

# Guidance on the Forest Positive PPP Roadmap

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Forest Positive

proforest



TROPICAL FOREST ALLIANCE

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# Section 1: Introduction

# Introduction



In 2020, The Consumer Goods Forum (CGF) created the Forest Positive Coalition of Action to drive collective, 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 business actions:

- 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.

## 1<sup>st</sup> 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.11)
- 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.26)
- 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.29)

## 2<sup>nd</sup> 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.24)

### **Element 4: Engaging in Production Landscapes**

- Calculate your production-base footprint (see p.26)

## 3<sup>rd</sup> Stage

### **Element 4: Engaging in Production Landscapes**

- Leverage collective engagement (see p.27)

### **Element 5: Increasing Transparency and Accountability**

- Verify reporting (see p.30)

## 4<sup>th</sup> Stage

### **Element 4: Engaging in Production Landscapes**

- Monitor and report progress/impact (see p.27)



## 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
<p><b>Optimise fibre use (1/2)</b></p>	<p>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.</p> <p>The following approaches could be considered:</p> <ul style="list-style-type: none"> <li>• <b>Efficient use:</b> 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.</li> <li>• <b>Recycled content:</b> 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.</li> </ul>	<ul style="list-style-type: none"> <li>• WWF’s <a href="#">Responsible Alternative Fibers: Assessment Methodology</a></li> <li>• Upstream’s <a href="#">Design Principles for Materials used in Reusable Packaging &amp; Foodware Services</a> (to optimise fibre use efficiency)</li> <li>• WBCSD’s <a href="#">SPHERE Packaging Framework</a> (to optimise fibre use efficiency)</li> <li>• <a href="#">EcoPaper Database</a> (for papers with alternative fibres and/or high recycled content)</li> <li>• <a href="#">Life cycle review of major alternative fibers for production of paper</a> (Georgia Institute of Technology)</li> <li>• Assessing low-carbon transition <a href="#">Pulp and Paper methodology</a></li> </ul>

# Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
<p><b>Optimise fibre use (2/2)</b></p>	<ul style="list-style-type: none"> <li>• <b>Alternative fibres:</b> 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.</li> </ul> <p><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></p>	<ul style="list-style-type: none"> <li>• WWF’s <a href="#">Responsible Alternative Fibers: Assessment Methodology</a></li> <li>• Upstream’s <a href="#">Design Principles for Materials used in Reusable Packaging &amp; Foodware Services</a> (to optimise fibre use efficiency)</li> <li>• WBCSD’s <a href="#">SPHERE Packaging Framework</a> (to optimise fibre use efficiency)</li> <li>• <a href="#">EcoPaper Database</a> (for papers with alternative fibres and/or high recycled content)</li> <li>• <a href="#">Life cycle review of major alternative fibers for production of paper</a> (Georgia Institute of Technology)</li> <li>• Assessing low-carbon transition <a href="#">Pulp and Paper methodology</a></li> </ul>



# Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
<p><b>Develop a public forest positive PPP sourcing policy</b></p>	<p>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:</p> <ul style="list-style-type: none"> <li>• 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*;</li> <li>• 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)**;</li> <li>• 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;</li> <li>• Fibre use is optimized through increased efficiency and the use of recycled and alternative fibres as well as reducing and reusing packaging where appropriate***.</li> </ul> <p><i>* Advancing on traceability is an individual company effort with their suppliers supported by the PPP WG’s engagement with certification schemes</i></p> <p><i>** See definition of equivalent assurance on p.14</i></p> <p><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></p>	<ul style="list-style-type: none"> <li>• See <a href="#">PPP Roadmap</a> (page 16)</li> <li>• <a href="#">AFi Core Principles</a>, 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)</li> <li>• AFi user guide: <a href="#">How to write a strong ethical supply chain policy</a></li> </ul>

# Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
<p><b>Coalition’s proposed definition of forest positive PPP</b></p>	<p>Forest positive PPP includes:</p> <ol style="list-style-type: none"> <li>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>)</li> <li>2. Supporting conservation of forests and their HCVs or equivalent</li> <li>3. Support restoration of forests and forest ecosystem values (e.g., landscape initiatives)</li> <li>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</li> <li>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</li> <li>6. Operate an open, transparent and consultative process to resolve complaints and conflicts</li> <li>7. Eliminating deforestation and conversion of natural ecosystems (with reference to a specified cut-off date), avoiding degradation and controversial sources*, and ensuring legality</li> </ol> <p>* When identified, measures should be taken individually by companies to work with suppliers to address risks related to pulp and paper from controversial sources</p>	<ul style="list-style-type: none"> <li>• <b>Sustainable forest management (SFM) references:</b> The main global SFM standards include <a href="#">FSC</a> and <a href="#">PEFC</a>. 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) .</li> <li>• Also see, FAO’s <a href="#">Sustainable Forest Management (SFM) Toolbox</a></li> <li>• <a href="#">AFi definition of deforestation</a>: <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></li> <li>• <a href="#">AFi definition of conversion</a>: <i>Change of a natural ecosystem to another land use or profound change in a natural ecosystem’s species composition, structure, or function.</i></li> <li>• <a href="#">AFi definition of degradation</a>: <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></li> </ul>



# Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
<b>No deforestation cut-off dates</b>	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).	<ul style="list-style-type: none"> <li>• <a href="#">AFi's Operational Guidance on Cutoff Dates</a> (including guidance on target dates)</li> </ul>
<b>Develop a timebound action plan</b>	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.	<ul style="list-style-type: none"> <li>• AFi <a href="#">Core Principle 3</a> (see page 11) and <a href="#">Operational Guidance on Supply Chain Management</a></li> </ul>
<b>Alignment with the CGF-FPC PPP DCF methodology</b>	The PPP Working Group, with additional consultation from AFi and CDP, have developed a methodology for reporting on DCF for PPP (see Annex 4). A KPI for reporting on %DCF volumes for PPP is being developed and will be integrated into the roadmap and the respective guidance once finalized.	<ul style="list-style-type: none"> <li>• Annex 4 of this guidance (see page 59)</li> </ul>

# Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
<p><b>Credible certification schemes and equivalent assurance</b></p>	<p>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.</p> <p>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.</p> <p><b>Definition of equivalent assurance developed in collaboration with AFi:</b> 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.</p> <p><b>Notes:</b></p> <ul style="list-style-type: none"> <li>• <i>The Coalition’s interim list of high-priority countries (see Annex 1) is the recommended minimum list of countries to consider for reporting on high-priority sources in 2022 and 2023, but companies should conduct their own risk assessments and implement due diligence where needed beyond countries in the interim high-priority list.</i></li> <li>• <i>Where equivalent assurance is used, provide information publicly on the approach taken.</i></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">ISEAL Codes of Good Practice</a></li> <li>• ISO Standards (ISO/IEC 17021-1 and ISO/IEC 17065)</li> <li>• Good practices for verification (including equivalent verification carried out separate from a certification scheme) are set out in the Accountability Framework: AFi <a href="#">Core Principle 11</a> (see page 25) and <a href="#">Operational Guidance on Monitoring and Verification</a></li> </ul>



# Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
<p><b>Improve traceability</b></p>	<p>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).</p> <p><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></p>	

# Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
<p><b>Controversial sources definition</b></p>	<p><b>Controversial sources definition:</b> 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.</p> <p>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.</p> <p><b>Legal considerations:</b> 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:</p> <ul style="list-style-type: none"> <li>• United States: The amendment to the Lacey Act on timber import specifies criteria for traceability and legal imports.</li> <li>• European Union: The <a href="#">European Timber Regulation</a> (EUTR) defines measures importers or traders must implement to trace sources of legal harvesting.</li> <li>• Australia: The <a href="#">Australian Illegal Logging Prohibition Act</a> requires importers ensure traceability to legal harvesting.</li> </ul> <p>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.</p>	<ul style="list-style-type: none"> <li>• 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: <a href="#">FSC Controlled Wood</a> and <a href="#">PEFC Controlled Sources (Appendix 1)</a></li> </ul>



# Element 1: Managing Own Supply Chains



Key Actions	How to Implement the Actions	Key Resources
<p><b>Guidance on addressing social issues in own supply chain</b></p>	<p>The proposed forest positive PPP definition (see p. 12) includes respect for human rights and FPIC.</p> <p><i><b>Note:</b> 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></p>	<p><i>Key references on respecting human rights including IPLC rights to be added.</i></p>
<p><b>Small forest owners</b></p>	<p><i>Guidance to be developed in 2023 (small forest owners include smallholders, family forest owners and community forest organisations).</i></p>	



## 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
<b>Categorise suppliers</b>	<i>Definitions of different types of suppliers to be discussed in 2023.</i>	
<b>Have clear supplier expectations which are aligned with the Coalition's Forest Positive Approach</b>	<p>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.</p> <p>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).</p> <ol style="list-style-type: none"> <li>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</li> <li>2. Process for regular supplier engagement</li> <li>3. Mechanism to identify and to respond to non-compliance with policy commitments</li> <li>4. Support initiatives delivering forest positive development at landscape and sectoral level</li> <li>5. Regular public reporting against Key Performance Indicators (KPIs)</li> </ol> <p><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></p>	



