



FOREST  
POSITIVE

# PERSPECTIVES ON PROGRESS

CHALLENGES AND INSIGHTS  
ON THE WAY TO FOREST POSITIVE

ANNUAL  
REPORT  
2023





“Taking collective action for a forest positive future.”

## ABOUT THE FOREST POSITIVE COALITION

Forests cover almost 30 percent of the world’s land area, but they are disappearing at an alarming rate. Stopping commodity-driven deforestation is critical to addressing global climate change, preserving biodiversity and ensuring reliable and sustainable raw materials and supply chains. Everyone – from the private sector to governments to NGOs, smallholder farmers and local stakeholders – has a role to play. Companies play an important role but cannot stop deforestation alone.

In 2020, the Consumer Goods Forum launched the Forest Positive Coalition of Action, comprised of 17 ambitious member companies committed to moving efficiently and quickly towards a forest positive future, and who understand the need to work collaboratively with multiple stakeholders.

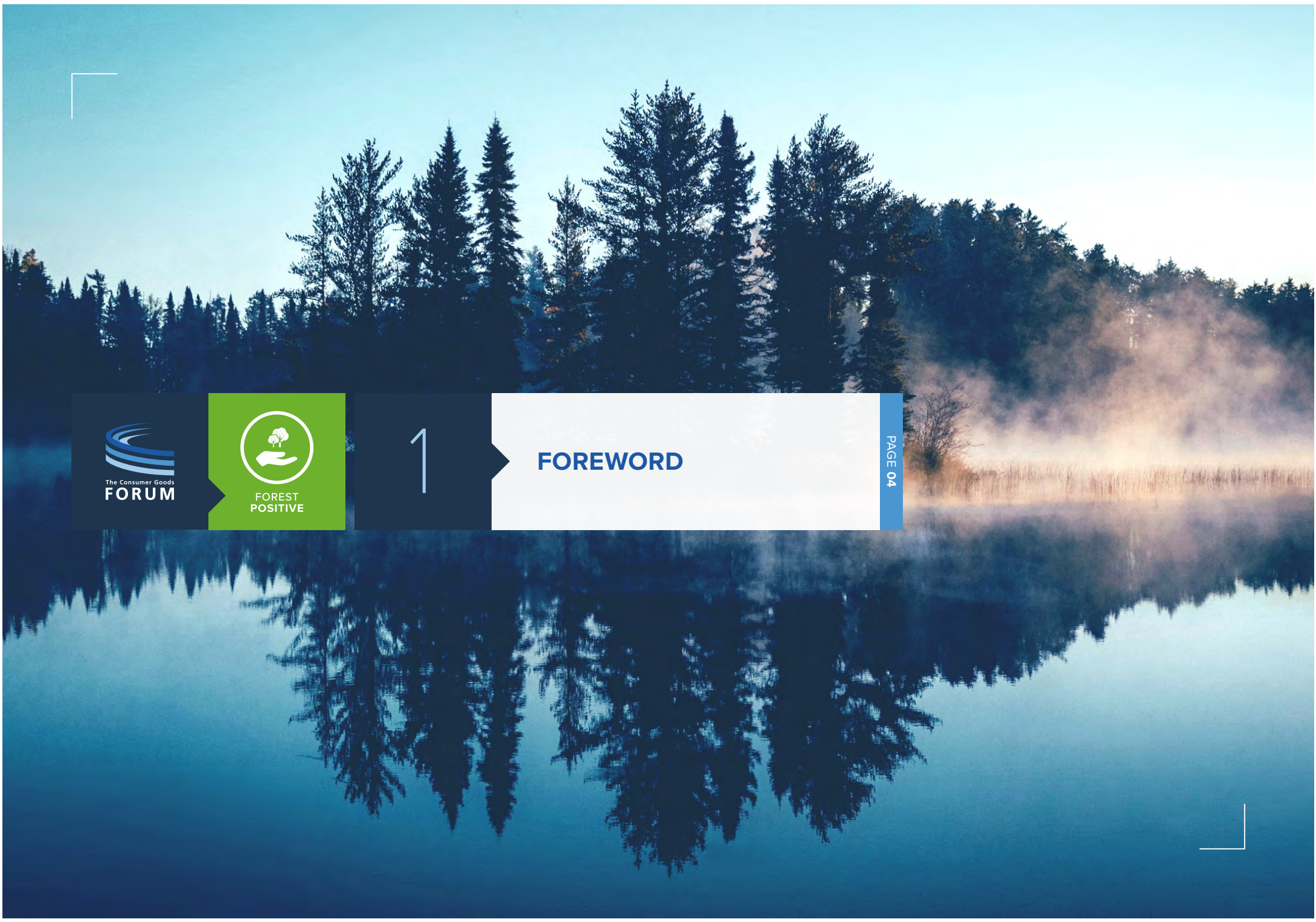
Now 21 companies, with a collective market value of more than US\$1.8 trillion, the Coalition is in a leading position to leverage collective action and accelerate systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains.



