaningful progress requires long-term partnership — with more control over own brands, and less over national brands, making collaboration essential

Case studies | Retailers identify high-risk commodities, set sourcing standards, and join multistakeholder groups to address deforestation



Levers in action: Retail case studies

Tesco, Sainsbury's and Waitrose invest in Responsible Commodities Facility for deforestation-free soy cultivation in Brazil



Tesco, Sainsbury's and Waitrose invested \$11M in Brazil's **Responsible Commodities Facility (RCF)**, which provides **financial incentives** for farmers committed to **DCF soy cultivation**. The 12-month pilot phase alone conserved ~8.5k hectares of vegetation and produced ~42 tonnes of DCF soy

See [Tesco Press Release](#) for more info

ALDI commits to zero deforestation in high-risk supply chains by 2025



ALDI aims to eliminate deforestation and natural ecosystem conversion in its high-risk supply chains by 2025. Key commodities include **soy, palm oil, timber, cocoa, coffee, and bananas**. ALDI participates in industry groups such as **Palm Oil Transparency Coalition** and the **Retail Soy Group** to support this initiative

See [ALDI website](#) for more info

Resources | Understanding EUDR is crucial due to its supply chain impact; other frameworks further help inform policy setting (I/II)

(Non-exhaustive)	Description	Relevant resource(s)
Regulations directly impacting what can be sold (Mandatory)	EU deforestation-free regulation: EU regulation preventing import and export of deforestation-linked products in the EU market, requiring companies to verify traceability to the farm/plot level	<ul style="list-style-type: none"> • EUDR regulation • EUDR implementation FAQ • EU Deforestation Regulation: What companies need to know + how they'll be impacted (Quantis publication) • The time to act on deforestation is running out: Are you ready to comply with EUDR and SBTi FLAG? (Quantis webinar)
	France's National Strategy to Combat Imported Deforestation (SNDI): French government initiative targeting the import of raw materials or products linked to deforestation, forest degradation, or the conversion of natural ecosystems outside national border	<ul style="list-style-type: none"> • SNDI overview
Frameworks and target-setting guidance (Voluntary)	Accountability Framework initiative (AFi): Leading framework providing practical roadmap for addressing deforestation and conversion in supply chains (e.g., guidance for target setting, implementation, monitoring)	<ul style="list-style-type: none"> • AFi Accountability Framework • AFi Core Principles
	SBTi (FLAG): Framework for companies in land-intensive sectors (forest, land, agriculture) to set science-based targets that include land-based emissions reductions and removals. Complements traditional SBTi corporate guidance. Includes a commitment to no deforestation by 2025 for primary deforestation-linked commodities	<ul style="list-style-type: none"> • SBTi FLAG Guidance • SBTi FLAG target-setting in practice – lessons learned (Quantis webinar)



Mandatory regulation



Voluntary standard, framework, or guidance

Resources | Understanding EUDR is crucial due to its supply chain impact; other frameworks further help inform policy setting (II/II)

(Non-exhaustive)	Description	Relevant resource(s)
Certification standards - Products (Voluntary)	Roundtable on Sustainable Palm Oil (RSPO) certification: Ensures certified sustainable palm oil production/handling meet standards Rainforest Alliance Sustainable Agriculture Standard: Prohibits destruction/conversion of natural ecosystems after 2014, focusing on cocoa sector	<ul style="list-style-type: none"> • RSPO Certification overview • Overview of Rainforest Alliance 2020 Certification program
Certification standards - Packaging (Voluntary)	Forest Stewardship Council (FSC) & Sustainable Forestry Initiative (SFI) Certified Sourcing Standard: Set voluntary standards for responsible forest management and sustainable use of forest resources for paper and packaging	<ul style="list-style-type: none"> • FSC Certification overview • SFI 2022 Certified Sourcing Standard
Sector-specific sourcing agreements (Voluntary)	Brazil's Soy Moratorium and Cattle Agreements: Sectoral agreements in Brazil that limit the purchase of soybeans from areas deforested after 2008 and cattle grazed on deforested land	<ul style="list-style-type: none"> • Brazil's Amazon Soy Moratorium report • Monitoring the Beef TAC agreement report
Business guidance (Voluntary)	Several resources exist that provide actionable guidance and recommendations for reducing deforestation at the corporate level	<ul style="list-style-type: none"> • CGF Forest Positive Coalition • Collective Action to Fight Deforestation (BCG publication) • Deforestation- and Conversion-Free Supply Chains: Guide for Action (WWF & BCG report)