# Element 2: Engaging Suppliers



Key Actions	How to Implement the Actions	Key Resources
<p><b>Communicate the Forest Positive Approach and engage suppliers</b></p>	<p>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.</p> <p>The proposed supplier engagement process can be summarised in nine steps:</p> <ol style="list-style-type: none"> <li>1. Communicate and integrate the Forest Positive Approach</li> <li>2. Assess supplier performance</li> <li>3. Agree individually on improvement plan with supplier</li> <li>4. Supplier implements improvement plan</li> <li>5. Provide support and capacity building</li> <li>6. Monitor supplier progress</li> <li>7. Take individual company action to respond to progress/lack of progress</li> <li>8. Update supplier improvement plan</li> <li>9. Report progress</li> </ol> <p>Proposed guidance on prioritisation of suppliers in the PPP <a href="#">Roadmap</a> (p. 20) includes: This will involve reviewing all suppliers and identifying as a priority for engagement those that</p> <ol style="list-style-type: none"> <li>a) are not supplying certified products, or</li> <li>b) are sourcing from origins with a high risk of controversial sources, or</li> <li>c) are not committed to a forest positive approach across their whole supply base.</li> </ol>	<ul style="list-style-type: none"> <li>• Proforest <a href="#">guidance on supplier engagement for responsible sourcing</a></li> </ul>



### 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 a high risk 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
<p><b>Develop a list of high-priority countries</b></p>	<p>Companies that do not have their own lists can use the interim list developed by the PPP WG (see Annex 1) as a starting point. For companies that have their own more detailed approach, the list is a common starting point to work on as a Coalition. It is important to note that this is not a list of all the countries where there is risk but a prioritization of where companies can focus efforts for engagement with suppliers, landscapes and certification schemes.</p> <p>The list will also be used for reporting in 2022 and 2023 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 risk assessments and implement due diligence where needed beyond countries in the interim high-priority list.</p> <p><b>Note:</b> <i>The PPP WG is collaborating with external partners to develop a list of high priority-countries (Version 1). In addition to deforestation, the criteria for selecting the high-priority countries plans to include risk of degradation and other aspects of forest positive. This work builds on existing approaches used by some member companies. The interim list, which only includes risk of deforestation, will be replaced by the list developed with external partners (Version 1) once finalised. There is also an ambition for subsequent versions of the list (after Version 1) to include subnational jurisdictions/regions.</i></p>	<ul style="list-style-type: none"> <li>• See Annex 1 for interim list of the high-priority countries (p.32)</li> </ul>



# Element 3: Addressing High-priority Origins



Key Actions	How to Implement the Actions	Key Resources
<p><b>Considerations for selecting high-priority countries</b></p>	<p>The criteria used for selecting the high-priority countries in the interim list (Annex 1):</p> <p>a) Mainly risk of deforestation. Resources include:</p> <ul style="list-style-type: none"> <li>• Preferred by Nature Sourcing Hub (formally NEPCON Sourcing Hub)</li> <li>• FSC National Risk Assessments</li> <li>• Deforestation Fronts by WWF</li> <li>• Estimating the role of seven commodities in agriculture-linked deforestation: oil palm, soy, cattle, wood fiber, cocoa, coffee, and rubber (WRI)</li> </ul> <p>b) Top 10 wood pulp producing countries (FAOSTAT data)</p> <p>Steps for development of interim list:</p> <ol style="list-style-type: none"> <li>1. First, a list of countries that have a high risk of deforestation was developed using the resources listed above.</li> <li>2. Second, the top 10 wood pulp producing countries were identified using FAOSTAT data.</li> <li>3. Then, the top 10 wood pulp producing countries were overlaid with the list of countries with high risk of deforestation and Coalition member's own prioritisation assessments, to identify which of the 10 top producing countries have a high risk of deforestation: China, Indonesia, Russia and Brazil.</li> <li>4. Additional countries with highest risk of deforestation based on the resources above were also included.</li> </ol> <p><b>Note:</b> The PPP Working Group is collaborating with external partners to develop a list of high priority-countries (Version 1). In addition to deforestation, the criteria for selecting the high-priority countries plans to include risk of degradation and other aspects of forest positive. This work builds on existing approaches used by some member companies. The interim list, which only includes risk of deforestation, will be replaced by the list developed with external partners (Version 1) once finalised. There is also an ambition for subsequent versions of the list (after Version 1) to include subnational jurisdictions/regions.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Deforestation Fronts</a> by WWF</li> <li>• FSC National Risk Assessments</li> <li>• <a href="#">Estimating the role of seven commodities in agriculture-linked deforestation: oil palm, soy, cattle, wood fiber, cocoa, coffee, and rubber</a> (WRI)</li> <li>• Preferred by Nature <a href="#">Sourcing Hub</a> (formally NEPCON Sourcing Hub)</li> <li>• Verisk Maplecroft</li> <li>• World Resources Institute (WRI) Global Forest Watch</li> </ul>

# Element 3: Addressing High-priority Origins



Key Actions	How to Implement the Actions	Key Resources
<p><b>Engage in high-priority countries</b></p>	<p>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 risk assessment.</p> <p><i>Guidance to be developed on engagement in high priority countries/regions to mitigate risk and promote forest positive through engaging with suppliers (Element 2) and landscape initiatives (Element 4), as well as identifying for forest positive what are key issues that make each country high priority.</i></p>	<ul style="list-style-type: none"> <li>• FSC National Risk Assessments</li> </ul>



## 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
<p><b>Calculate your production footprint</b></p>	<p>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.</p> <p>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 <a href="#">Coalition’s Strategy for Collective Action in Production Landscapes</a>. Once completed, the aggregated production-base footprint and the approach used to calculate the footprint will be made public.</p>	
<p><b>Identify priority production landscapes</b></p>	<p>Companies can use their own methodology for prioritising production landscapes, considering high priority origins. Companies can use or build on the interim high-priority country list (see Annex 1 on p.32) and should make their methodologies publicly available.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Engaging with Landscape Initiatives: A Practical Guide for Supply Chain Companies</a> by Proforest (see Part 1: Preparing to engage in a production landscape)</li> <li>• <a href="#">Forest Positive Coalition Strategy for Collective Action in Production Landscapes</a></li> </ul>

# Element 4: Engaging in Production Landscapes



Key Actions	How to Implement the Actions	Key Resources
<p><b>Select landscape initiatives to support</b></p>	<p>Select landscape initiatives to support, considering high priority production landscapes and the Principles for Collective Action (see the 10 principles on p. 22 of the <a href="#">Coalition’s Strategy for Collective Action in Production Landscapes</a>). Companies can collectively invest in an initiative in the Coalition’s Portfolio of Landscape Initiatives which can be found on pp.25-26 of the <a href="#">Coalition’s Strategy for Collective Action in Production Landscapes</a>.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Engaging with Landscape Initiatives: A Practical Guide for Supply Chain Companies</a> (Proforest)</li> <li>• <a href="#">Landscape, Scale Action for Forest, People, and Sustainable Production: A Practical Guide for Companies</a> (WWF, TFA, Proforest)</li> </ul>
<p><b>Leverage collective engagement</b></p>	<p>Leverage the scale of collective engagement, for example, through exploring collaboration with upstream supply chain actors.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Collective Action and Investment in Landscape Initiatives: The Business Case for Forest Positive Transformation</a>(CGF FPC)</li> <li>• <a href="#">What constitutes a company landscape investment or action?</a> (ISEAL)</li> </ul>
<p><b>Monitor and report progress/impact</b></p>	<p>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.</p>	<ul style="list-style-type: none"> <li>• <a href="#">Making Credible Jurisdictional Claims: ISEAL Good Practice Guide</a> (ISEAL)</li> <li>• <a href="#">Effective Company Actions in Landscapes and Jurisdictions: Guiding Practices</a> (ISEAL)</li> <li>• <a href="#">Landscape Reporting Framework</a> (Proforest)</li> </ul>

**Note:** More references (including those above) can be found on TFA’s Jurisdictional Approaches Hub at [jaresourcehub.org](http://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
<p><b>Report on the public information requirements and KPIs in Roadmap</b></p>	<p>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.</p> <p><b>The PPP Roadmap includes KPIs for:</b></p> <ul style="list-style-type: none"> <li>• Element 1: certification, traceability and high-priority sources</li> <li>• Element 2: engagement with suppliers and their performance</li> <li>• 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</li> </ul> <p><b>Scope of reporting:</b> 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 collective efforts will focus on fibre-based packaging.</p> <p>Report on progress either individually (e.g., company website), and/or through platforms/initiatives (e.g. CDP).</p>	<ul style="list-style-type: none"> <li>• See See Annex 2 for a summary of the public reporting requirements in the PPP Roadmap v1.4</li> <li>• See Annex 3 for detailed guidance for reporting in 2023 on the public information requirements and KPIs for each Element of the PPP Roadmap</li> <li>• See the Forest Positive Coalition’s Annual Report for public reporting in <a href="#">2022</a></li> <li>• <a href="#">AFi Operational Guidance on Reporting, Disclosure and Claims</a> for principles for effective reporting</li> </ul>