# Quick links

<p>—</p> <p><b>FOREWORD</b></p> <p>—</p>	PAGE 04	<p>—</p> <p><b>PROGRESS &amp; INSIGHTS</b></p> <p>—</p>	PAGE 16	<p>—</p> <p><b>COMPANY PERFORMANCE PROFILES</b></p> <p>—</p>	PAGE 78				
<p>—</p> <p><b>EXECUTIVE SUMMARY</b></p> <p>—</p>	PAGE 09	<p>KEY COMMODITIES:</p> <table border="1"> <tr> <td data-bbox="871 751 1133 815">PALM OIL</td> <td data-bbox="1144 751 1373 815">SOY</td> </tr> <tr> <td data-bbox="871 831 1133 895">BEEF</td> <td data-bbox="1144 831 1373 895">PPP</td> </tr> </table> <hr/> <p><b>PRODUCTION LANDSCAPES</b></p>	PALM OIL	SOY	BEEF	PPP	QUICK LINKS	<p>—</p> <p><b>PARTNERS</b></p> <p>—</p>	PAGE 80
PALM OIL	SOY								
BEEF	PPP								
<p>—</p> <p><b>INTRODUCTION</b></p> <p>—</p>	PAGE 12	<p>—</p> <p><b>LESSONS LEARNED</b></p> <p>—</p>	PAGE 72	<p>—</p> <p><b>STAKEHOLDERS FEEDBACK</b></p> <p>—</p>	PAGE 82				
				<p>—</p> <p><b>ANNEX</b></p> <p>—</p>	PAGE 85				





FOREST  
POSITIVE

1

# FOREWORD

PAGE 04







# Members





## FOREWORD



**“As manufacturers and retailers, we acknowledge our individual and collective responsibility.”**

### › CEO Co-Sponsor Foreword

Gathering to consider the Coalition’s journey, we approach it with a sense of humility and a profound sense of duty. The past year reaffirms our commitment to address deforestation and conversion in commodity supply chains.

Deforestation persists as a significant threat, and as manufacturers and retailers, we acknowledge our individual and collective responsibility. United under the Coalition’s theory of change, we engage stakeholders globally, striving to create a forest positive future

Having traversed significant phases of growth in recent years, the Coalition’s evolution signifies the power of transformation. Now in our third year, we accelerate progress and deepen our engagement. We establish new Key Performance Indicators (KPIs) and fortify our dedication to Deforestation- and Conversion-Free (DCF) commodities, all while recognising the crucial role of smallholder farmers in sustainable supply chains.

Looking forward, our focus extends to grassroots landscape transformation, involving local governments, communities, and smallholders. While members diligently report on KPIs, persistent challenges call for increased industry and stakeholder support.

We call for greater participation, advocate for coalition growth, seek partnerships, and explore external funding opportunities. Our journey, characterised by unwavering dedication, propels us all towards a more sustainable future.

**Alexandre Bompard**

**Chairman and CEO**  
Carrefour

**Noel Wallace**

**Chairman, President and CEO**  
Colgate-Palmolive







“We invite others to join us so we can accelerate this vital work.”



### › Chair Foreword

Our third annual report comes at a pivotal moment for the Forest Positive Coalition of Action. Three years in to this collaboration, we have made significant progress and gathered deep insights to inform our pursuit of ending deforestation and conversion in key commodity supply chains. We set the foundation for our work through four commodity roadmaps, common reporting KPIs, and a portfolio of landscape initiatives, tools and resources for on-the-ground action. Nonetheless, we know there is much more to do.

Alongside the progress we made in 2022, we are being transparent around the challenges we face, so others can learn from our experience. Neither the Coalition, nor the private sector more broadly can achieve a Forest Positive ambition on its own. Rewriting the relationship between business and nature to be Forest Positive requires partnership with farmers, communities, governments, the finance sector, and others. To that end, this report also serves as a call to action – no matter how big or small, no matter how many steps of a supply chain removed, we invite others to join us so we can accelerate this vital work to protect and regenerate our spectacular forests across the globe.

**Emily Kunen**

**Senior Director, Sustainable Agriculture**  
PepsiCo







“Together,  
we hold the  
future of our  
planet in  
our hands.”



### › Managing Director Foreword

As we come together once more to reflect on our journey toward a forest positive world, I present the annual report of the Forest Positive Coalition of Action, guided by our theme: ‘Perspectives on Progress, Challenges, and Insights on the Way to Forest Positive.’

Consumer goods companies shoulder a profound responsibility for the wellbeing of our world’s forests. Being forest positive signifies a commitment to sustainable development, improved livelihoods, and positive climate outcomes. It calls us to take meaningful action.

Our Coalition has made significant strides over the years in critical areas, such as transparency and grievance monitoring. Nevertheless, we acknowledge that our mission is a continuous journey, one of learning and adaptation. This report reflects our commitment to transparency and accountability, emphasising the importance of comprehending the scale of the challenge. We remain dedicated to openly sharing our reflections, learnings, and progress.