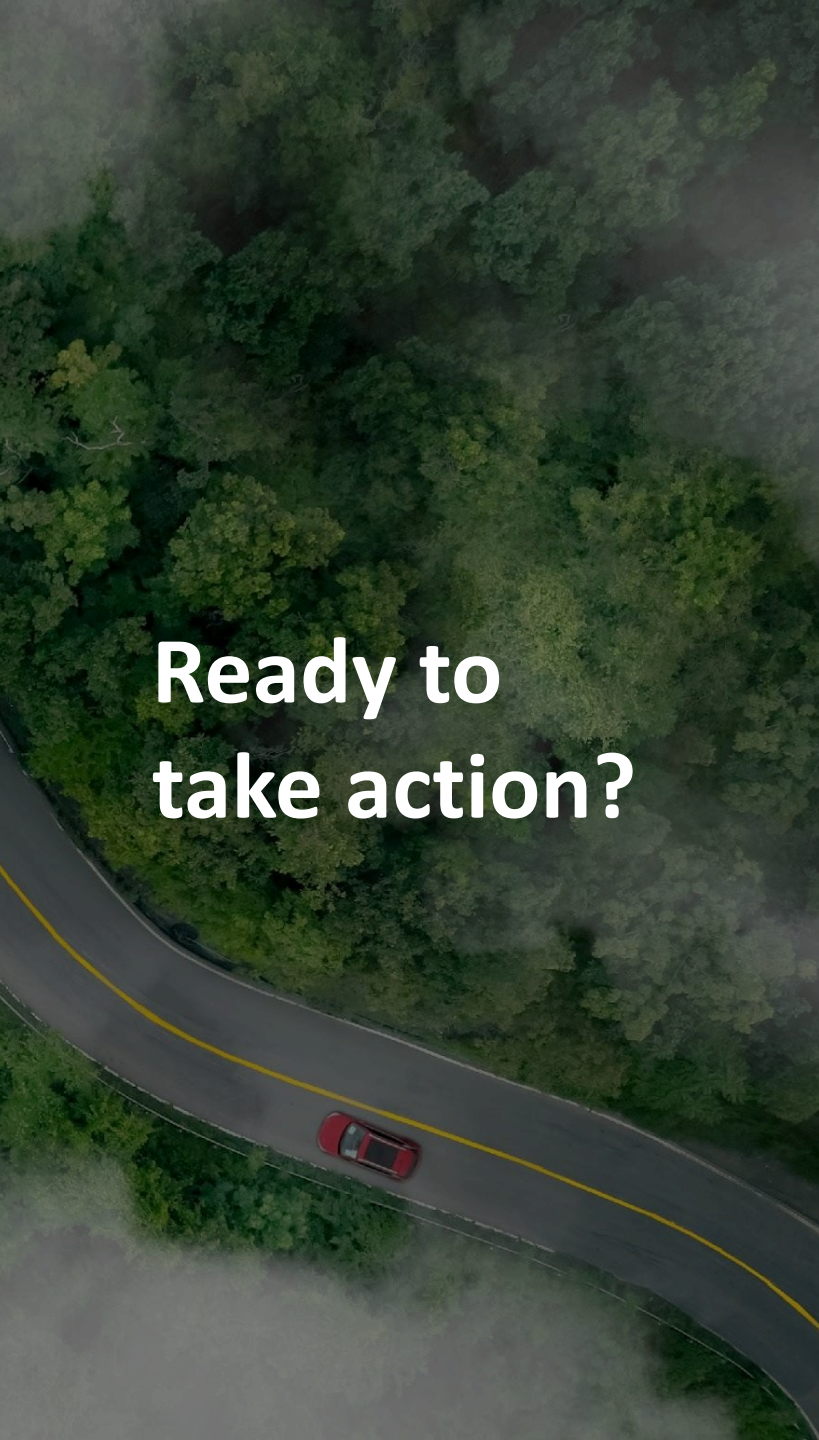


Mandatory regulation



Voluntary standard, framework, or guidance

 Return to key
challenges

Ready to
take action?

How to become the next changemaker:

- 1 **Explore practical resources** to tackle key sustainability challenges
- 2 **Connect with our experts** to accelerate your sustainability journey
- 3 **Join the CGF** to collaborate with industry leaders and drive positive change

Thank you