# Element 5: Increasing Transparency and Accountability



Key Actions	How to Implement the Actions	Key Resources
<p><b>Disclose KPI methodologies used to calculate/report on KPIs</b></p>	<p>In 2023, 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.</p> <p>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.</p> <p>Members are expected to align with the CGF-FPC PPP DCF methodology, developed by the PPP Working Group, with additional consultation from AFi and CDP (see Annex 4). A KPI for reporting on %DCF volumes for PPP is being developed and will be integrated into the roadmap and the respective guidance once finalized.</p>	<ul style="list-style-type: none"> <li>Annex 4 of this guidance – the CGF-FPC PPP DCF methodology (see page 59)</li> </ul>
<p><b>Disclose time reference</b></p>	<p>Be transparent about the reporting period for each KPI.</p> <ul style="list-style-type: none"> <li>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).</li> <li>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.</li> </ul>	
<p><b>Verify reporting</b></p>	<p>Companies that have their report independently verified, are encouraged to provide information on this.</p>	<ul style="list-style-type: none"> <li>AFi <a href="#">Operational Guidance on Monitoring and Verification</a></li> </ul>

**Note:** 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. 30



## Section 3: Annexes

# Annex 1: Interim High-priority Country List



The PPP Working Group is collaborating with external partners to develop a list of high priority-countries (Version 1). In addition to deforestation, the criteria for selecting the high-priority countries plans to include risk of degradation and other aspects of forest positive. The list below is an interim high-priority country list developed by the PPP Working Group, which can be used by companies that do not have their own lists. This list is also the recommended minimum list of countries to consider when reporting on high priority sources in 2022 and 2023 (KPI on ‘% of supply from high priority sources’ under Element 1), but companies can also use their own methodologies which need to be transparent. The interim list below, which only includes risk of deforestation, will be replaced by the list developed with external partners (Version 1) once finalised.

Out of the Top 10 Wood Pulp Producing Countries (FAOSTAT data), Countries with High Risk of Deforestation:	Additional Countries with High Risk of Deforestation:
<ul style="list-style-type: none"> <li>• China</li> <li>• Indonesia</li> <li>• Russia</li> <li>• Brazil</li> </ul>	<ul style="list-style-type: none"> <li>• Laos</li> <li>• Myanmar</li> <li>• DRC</li> <li>• Gabon</li> <li>• Honduras</li> <li>• Cambodia</li> <li>• Papua New Guinea</li> <li>• Malaysia</li> <li>• Bulgaria</li> <li>• Ecuador</li> </ul>

**Note:** This is not a list of all the countries where there is risk of deforestation but a prioritization of where to focus efforts for engagement with suppliers, landscapes, and certification schemes.



# Annex 2: Summary of Public Reporting Requirements in the Forest Positive PPP Roadmap v1.4



For Manufacturers	For Retailers
<b>ELEMENT 1: OWN SUPPLY CHAIN</b>	<b>ELEMENT 1: OWN SUPPLY CHAIN</b>
<b>Public information requirements</b>	<b>Public information requirements</b>
<input type="checkbox"/> 1.1 PPP Sourcing Policy including commitment to the forest positive goals <input type="checkbox"/> 1.2 Timebound action plan summary	<input type="checkbox"/> 1.1 PPP Sourcing Policy including commitment to the forest positive goals <input type="checkbox"/> 1.2 Timebound action plan summary
<b>KPIs</b>	<b>KPIs</b>
<input type="checkbox"/> 1.3 % recycled, % virgin fibre <input type="checkbox"/> 1.4 % of virgin supply certified, and % per scheme and chain of custody model <input type="checkbox"/> 1.5 % of virgin supply traceable to origin (at least to country of harvest) <input type="checkbox"/> 1.6 % of supply from high priority sources <input type="checkbox"/> 1.7 Actions being taken for supply from high priority sources	<input type="checkbox"/> 1.3 % recycled, % virgin fibre <input type="checkbox"/> 1.4 % of virgin supply certified, and % per scheme and chain of custody model <input type="checkbox"/> 1.5 % of virgin supply traceable to origin (at least to country of harvest) <input type="checkbox"/> 1.6 % of supply from high priority sources <input type="checkbox"/> 1.7 Actions being taken for supply from high priority sources
<b>ELEMENT 2: SUPPLIERS</b>	<b>ELEMENT 2: SUPPLIERS</b>
<b>Public information requirements</b>	<b>Public information requirements</b>
<input type="checkbox"/> 2.1 Direct supplier list	<input type="checkbox"/> 2.1 Direct supplier list
<b>KPIs</b>	<b>KPIs</b>
<input type="checkbox"/> 2.2 Proportion of suppliers informed about the Forest Positive Suppliers approach <input type="checkbox"/> 2.3 Number or proportion of suppliers identified as priority for engagement, and % engaged <input type="checkbox"/> 2.4 Performance of engaged suppliers and changes over time including progress on delivery across entire business	<input type="checkbox"/> 2.2 Proportion of suppliers informed about the Forest Positive Suppliers approach <input type="checkbox"/> 2.3 Number or proportion of suppliers identified as priority for engagement, and % engaged <input type="checkbox"/> 2.4 Performance of engaged suppliers and changes over time including progress on delivery across entire business

# Annex 2: Summary of Public Reporting Requirements in the Forest Positive PPP Roadmap v1.4



For Manufacturers	For Retailers
<b>ELEMENT 3: ADDRESSING HIGH-PRIORITY ORIGINS</b>	<b>ELEMENT 3: ADDRESSING HIGH-PRIORITY ORIGINS</b>
<i>For interim high-priority country list see Annex 1 above (p.32).</i>	<i>For interim high-priority country list see Annex 1 above (p.32)</i>
<b>ELEMENT 4: PRODUCTION LANDSCAPES</b>	<b>ELEMENT 4: PRODUCTION LANDSCAPES</b>
<b>Public information requirements and KPIs</b>	<b>Public information requirements and KPIs</b>
<input type="checkbox"/> 4.1 Priority production landscapes identified <input type="checkbox"/> 4.2 Methodology used to identify priority production landscapes to transform to forest positive <input type="checkbox"/> 4.3 # of landscape initiatives currently engaged in <input type="checkbox"/> 4.4 For each landscape initiative your company is currently engaged in, information on: <ul style="list-style-type: none"> <li>a) Name, location, timeline and other partners involved</li> <li>b) Report on type of engagement (e.g disbursed financial, in-kind, capacity, preferential sourcing)</li> <li>c) Specific actions or projects that are supported</li> <li>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)</li> <li>e) Linkages to shared landscape-level goals developed through multi-stakeholder process</li> </ul>	<input type="checkbox"/> 4.1 Priority production landscapes identified <input type="checkbox"/> 4.2 Methodology used to identify priority production landscapes to transform to forest positive <input type="checkbox"/> 4.3 # of landscape initiatives currently engaged in <input type="checkbox"/> 4.4 For each landscape initiative your company is currently engaged in, information on: <ul style="list-style-type: none"> <li>a) Name, location, timeline and other partners involved</li> <li>b) Report on type of engagement (e.g disbursed financial, in-kind, capacity, preferential sourcing)</li> <li>c) Specific actions or projects that are supported</li> <li>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)</li> <li>e) Linkages to shared landscape-level goals developed through multi-stakeholder process</li> </ul>

# Annex 3: 2023 Reporting Guidance for the Forest Positive PPP Roadmap KPIs



This Annex provides guidance for members on 2023 reporting according to the public requirements in the PPP Roadmap v1.4. 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:

- 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.



# Annex 3: 2023 Reporting Guidance for the Forest Positive PPP Roadmap KPIs



**Increased alignment with CDP for 2023 reporting:** 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:

Changes in Forest Positive Coalition Commodity Roadmaps*	Changes in CDP 2023 Questionnaire
<p><b>PPP</b></p> <ul style="list-style-type: none"> <li>• <b>Addition of traceability KPI</b></li> </ul> <p><i>Soy</i></p> <ul style="list-style-type: none"> <li>• Updated Element 1 KPIs (traceability, risk and DCF) to report on full volume</li> <li>• More clarity on "progress of volumes" KPI metrics</li> <li>• More clarity on "supplier performance and progress" metrics in guidance</li> </ul> <p><i>Palm Oil</i></p> <ul style="list-style-type: none"> <li>• New deforestation and conversion free KPI</li> <li>• More clarity on "progress of mills/volume" KPI metrics</li> <li>• More clarity on "supplier performance and progress" metrics in guidance</li> </ul> <p>*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.</p>	<p><i>Relevant across commodities:</i></p> <ul style="list-style-type: none"> <li>• Targets question allows reporting on "progress" for NDPE/DCF volumes and mills and other processing facilities</li> <li>• 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</li> <li>• New risk assessment questions for risk classification</li> <li>• New question that provides breakdown of DCF and non-DCF volumes</li> <li>• More detailed reporting on landscape/jurisdictional engagement</li> </ul> <p><b>PPP</b></p> <ul style="list-style-type: none"> <li>• Targets question now includes option related to recycling</li> </ul>