Navigating the complexities of this global challenge, we extend an open invitation to other organisations to collaborate with us. Together, we can leverage the collective power of our industry to effect lasting change. We invite all stakeholders, including retailers and manufacturers, to join us in expediting progress toward a forest-positive future.

Our Forest Positive Coalition of Action stands firmly together for substantial progress, exemplifying determination and concrete results. Through collaboration, we send a resounding message that practices like commodity-driven deforestation belong to the past. Our members have demonstrated their commitment through ambitious metrics and transformed business practices.

Yet, the road ahead remains challenging. Shifting behaviors is complex and necessitates continuous effort and collaboration. Each of us plays a pivotal role in accelerating our progress.

In the spirit of collective responsibility, we humbly present the third Annual Report from the Forest Positive Coalition. We hope this report will spark meaningful conversations and actions regarding the global challenge of deforestation, acknowledging both the strides we’ve taken and the uncharted path to forest positivity ahead.

Together, we hold the future of our planet in our hands. Let us embrace our shared commitment and strive to preserve our forests, nurturing a more sustainable world for generations to come.

**Wai-Chan Chan**

**Managing Director,**

The Consumer Goods Forum





2

**EXECUTIVE  
SUMMARY**

PAGE 09





# Perspectives on progress

It's undeniable that a forest-positive approach is essential to address the needs and commitments related to climate, nature, and people. This year's report reflects on our collective progress, challenges faced, and insights gained, three years into implementing our [Theory of Change](#).

In these past three years, more [members](#) have joined, we've developed [commodity roadmaps](#) and guidance recognised as best practice references, advanced our [KPI reporting methodology](#) and disclosure, and gained momentum on [production landscapes](#). Nevertheless, this journey has not been without its obstacles, which we humbly share with you.

In this report, we share insights in two parts, in line with our Theory of Change:

## 1 Supply chain transparency

Collectively, members have improved transparency across our priority commodities of palm oil, soy, beef and paper, pulp and fibre-based packaging. Based on 2022 KPI reporting requirements, overall KPI disclosure this year is 77%, up from 64% last year.

For each priority commodity, we explain both systemic challenges and activities that have helped members overcome some of these challenges. Key activities include implementing new guidance to engage and align best practices with entities across the value chain (e.g., [Guidance for Meatpackers](#) from the Beef Working Group), aligning Deforestation- and Conversion-Free (DCF) methodologies (e.g., for soy), collaborating with certification schemes, and working with implementers and technology providers (e.g., satellite technology for deforestation monitoring).



## 2 Collective action in production landscapes

Beyond our own supply chains, our Coalition strives to foster a strong enabling environment for landscape-level action, collaboration, and knowledge-sharing in our portfolio of [23 production landscape initiatives](#). Our ambition is to transform production landscapes in areas equivalent to the Coalition's production base footprint to forest positive by 2030. It is important that our landscape initiatives are not only supporting conservation and restoration, but also improving land tenure security, agricultural practices, and livelihoods.

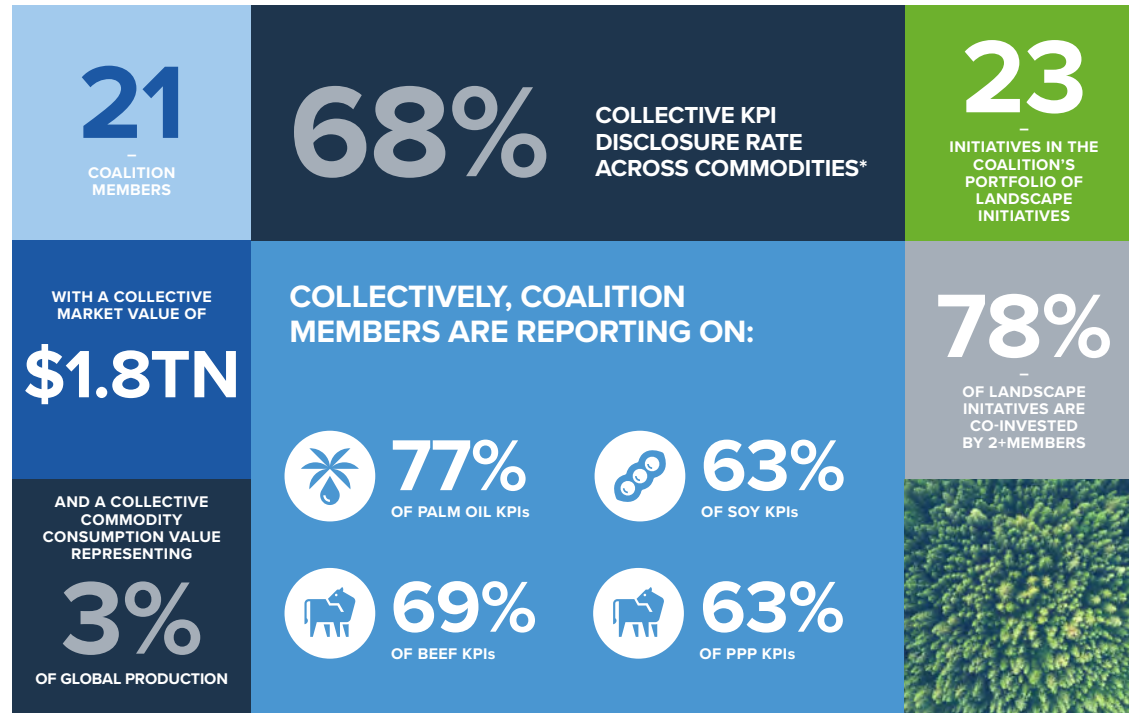
Case studies in this section bring to life how involvement in landscape initiatives has helped members deliver on their climate, nature and people commitments, and how companies can collaborate with on-the-ground stakeholders to address systemic barriers to deforestation- and conversion-free commodity production.