# Annex 3: 2023 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
<p><b>1.1 PPP Sourcing Policy including commitment to the forest positive goals (1/2)</b></p>	<p>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.14 for the controversial sources definition</i>). The policy goals should include:</p> <ul style="list-style-type: none"> <li>• 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;</li> <li>• 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);</li> <li>• 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;</li> <li>• Fibre use is optimized through increased efficiency and the use of recycled and alternative fibres as well as reducing and reusing packaging where appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• <b>F4.5:</b> Does your organization have a policy that includes forests-related issues?</li> <li>• <b>F4.5a:</b> Select the options to describe the scope and content of your policy.</li> <li>• <b>F4.6b:</b> 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></li> <li>• <b>F4.6a:</b> Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?</li> </ul> <p><b>Other related questions:</b></p> <ul style="list-style-type: none"> <li>• <b>F0.7a:</b> Identify the parts of your direct operations or supply chain that are not included in your disclosure.</li> <li>• <b>F4.6:</b> For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?</li> </ul>

# Annex 3: 2023 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
<p><b>1.1 PPP Sourcing Policy including commitment to the forest positive goals (2/2)</b></p>	<p><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></p>	<ul style="list-style-type: none"> <li>• <b>F4.5:</b> Does your organization have a policy that includes forests-related issues?</li> <li>• <b>F4.5a:</b> Select the options to describe the scope and content of your policy.</li> <li>• <b>F4.6b:</b> 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></li> <li>• <b>F4.6a:</b> Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?</li> </ul> <p><b>Other related questions:</b></p> <ul style="list-style-type: none"> <li>• <b>F0.7a:</b> Identify the parts of your direct operations or supply chain that are not included in your disclosure.</li> <li>• <b>F4.6:</b> For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?</li> </ul>



# Annex 3: 2023 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
<p><b>1.2 Timebound action plan</b></p>	<p>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.</p>	<ul style="list-style-type: none"> <li>• <b>F6.1:</b> Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?</li> <li>• <b>F6.1a:</b> 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></li> </ul>

# Annex 3: 2023 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
<p><b>1.3 % recycled, % virgin fibres</b></p>	<p>Report the proportion of total fibre/PPP volume purchased (including fibre-based packaging) which is from recycled fibres. Can also include information on alternative fibres used where available.</p> <p>Report the proportion of total fibre/PPP volume purchased which is from virgin fibres.</p> <p>Disclose the methodology used and scope of fibre products included.</p> <p><b>For manufacturers:</b> This applies to the material used by the manufacturer member.</p> <p><b>For retailers:</b> This applies to the fibre used by own brand manufacturers supplying the retailer member.</p> <p><b>Note:</b> 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.</p>	<p>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.</p>	<ul style="list-style-type: none"> <li>• <b>F6.1a:</b> 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></li> </ul>

# Annex 3: 2023 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
<p><b>1.4 % of virgin supply certified, and % per scheme and chain of custody model</b></p>	<p>Report the proportion of total virgin fibre volume purchased (including fibre-based packaging) which is certified, and the proportion per scheme and chain of custody model.</p> <p>Disclose the methodology used and scope of fibre products included.</p> <p>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>).</p> <p><b>For manufacturers:</b> This applies to the material used by the manufacturer member.</p> <p><b>For retailers:</b> This applies to the fibre used by own brand manufacturers supplying the retailer member.</p>	<p>Describe in the sourcing policy/timebound action plan how the company is planning to increase proportion of volumes sourced that are certified.</p>	<ul style="list-style-type: none"> <li>• <b>F6.3a:</b> Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.</li> </ul>



# Annex 3: 2023 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
<p><b>1.5 % of virgin supply traceable to origin (at least to country of harvest)</b></p>	<p>Report the proportion of total 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).</p> <p>Disclose the methodology used for determining virgin fibre origin.</p> <p><b>For manufacturers:</b> This applies to the material used by the manufacturer member.</p> <p><b>For retailers:</b> This applies to the fibre used by own brand manufacturers supplying the retailer member.</p>	<p>Describe in the sourcing policy/timebound action plan how the company is planning to increase proportion of volumes sourced that are traceable.</p>	<ul style="list-style-type: none"> <li>• <b>F1.5c:</b> For your disclosed commodity(ies), indicate the percentage of the production/ consumption volume sourced by national and/or sub-national jurisdiction of origin.</li> <li>• <b>F6.2a:</b> Provide details on the level of traceability your organization has for its disclosed commodity(ies).</li> </ul>

# Annex 3: 2023 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
<p><b>1.6 % of supply from high priority sources</b></p>	<p>Report the proportion of total 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.</p> <p><b>For manufacturers:</b> This applies to the material used by the manufacturer member.</p> <p><b>For retailers:</b> This applies to the fibre used by own brand manufacturers supplying the retailer member.</p> <p><b>Guidance for reporting on this KPI in 2023: Volumes which could come from high priority sources*, which include:</b></p> <p>a) <b>uncertified volumes without equivalent assurance, from unknown countries or high priority countries**, or</b></p> <p>b) <b>volumes from any other controversial sources</b></p> <p><i>*Methodology used should be disclosed</i></p> <p><i>**See Annex 1 on p. 32 for interim 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 risk assessments and implement due diligence where needed beyond countries in the interim high priority list.</i></p>	<p>Describe in the sourcing policy/timebound action plan how the company is planning to categorize volumes which come from high priority sources.</p>	<ul style="list-style-type: none"> <li>• <b>F2.3*:</b> 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? <ul style="list-style-type: none"> <li>• <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></li> <li>• <i>Note 2: determining high-risk countries is the first step in identifying high-priority countries</i></li> </ul> </li> <li>• <b>F1.5c:</b> For your disclosed commodity(ies), indicate the percentage of the production/ consumption volume sourced by national and/or sub-national jurisdiction of origin.</li> </ul>

# Annex 3: 2023 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
<b>1.7 Actions being taken for supply from high priority sources</b>	<p>Describe the actions being taken for supply from high priority sources. Actions will include both individual actions with supply chains and suppliers and collective engagement with initiatives, suppliers and/or certification schemes.</p> <p>Some examples of actions include:</p> <ul style="list-style-type: none"> <li>• Investment in landscape initiatives</li> <li>• Increasing certified virgin fibre volumes sourced</li> <li>• Capacity building for suppliers (e.g., action plans)</li> </ul>	<p>This will be narrative reporting initially.</p>	<p>No specific question but covered through other CDP questions on certification, supplier engagement, landscape engagement.</p>



# Annex 3: 2023 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
<b>2.1 Direct supplier list</b>	Suppliers with whom the company has a direct commercial relationship and from which members sourced PPP in previous year.	<ul style="list-style-type: none"> <li><b>F2.2a:</b> 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)”</li> </ul>
Recommended Additional Public Info.	Guidance	Link to CDP Forests 2023 Questions
<b>Summary of the Forest Positive Approach</b>	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 on p.19 under Element 2 of the Guidance on the Forest Positive PPP Roadmap</i> ) or other tools your company is using.	No related question.
<b>Supplier engagement approach</b>	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.	<ul style="list-style-type: none"> <li><b>F6.8:</b> Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.</li> <li><b>F6.9:</b> 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.</li> </ul>

# Annex 3: 2023 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
<p><b>2.2 Proportion of suppliers informed about the Forest Positive Suppliers approach</b></p>	<p>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.</p> <p>More detailed KPIs and how to calculate them are presented below:</p> <ul style="list-style-type: none"> <li>• <b>% suppliers engaged and informed of Forest Positive Approach:</b> 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</li> <li>• <b>% volume from suppliers engaged and informed of Forest Positive Approach:</b> 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</li> </ul>	<p>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.</p>	<ul style="list-style-type: none"> <li>• <b>F6.1a:</b> 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></li> <li>• <b>F6.8:</b> 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></li> </ul>

# Annex 3: 2023 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
<p><b>2.3 Number or proportion of suppliers identified as priority for engagement, and % engaged</b></p>	<p>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.</p> <p>Disclose the methodology used to prioritise suppliers for engagement.</p> <p>Guidance in the <a href="#">Roadmap</a> (p. 20) includes: This will involve reviewing all suppliers and identifying as a priority for engagement those that</p> <ul style="list-style-type: none"> <li>a) are not supplying certified products, or</li> <li>b) are sourcing from origins with a high risk of controversial sources, or</li> <li>c) are not committed to a forest positive approach across their whole supply base.</li> </ul>	<p>Describe in the sourcing policy/timebound action plan how the company is planning to prioritise suppliers for engagement.</p>	<ul style="list-style-type: none"> <li>• <b>F6.1a:</b> 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></li> <li>• <b>F6.8:</b> 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></li> <li>• <b>F6.4a:</b> 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></li> </ul>

# Annex 3: 2023 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
<p><b>2.4 Performance of engaged suppliers and changes over time including progress on delivery across entire business (1/2)</b></p>	<p>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:</p> <ul style="list-style-type: none"> <li>• <b>Average supplier score:</b> 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</li> <li>• <b>% change in average supplier score:</b> 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.</li> <li>• <b>Number/% of suppliers meeting each of the five requirements under the Forest Positive Approach:</b> 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.</li> </ul>	<p>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.</p>	<ul style="list-style-type: none"> <li>• <b>F6.1a:</b> Provide details of your forests-related timebound and quantifiable target(s), and progress made. <ul style="list-style-type: none"> <li>• <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></li> <li>• <i>Note 2: Participation in the CDP Supply Chain program allows CGF members to collect data from their suppliers and report against targets.</i></li> </ul> </li> <li>• <b>F6.8:</b> Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement. <ul style="list-style-type: none"> <li>• <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></li> <li>• <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></li> </ul> </li> <li>• <b>F6.4a:</b> Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your non conversion and/or deforestation commitment(s). <i>Note: new column requests quantitative data on non-compliant suppliers engaged.</i></li> </ul>



# Annex 3: 2023 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
<p><b>2.4 Performance of engaged suppliers and changes over time including progress on delivery across entire business (2/2)</b></p>	<ul style="list-style-type: none"> <li>• <b>Change in number/% of suppliers meeting Forest Positive Approach:</b> 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.</li> <li>• <b>% suppliers assessed in different categories of performance:</b> 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</li> <li>• <b>% volume from suppliers in different categories of performance:</b> 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</li> </ul>	<p>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.</p>	<ul style="list-style-type: none"> <li>• <b>F6.1a:</b> Provide details of your forests-related timebound and quantifiable target(s), and progress made. <ul style="list-style-type: none"> <li>• <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></li> <li>• <i>Note 2: Participation in the CDP Supply Chain program allows CGF members to collect data from their suppliers and report against targets.</i></li> </ul> </li> <li>• <b>F6.8:</b> Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement. <ul style="list-style-type: none"> <li>• <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></li> <li>• <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></li> </ul> </li> <li>• <b>F6.4a:</b> Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your non conversion and/or deforestation commitment(s). <i>Note: new column requests quantitative data on non-compliant suppliers engaged.</i></li> </ul>

# Annex 3: 2023 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
<b>2.2 Proportion of suppliers informed about the Forest Positive Suppliers approach</b>	<p>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.</p> <p>For retailers, the focus initially will be on own brand suppliers.</p> <p><i>See examples of KPIs and how to calculate them on p.46.</i></p>	<p>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.</p>	<ul style="list-style-type: none"> <li>• <b>F6.1a:</b> 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></li> <li>• <b>F6.8:</b> 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></li> </ul>

# Annex 3: 2023 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
<p><b>2.3 Number or proportion of suppliers identified as priority for engagement, and % engaged</b></p>	<p>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.</p> <p>Guidance in the <a href="#">Roadmap</a> (p. 20) includes: This will involve reviewing all suppliers and identifying as a priority for engagement those that</p> <ul style="list-style-type: none"> <li>a) are not supplying certified products, or</li> <li>b) are sourcing from origins with a high risk of controversial sources, or</li> <li>c) are not committed to a forest positive approach across their whole supply base.</li> </ul>	<p>Describe in the sourcing policy/timebound action plan how the company is planning to prioritise suppliers for engagement.</p>	<ul style="list-style-type: none"> <li>• <b>F6.1a:</b> 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></li> <li>• <b>F6.8:</b> 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></li> <li>• <b>F6.4a:</b> 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></li> </ul>

# Annex 3: 2023 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
<p><b>2.4 Performance of engaged suppliers and changes over time including progress on delivery across entire business</b></p>	<p>To report on overall progress and change in performance for all engaged suppliers, companies can use different KPIs. <i>See examples of KPIs on pp.48-49.</i></p> <p>For retailers, the focus initially will be on own brand suppliers.</p>	<p>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.</p>	<ul style="list-style-type: none"> <li>• <b>F6.1a:</b> Provide details of your forests-related timebound and quantifiable target(s), and progress made.               <ul style="list-style-type: none"> <li>• <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></li> <li>• <i>Note 2: Participation in the CDP Supply Chain program allows CGF members to collect data from their suppliers and report against targets.</i></li> </ul> </li> <li>• <b>F6.8:</b> Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.               <ul style="list-style-type: none"> <li>• <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></li> <li>• <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></li> </ul> </li> <li>• <b>F6.4a:</b> 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></li> </ul>



# Annex 3: 2023 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.*

# Annex 3: 2023 Reporting Guidance for the Forest Positive PPP Roadmap KPIs – Element 3: Addressing High-priority Origins



**V1.4 of the Roadmap does not include KPIs for Element 3** (*see Annex 1 for an interim High-priority Country List*).

# Annex 3: 2023 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
<b>4.1 Priority production landscapes identified</b>	List the priority landscapes that your company has identified <input type="checkbox"/> Priority area or landscape initiative 1 <input type="checkbox"/> Priority areas or landscape initiative 2 <input type="checkbox"/> Etc.	<ul style="list-style-type: none"> <li>• <b>F6.10a:</b> 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></li> </ul>
<b>4.2 Methodology used to identify priority production landscapes to transform to forest positive</b>	Report on methodology used for the prioritisation of landscapes <input type="checkbox"/> Using company specific methodology to prioritise production areas to engage in to transform towards forest positive areas? <input type="checkbox"/> Using an existing methodology for prioritising production landscapes. Please select from the list below: <ul style="list-style-type: none"> <li>○ CGF Forest Positive Coalition to select landscape initiatives through process of Expression of Interest</li> <li>○ Linkages to identification of commodity specific high priority areas/ high-risk origin areas linked to Element 3</li> <li>○ AFI work with Trase and others on identifying low and high priority areas</li> <li>○ Other, namely:</li> </ul> <input type="checkbox"/> Methodology not yet developed	<ul style="list-style-type: none"> <li>• <b>F6.10a:</b> 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></li> </ul>

# Annex 3: 2023 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
<b>4.3 # of landscape initiatives currently engaged in</b>	<p>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></p> <p><input type="checkbox"/> Number of landscape initiatives engaged in:</p>	<p><b>Related questions:</b></p> <ul style="list-style-type: none"> <li>• <b>F6.10:</b> Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?</li> <li>• <b>F6.10b:</b> 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></li> </ul>
<b>4.4 For each landscape initiative your company is currently engaged in, information on:</b>		<ul style="list-style-type: none"> <li>• <b>F6.10b:</b> Provide details of your engagement with landscape/jurisdictional approaches to sustainable land use during the reporting year</li> </ul>
<b>4.4a) Name, location, timeline and other partners involved</b>	<p>Report on the following for each landscape initiative currently engaged in:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Name of the initiative:</li> <li><input type="checkbox"/> Location of the initiative (country and region):</li> <li><input type="checkbox"/> Committed timeline of engagement (number of years or until when):</li> <li><input type="checkbox"/> Other partners involved (including other Coalition members and key stakeholders):</li> </ul>	<p><i>Note: new columns request data on types of stakeholders engaged</i></p>



# Annex 3: 2023 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
<p><b>4.4b) Report on type of engagement (e.g disbursed financial, in-kind, capacity, preferential sourcing)</b></p>	<p>Report on how you contribute/support the landscape initiative</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Disbursed financial support:</li> <li><input type="checkbox"/> In-kind support, including:</li> <li><input type="checkbox"/> Preferential sourcing:</li> <li><input type="checkbox"/> Other, including:</li> </ul> <p>Alternatively, please refer to the engagement categories identified by SourceUp or CDP.</p>	<ul style="list-style-type: none"> <li>• Also <b>F6.10c*</b>: 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></li> </ul>
<p><b>4.4c) Specific actions or projects that are supported</b></p>	<p>List the specific activities support for the current year that you support:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Activity 1:</li> <li><input type="checkbox"/> Activity 2:</li> <li><input type="checkbox"/> Etc.</li> </ul>	
<p><b>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)</b></p>	<p>Select which of the following forest positive elements the initiative contributes to:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Conservation and sustainable management of forests and natural ecosystems</li> <li><input type="checkbox"/> Restoration and rehabilitation of deforested areas and natural ecosystems</li> <li><input type="checkbox"/> Positive and lasting inclusion and resilience of farmers and local communities</li> <li><input type="checkbox"/> Sustainable partnership development.</li> <li><input type="checkbox"/> Other, e.g. specific goals or outcomes of the landscape initiatives</li> </ul>	<p><b>57</b></p>

# Annex 3: 2023 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
<p><b>4.4e) Linkages to shared landscape-level goals developed through multi-stakeholder process</b></p>	<p><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></p> <p>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.</p> <p>Support / contribution to landscape level specific goal of the initiative:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Goal, objective, outcome 1:</li> <li><input type="checkbox"/> Goal, objective, outcome 2:</li> </ul>	<p><i>Note: new columns request data utilization of a collective monitoring framework</i></p>

# Annex 4.

## CGF Forest Positive Coalition

### PPP DCF methodology

Version 0 Developed by the Forest Positive Coalition of Action

November 2023



Forest Positive

proforest



TFA  
TROPICAL FOREST ALLIANCE



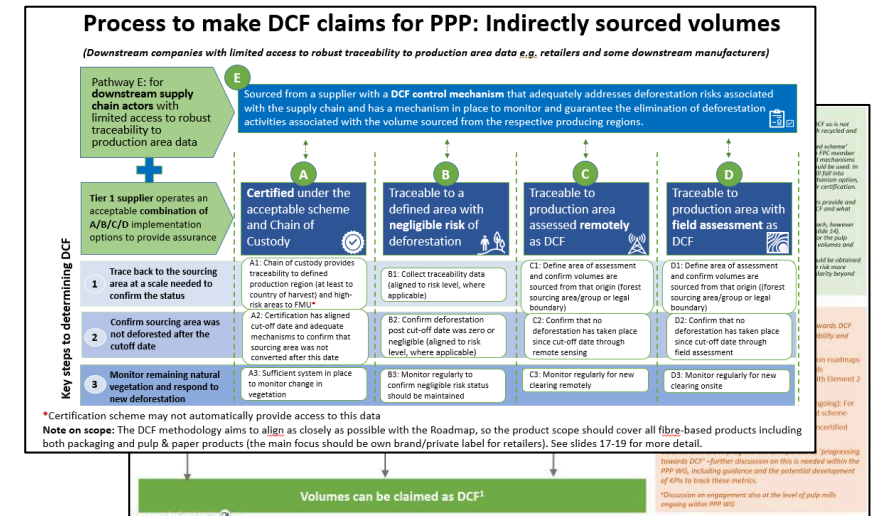
# An aligned Deforestation- and Conversion-free (DCF) Methodology for PPP



The CGF Forest Positive Coalition is developing an **aligned DCF methodology for each commodity** to provide a framework for companies to report in an aligned way on the DCF KPIs in the Commodity Roadmaps.