**Looking forward**, we commit to continually elevating the standards of KPI reporting, scaling and accelerating our engagement with value chain actors, governments and civil society organisations, and harmonising best practices to effectively implement regulations, such as EUDR. We hope that our **lessons learned** will be valuable for our members, companies within and beyond the consumer goods sector, and stakeholders across value chains.

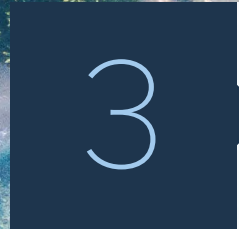
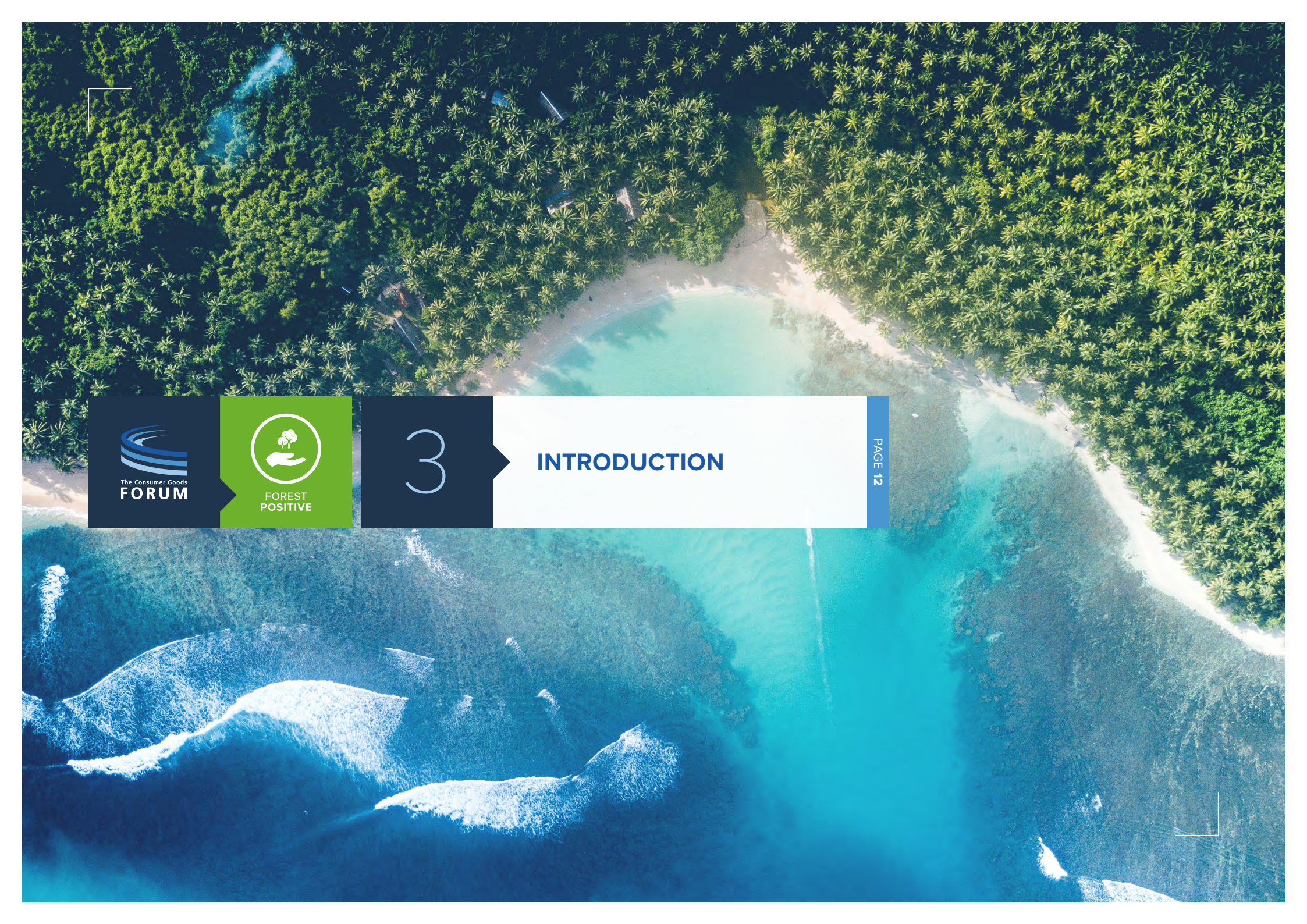
Lastly, consumer goods companies can only address one part of the puzzle. We all have a role to play, and **we encourage cross-stakeholder collaboration** to accelerate and scale forest positive efforts:

- ▶ Value chain intermediaries (suppliers and traders), investors, and asset managers aligning methodologies and cut-off dates for DCF commodity supply chains with Coalition roadmaps and AFi guidance.
- ▶ Philanthropic organisations and value chain intermediaries working with companies to provide financial and technical support in production landscapes to overcome systemic barriers to forest and people positive.
- ▶ Consumer-country governments complementing due diligence requirements with investment in the on-the-ground transition to forest positive practices, developed in partnership with producer-country governments and companies.



\*Disclosure rate is based on 2023 KPI reporting requirements, which are greater than previous years'. Based on 2022 KPI reporting requirements, overall KPI disclosure this year is 77%, up from 64% last year. This year we have updated our disclosure rate methodology, for this reporting year and previous years, to account for the distribution of manufacturer and retailer members.





# INTRODUCTION

PAGE 12



## INTRODUCTION



# Why forest positive?

To secure a harmonious future for climate, nature, and people, we must prevent deforestation, ensure carbon absorption, preserve biodiversity, and restore ecological balance in partnership with forest communities.

In 2022, primary tropical forests saw a shocking loss of 4.1 million hectares, equivalent to 11 football fields vanishing every minute, driven largely by surging demand for agricultural commodities such as livestock, soy, and palm oil.<sup>1</sup>

Yet deforestation reduction, along with other nature-based solutions, can contribute to 37% of the global mitigation required for Paris Agreement targets by 2030, crucially addressing Scope 3 emissions.<sup>2</sup>



Financially, forest-based projects encompassing conservation, afforestation, and reforestation offer cost-effective climate change mitigation, with significantly lower carbon sequestration costs.<sup>3</sup>

Governments recognise the need to safeguard global biodiversity and forests by endorsing “No Deforestation, No Peat, and No Exploitation” commitments while introducing stringent standards and improved forestry regulations.<sup>4</sup> All of these measures will help promote sustainable commodity production. During COP27, Brazil committed to halting Amazon deforestation by 2030,<sup>5</sup> the European Union’s Deforestation Regulation (EUDR)<sup>6</sup> sets a sustainability precedent, and Indonesia notably reduced primary forest loss by 64% between 2015 and 2017, sustaining progress through 2020 to 2022.<sup>1</sup>

Additionally, consumers globally are also holding companies accountable for their social and environmental impact, with 40% considering product brands and retailers pivotal in promoting sustainability.<sup>7</sup> Investors and asset managers are engaged and driven by public scrutiny<sup>8</sup> and proposed legislation.<sup>9</sup>

In view of this, our Coalition remains steadfast in its commitment to collaborative action to end commodity-driven deforestation.







# Our Theory of Change

A forest positive approach is a multifaceted endeavor that demands concerted efforts from companies, investors, civil society, and governments alike. Our aim is not just limited to sustainability but extends to transforming the entire industry, underpinned by a robust Theory of Change.

This theory focuses on three complementary aspects: sourcing deforestation- and conversion-free volumes in our supply chains, supporting suppliers to do the same, and working toward the broader transformation of commodity production landscapes into forest positive areas.

As businesses, we bear a direct responsibility for the world's forests, given our reliance on nature to create consumer goods. Being forest positive for us is not just an environmental goal but a holistic vision for sustainable economic development, improved livelihoods, and climate positive outcomes. We prioritise driving sustainable outcomes in regions most impacted by the deforestation crisis and safeguarding human rights, particularly for communities in forest regions.