For PPP, a **KPI to track %DCF volumes** is in development for integration into the CGF FPC PPP Roadmap. Member companies reporting on PPP will work to align with this **PPP DCF Methodology** for reporting on this metric consistently. The PPP Working Group will also take action to further **socialize** the methodology, seeking alignment with the **wider sector**.

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





# Contents: CGF-FPC DCF Guidance for PPP

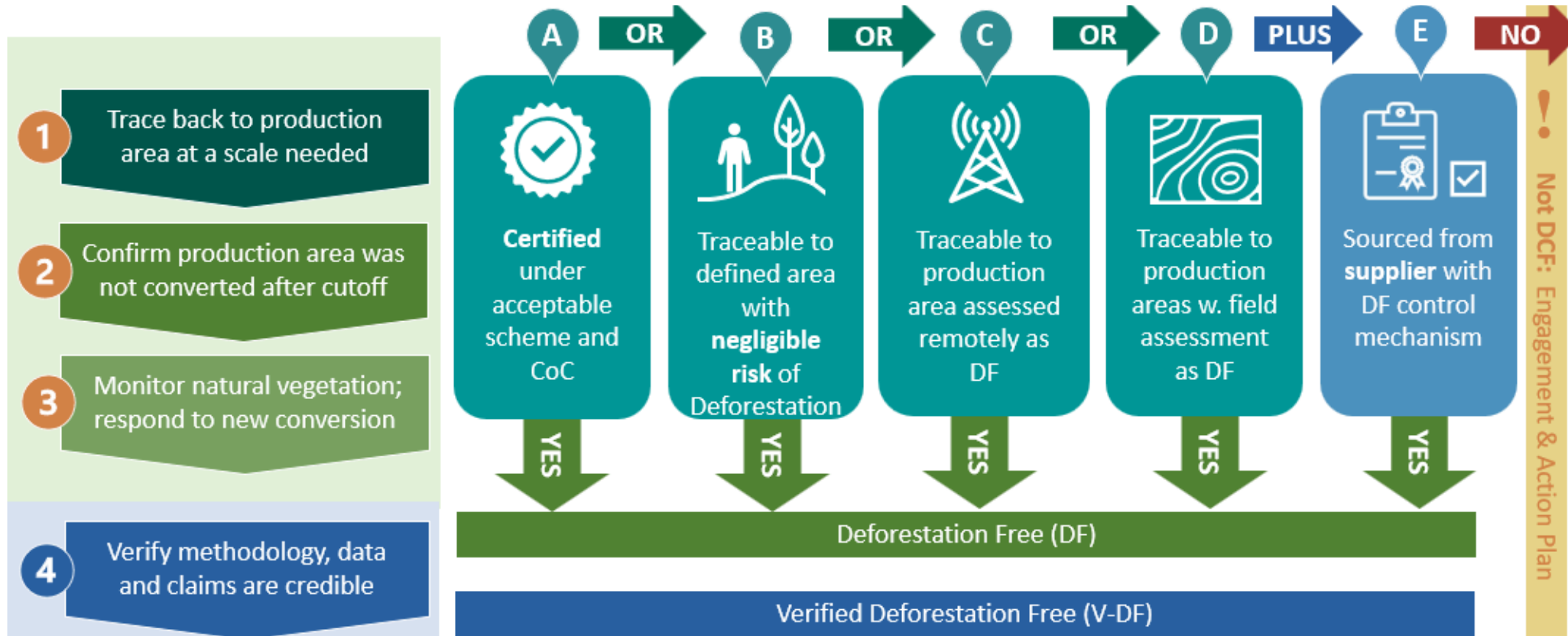


Sub-section	Page number
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# Introduction to Generic Deforestation and Conversion Free (DCF) Methodology

A high-level overview of the generic DCF  
methodology

# Introduction: The Generic DCF Methodology



- There are **3 key steps** required 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 need to be **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** will be needed.
- For **directly sourced volumes**, any combination of implementation options A to D can be used.
- For **indirectly sourced volumes** (E), confirmation is needed 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

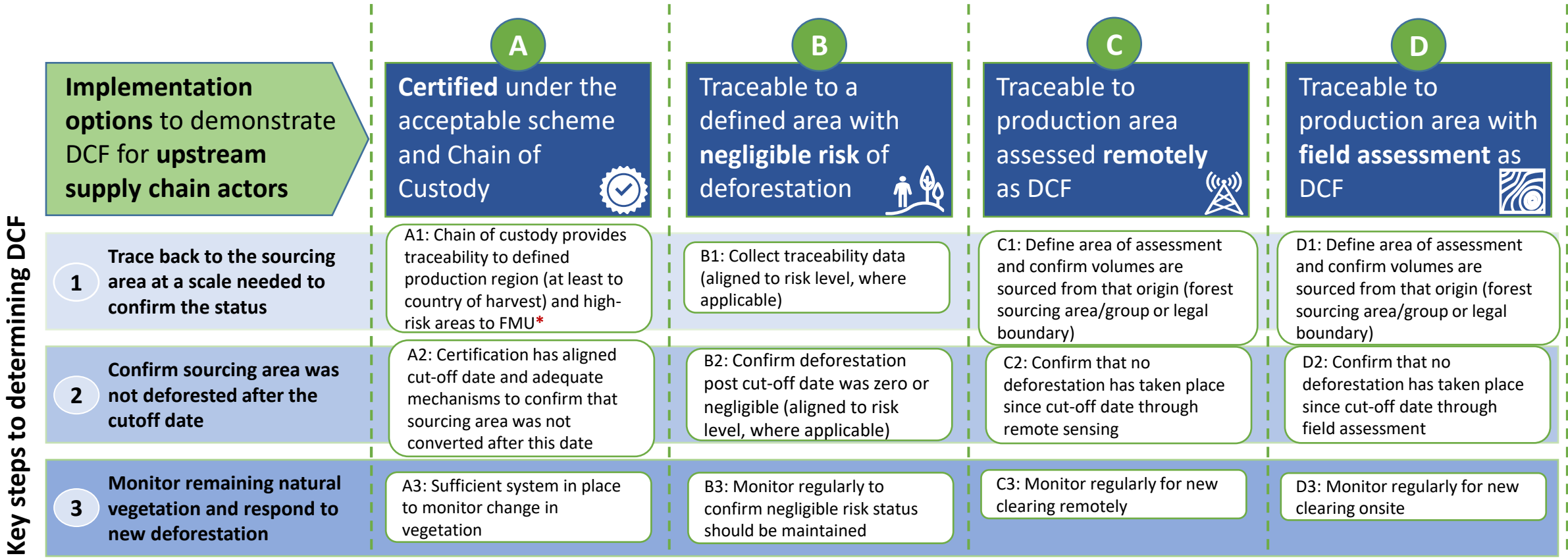


# Process to make DCF claims for PPP: Direct supply

*(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 will be needed.

**Proposal for cut-off date:** The DCF methodology aims to align as closely as possible with the PPP Roadmap Guidance. *“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)”.*

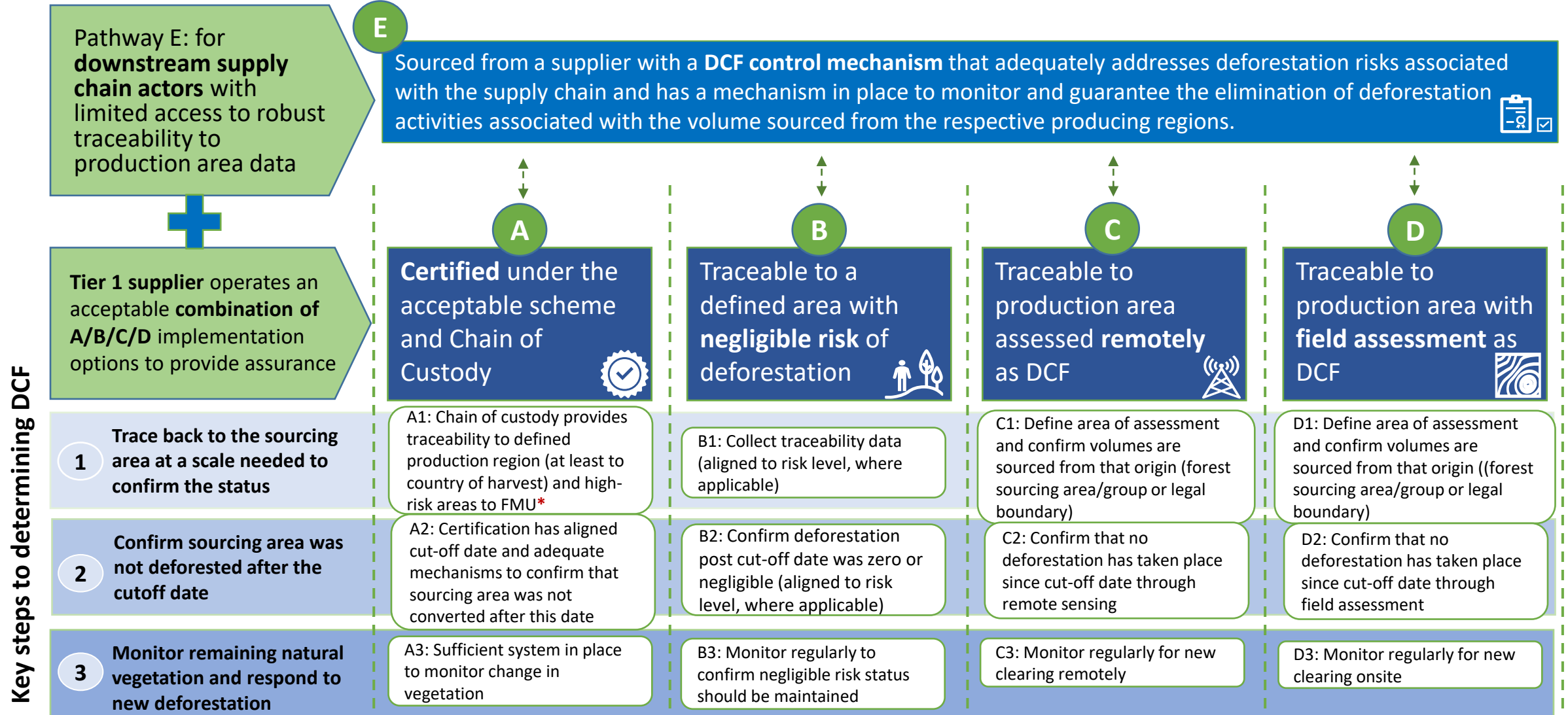


\*Certification scheme may not automatically provide access to this data

**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 75-77 for more detail.

# Process to make DCF claims for PPP: Indirectly sourced volumes

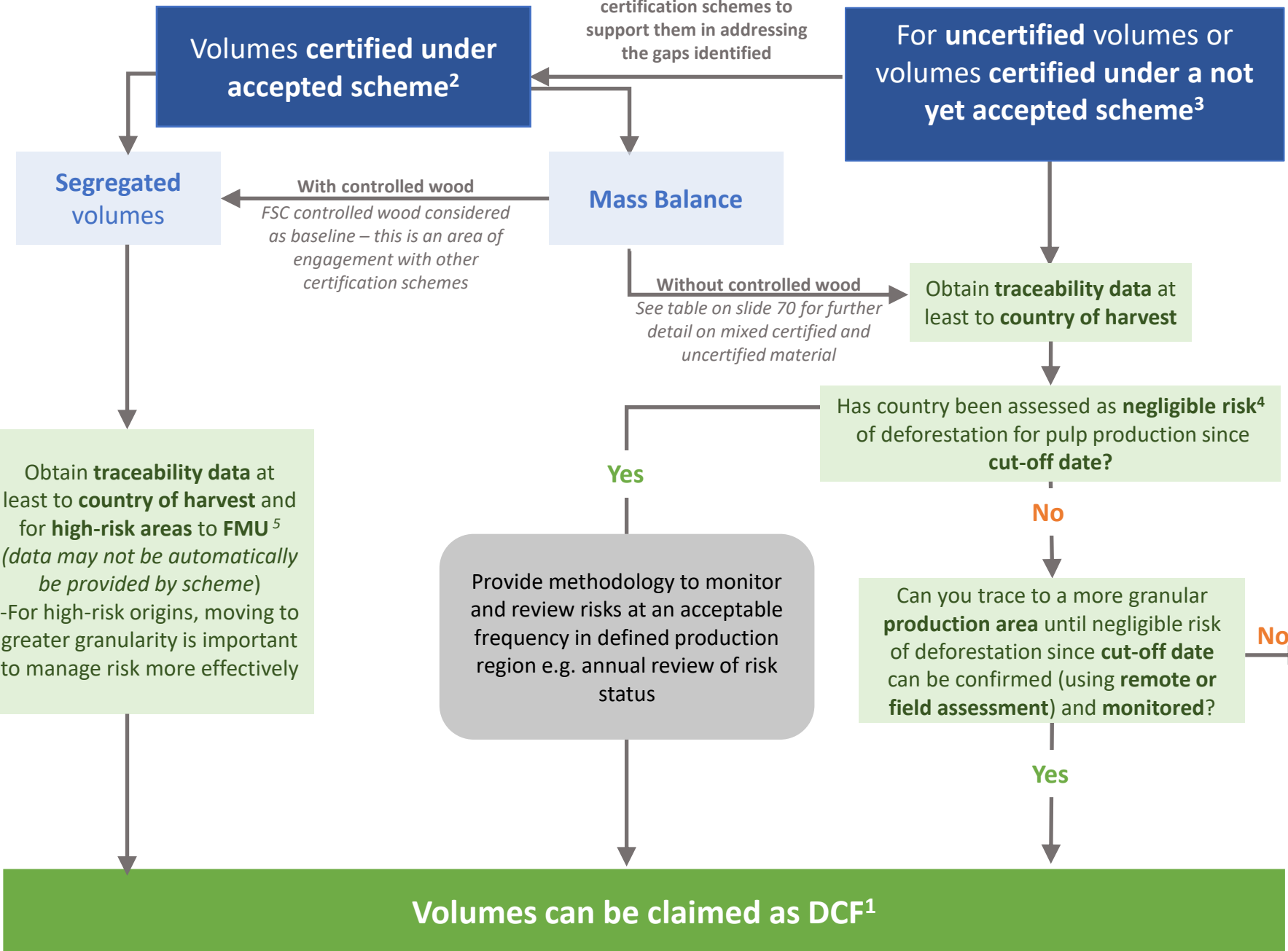
(Downstream companies with limited access to robust traceability to production area data e.g. retailers and some downstream manufacturers)



\*Certification scheme may not automatically provide access to this data

**Note on scope:** The DCF methodology aims to align as closely as possible with the 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 75-77 for more detail.

# DCF process flow for PPP in practice



## Notes:

- <sup>1</sup>Post-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.
- <sup>2</sup>This 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 69-70 for detail on certification)
- <sup>3</sup> 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.
- <sup>4</sup>Other CGF-FPC commodities use a negligible risk approach, however this has yet to be developed for the forestry sector (see slide 72). 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.
- <sup>5</sup> 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 – aligned with Element 2 of the PPP Roadmap<sup>6</sup>
  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.
- <sup>6</sup>Discussion on engagement also at the level of pulp mills ongoing within PPP WG



# Implementation options for demonstrating DCF



## A

# 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. As more AFi guidance develops, the group will continue to ensure alignment.



From mid-2024, the recommended acceptable certification schemes include (for more details see next slide):

- **FSC** (100% certified and controlled wood)
- **PEFC endorsed national scheme** – dependent on assessment that the endorsed scheme fully meets DCF requirements and product traceability to DCF FMU or at least to a regional level assessed for deforestation (100% certified, mixed material through the due diligence system covers deforestation but conversion of other ecosystems is not fully covered).

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

# A Certified under an acceptable scheme and Chain of Custody

Assessment of certification schemes is based on their delivery on the [main AFi requirements for DCF](#) and the [Sustainability Standards Comparison Tool \(SSCT\)](#). As more guidance develops, the group will continue to ensure alignment.