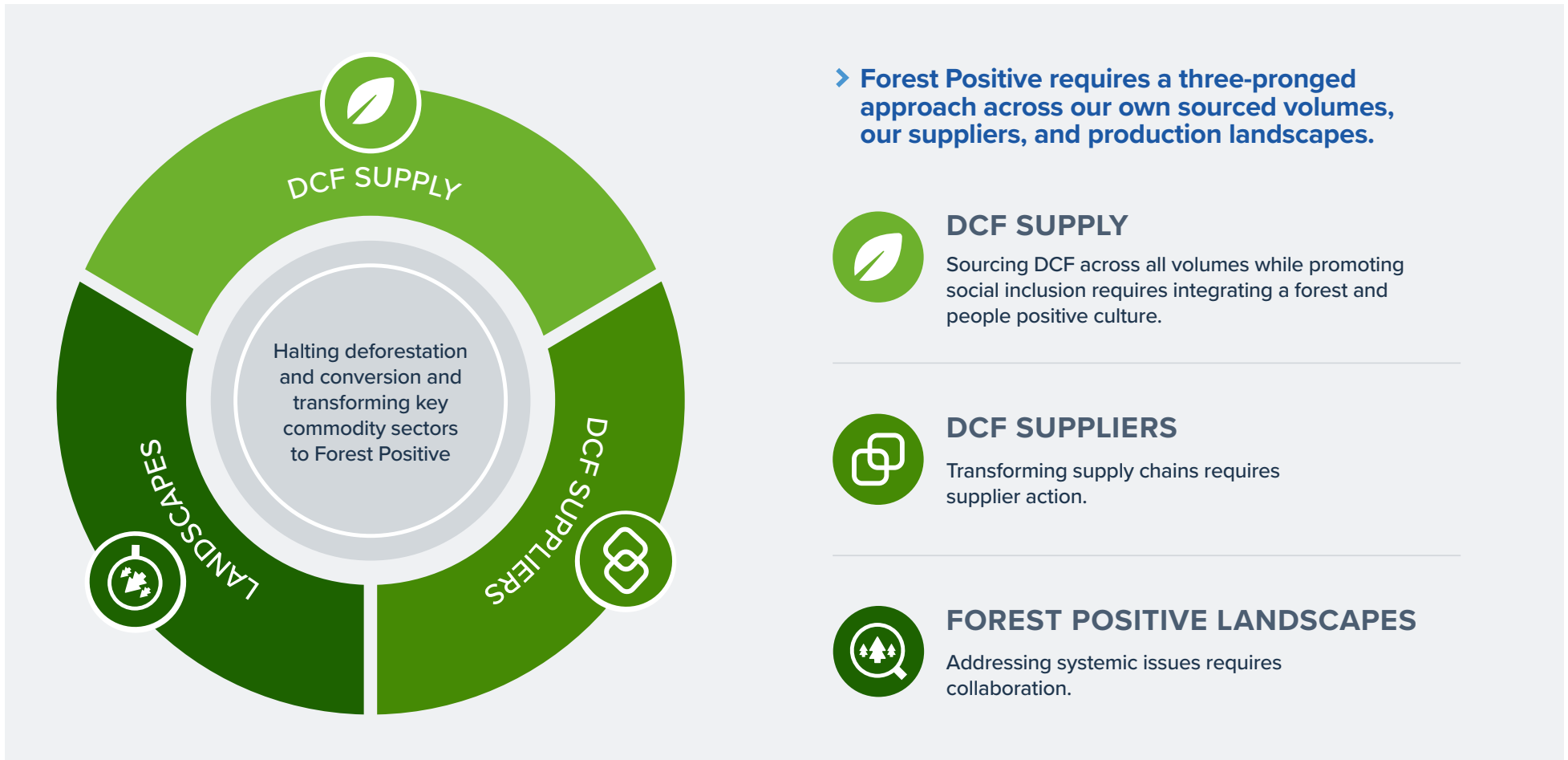
This coalition also acts as a shared knowledge base, facilitating collaboration across the value chain through comprehensive partnerships which enables systemic changes necessary to halt deforestation and promote forest regeneration.

Through a unified coalition and our Theory of Change, we intend to shape a future that is advantageous not just for forests, but also for all stakeholders involved, including the planet we all share. In this report, we share with you what it means for us to become forest positive businesses as we make systemic efforts to remove deforestation and conversion from our palm oil, soy, paper, pulp and fibre-based packaging (PPP), and beef supply chains; drive sustainable outcomes in regions

most impacted by the deforestation crisis; mitigate climate impacts; protect human rights; and help make forest conservation and preservation the norm in our industry.

This report candidly shares our progress and areas for improvement as we approach opportunities with dedication, ensuring our actions align to effectively drive progress. Our aim is not only to inspire change within our Coalition but also to offer insights that resonate with others on their forest positive journey.

**“Together,  
we can  
help build  
a forest  
positive  
future.”**



> **Forest Positive** requires a three-pronged approach across our own sourced volumes, our suppliers, and production landscapes.



### DCF SUPPLY

Sourcing DCF across all volumes while promoting social inclusion requires integrating a forest and people positive culture.



### DCF SUPPLIERS

Transforming supply chains requires supplier action.



### FOREST POSITIVE LANDSCAPES

Addressing systemic issues requires collaboration.





4

## PROGRESS & INSIGHTS

PAGE 16

[PALM OIL](#)

[BEEF](#)

[SOY](#)

[PPP](#)

[PRODUCTION LANDSCAPES](#)