Certification scheme	100% certified materials	Mixed (certified and uncertified material)	Key gaps
	<p><b>Yes:</b> With the introduction of the new Policy to Address Conversion effective mid-2023:</p> <ul style="list-style-type: none"> <li>• FSC D&amp;C cut-off date: 31 December 2020.</li> <li>• Plantations converted from natural forests between 1 December 1994 and 31 December 2020 are not eligible for certification unless conversion occurred under justified circumstances or restoration and compensation have been demonstrated (FSC P&amp;C v 5.3 6.9-6.11).</li> <li>• Traceability data available as FSC requires geolocation of FMUs (data provided in forest certification reports but not easily accessible to downstream players)</li> </ul>	<p><b>Yes (once below is in effect):</b></p> <ul style="list-style-type: none"> <li>• Following finalization of <a href="#">ongoing revision</a> of the FSC Controlled Wood standard (expected by end of 2023 with potential transition period), non-certified volumes in the mix should also achieve low risk of D&amp;C due to expected alignment with the new Policy to Address Conversion.</li> <li>• Currently the CW standard requires non-certified material to have low probability of harvesting from: forests in which high conservation values are threatened by management activities; forests being converted from natural or semi-natural forest to plantation or non-forest use.</li> </ul>	<p><b>New FSC Policy to Address Conversion and Remedy Framework</b> including relevant standard revisions are effective from mid-2023. Compliance with this will be verified for all certificate holders within a year. For new clients this will be through the first certification audit, for existing clients this will be during the next annual audit.</p>
 <p><b>(Endorsed national scheme)</b></p>	<p><b>Potentially:</b></p> <ul style="list-style-type: none"> <li>• Cut-off date: 2010</li> </ul> <p><b>Provided that</b></p> <ul style="list-style-type: none"> <li>• PEFC endorsed national schemes fully meet DCF requirements and product traceability to DCF FMU or at least to a regional level assessed for deforestation.</li> <li>• If PEFC endorsed scheme does not meet DCF requirements, then complementary tools should be used.</li> <li>• Variation across PEFC endorsed national schemes as an area of engagement with PEFC.</li> </ul>	<p><b>Potentially (for deforestation but conversion of other ecosystems not fully covered):</b></p> <ul style="list-style-type: none"> <li>• Due diligence system for the avoidance of material from controversial sources requires that non-certified material is not sourced from: Activities where ecologically important forest areas are not identified, protected, conserved or set aside; Activities where forest conversions occurs, in other than justified circumstances.</li> </ul> <p><b>Provided that:</b></p> <ul style="list-style-type: none"> <li>• For deforestation: PEFC endorsed national schemes fully meet DF requirements and product traceability to DF FMU or at least to a regional level assessed for deforestation risk (see gaps identified for 100% certified material).</li> <li>• For DCF: the above requirements are satisfied for both D&amp;C <u>and</u> once PEFC due diligence covers conversion.</li> </ul>	<p><b>CoC:</b></p> <ul style="list-style-type: none"> <li>• In relation to claims and labels, there is no distinction made between products certified under different types of accepted CoC models.</li> </ul> <p><b>Assurance gaps:</b></p> <ul style="list-style-type: none"> <li>• Lack of publicly available certification reports.</li> </ul> <p><b>Traceability and governance gaps:</b></p> <ul style="list-style-type: none"> <li>• Sufficient record keeping requirements for certified content however some data is available only upon request (e.g. country of origin) and some (e.g. FMU geolocation) is not collected.</li> </ul>



**Not currently:**

- No specific cut-off dates for ecosystem conversion or requirement for geolocation of FMUs.

**Note:** The PPP WG is monitoring progress and actively engaging with these certification schemes.

# 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 70 for information on the different levels of coverage<sup>1</sup>). 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:

<sup>1</sup>This is a key area for collective engagement with the certification schemes to ensure that schemes sufficiently address these issues.

## B

# 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.
- Currently 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’ terminology<sup>1</sup> 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** in alignment with 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 risk matrix (CRM) approach:** This work can be used by CGF-FPC members to inform their classification of countries according to deforestation risk (low/medium/high). The CRM also provides information on risk levels for degradation, legality, land rights and labour rights. **Please note that the CRM 2023 results are an internal FPC resource**, and not public (the Coalition will only publish the list of high priority countries). The low-risk category of the Country Risk 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

<sup>1</sup>Where possible, low-risk definition considers low-risk of deforestation, conversion and degradation, with full inclusion of both degradation and conversion by 2030 (see slide 71)



# 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



## 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



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 **evaluating approaches and data** being used and **approving suppliers** (either directly or through a third party)



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

- Group feedback suggests that aligning on a minimum set of criteria to define what are credible requirements for **T1 suppliers on DCF methodology, information sharing, and verification** would be useful, to be used as the basis of guidance for a 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, whilst maintaining alignment with the FPC methodology.



# 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 for companies to report publicly on % of total volume in scope of their DCF reporting, and transparency on what has been excluded from each category (*see next slide for guidance*).

## Categories include scope of:

### Products

- *Own Brand vs non-Own Brand*
- *Product type (e.g. palm derivatives, fibre-based packaging, leather)*
- *Product lines*

### Suppliers

- *Volumes from which suppliers e.g. top x suppliers covering 80% of volume*

### Legal entities/ business affiliation

- *Direct buy vs indirect buy (e.g. Franchisees, Joint ventures, Co-manufacturers)*
- *Which part of business associated with the brand (e.g. not reporting across Group level)*

### Production type

- *e.g. Independent smallholders*



# Guidance on the scope of reporting



To address existing inconsistencies across the scope of company reporting, the CGF-FPC acknowledges best practice and ambition to progress towards including full volumes in reporting scope<sup>1</sup>.

In acknowledgment that for many members this is not yet possible, the proposed approach is to focus on transparency, companies are to report:

- 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 scope<sup>2</sup> =**

## 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:

<sup>1</sup>Companies should be clear about their target dates to achieve DCF across full scope.

<sup>2</sup> The group will further align on 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 is to 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)*

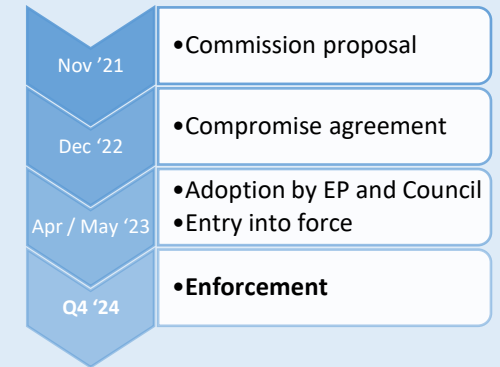
### International law and laws of country of production:

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

## Primary obligations and timeline

### \*Companies need to:

1. 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)
2. 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
3. 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.**

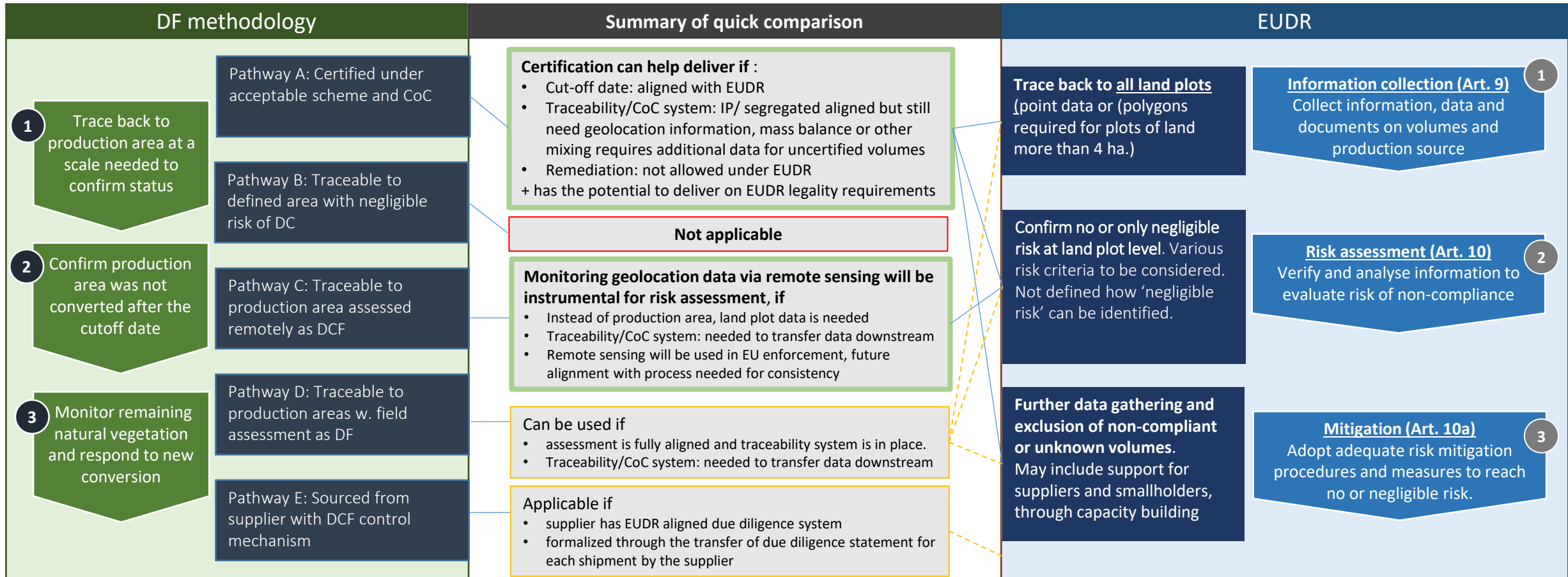
### Notes:

- \* 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)



# 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 collective action to work towards compliance

## Remaining Questions

4. Lack of clarity on the practicalities of EUDR prevent immediate action and alignment
  - 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
6. Significant concerns may or may not be addressed via implementing guidance from the Commission
  - the exclusionary effect of EUDR traceability requirements, in particular on smallholders
  - The legality of companies collecting and transferring location- and private property- data outside of the host country

# 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



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