QUICK LINKS

# Transparency and accountability

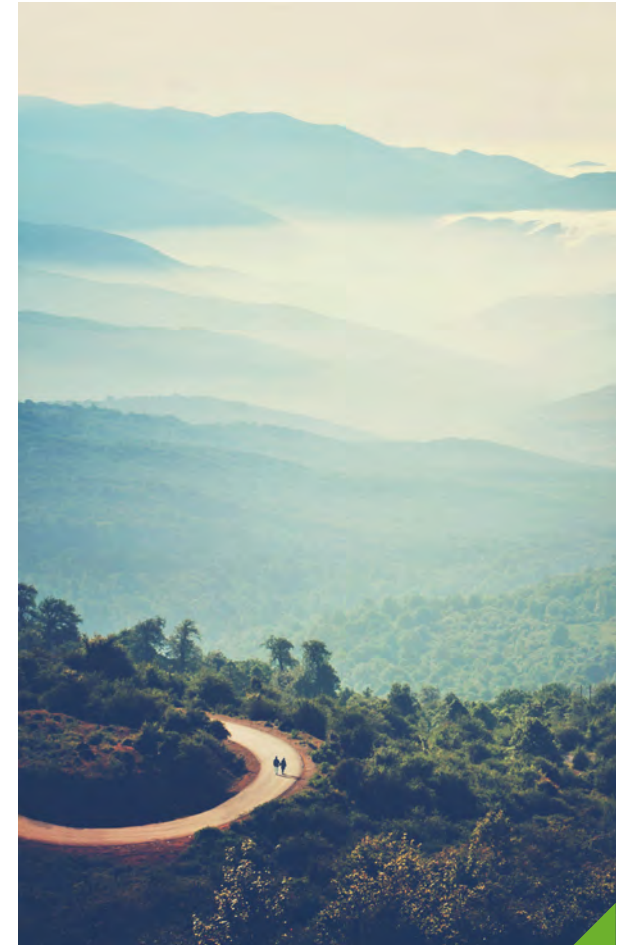
Transparency and accountability are essential components to delivering our [Theory of Change](#). We will not be successful in our goal of driving transformative change without being able to truly measure both the scale of the challenge before us and our progress in driving positive impact. As a result, we have a clear ambition for all our Coalition members to publicly report on all of the [Commodity Roadmap Key Performance Indicators \(KPIs\)](#) for each commodity that is material to their business. Public reporting also drives accountability amongst members to disclose KPIs and improve KPI performance year on year to deliver on commitments.

In pursuit of this goal, we have defined **61 KPIs** in collaboration with our stakeholder community, industry standards, such as the Accountability Framework Initiative (AFI), and existing industry reporting platforms.

We remain dedicated to the ongoing enhancement of our KPIs. As an illustration of this commitment, the Coalition has been collaborating with CDP and AFI for the past year to further align and strengthen our KPIs, in efforts to drive consistency and forest positive implementation across the industry. Our continuous efforts reflect our unwavering commitment to progress.

## > Number of KPIs:

20	PALM OIL
15	SOY
11	BEEF
11	PPP
4	LANDSCAPES





# Methodology

For the purpose of this publication, information was collected from Coalition members about their existing data collection and public reporting efforts for each KPI in the [Commodity Roadmaps](#) for commodities that are material to their businesses. The information provided has all been self-reported by Coalition members and varies between quantitative and qualitative (narrative) reporting. This year we have adjusted the disclosure rate to account for the proportion of manufacturer and retailer members in the Coalition.

The ambition for this publication is to provide an updated measurement of which KPIs each Coalition member is currently reporting against, with the goal for all members to individually and collectively report on 100% of the KPIs for commodities material to their businesses.

This report also provides an [individual profile for each member company](#) with information on performance against each KPI and progress made compared to last year. Given that members use different methodologies to create these individual company reports, we cannot provide an aggregated evaluation of the Coalition's performance against each of the KPIs at this time.

This is something we are working towards for future publications. For instance, we are currently working diligently to recognise Deforestation-and-Conversion-Free (DCF) methodologies across all our commodities.

Details of full methodology used for collective KPI reporting can be found [here](#).

*“Each year this report recognises the efforts of the 21 members of the Coalition in reporting against a single set of KPIs, focused on performance and transparency and delivering forest positive impact. Each year the stakes get bigger and the urgency to act increases. And each year the pressure grows, whether through regulation, company commitments or investor demand. We strongly support all efforts to increase transparency and accountability, through the Coalition and the wider industry. As we move forward, an aligned approach to Deforestation-and-Conversion-Free claims will be crucial, which is something Proforest has been working on with the Coalition, supported by partners such as AFI and CDP. We also recognise the need for DCF guidance to be adapted for specific commodities, allowing for global alignment, transparency and consistency, while also recognising the different realities on the ground.”*

**Ruth Nussbaum**, Executive Director, Proforest

## Resources

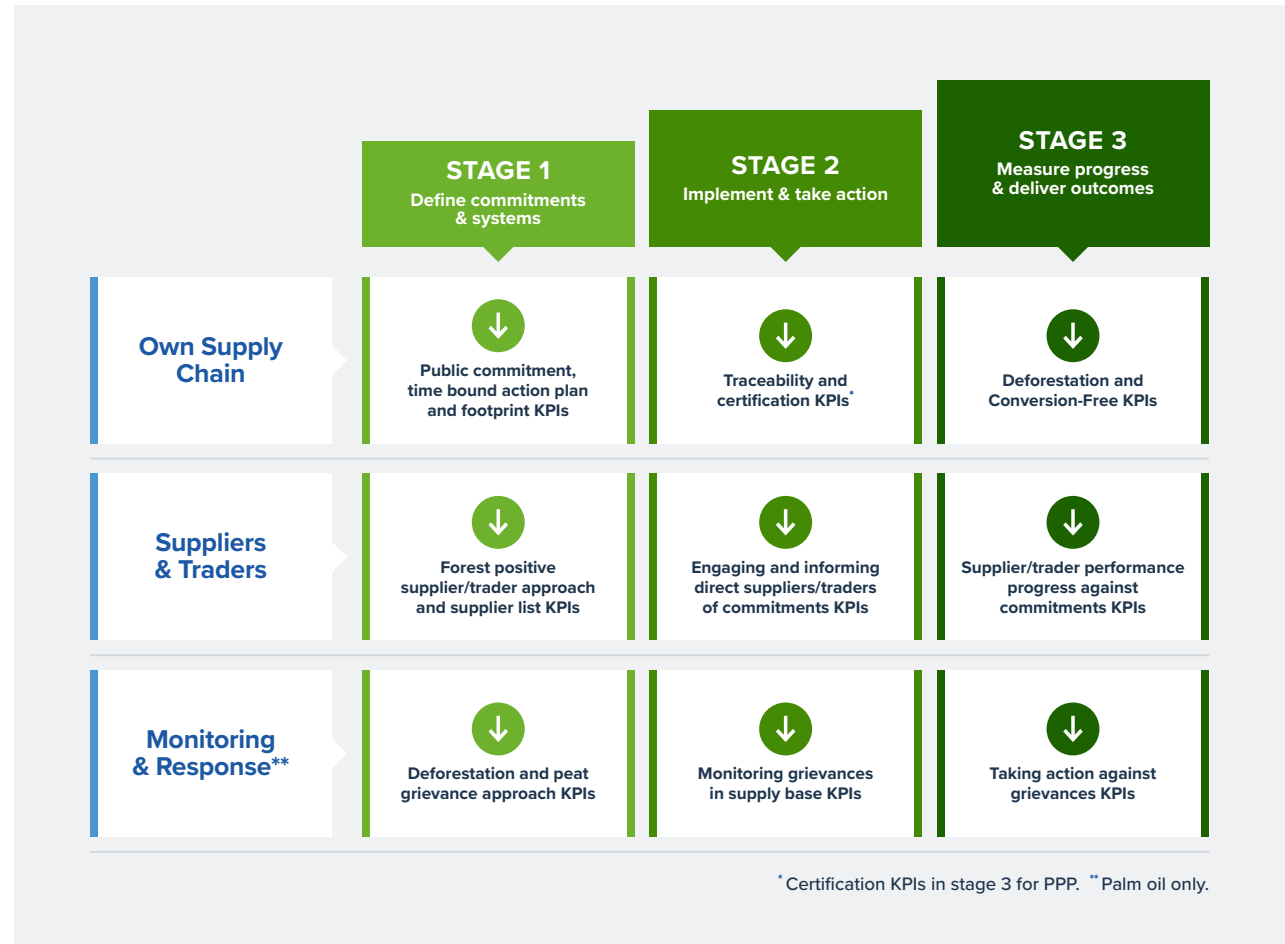
With our partners, the Coalition has developed resources designed to embed forest positive principles throughout value chains, propelling industry-wide transformation through suppliers and traders, and the landscapes where commodities are sourced.

- ▶ Comprehensive [priority commodity roadmaps, and complementary implementation guidance](#).
- ▶ Commodity-specific [KPIs](#), aligned with industry standards and external reporting platforms (e.g., CDP, AFI).
- ▶ Portfolio of [23 landscape initiatives for member engagement](#).
- ▶ Collaborative development of frameworks regarded as “best practice” in diverse sectors. For example:
  - The Forest Positive Coalition [Palm Oil Monitoring and Response framework](#), endorsed by NGOs.
  - The [Landscape Reporting Framework](#) developed with ISEAL and Proforest in consultation with 15 landscape initiatives.
- ▶ Approach for integration of Indigenous Peoples and Local Communities (IPLC) rights into commodity roadmaps, commencing with the [Palm Oil Roadmap](#).

# Enhancing our KPI insights this year

This year, our aim is to gain a deeper understanding of the challenges we face and the lessons we have learned within our Coalition, with the hope of sharing these insights with the wider industry. In light of this, we have developed new KPI charts and visuals to reflect this theme:

- ▶ The Coalition has prioritised four commodities for collective action: Palm oil, Soy, Beef and Paper, Pulp & Fibre-based Packaging (PPP). To enable insights generation, we have grouped commodity related KPIs into three stages of maturity by commodity: defining commitments & systems, implementing & taking actions, and measuring progress & delivering outcomes.
- ▶ Our insights from action in production landscapes provide an aggregated view of the Coalition's Portfolio of Landscape Initiatives, drawing out the nuances of our collective action through a breakdown of landscapes by commodity, impact lever, and landscape maturity.





# Commodity supply chains

## Overview of Collective Progress

Across our KPIs, member disclosure for 2023 is 68%. There has been an improvement in member disclosure despite the introduction of three new KPIs for 2023 reporting requirements, as well as expanding the reporting requirement of four existing KPIs to more members. Based on 2022 KPI reporting requirements, overall **KPI disclosure** for 2023 is 77%, up from 64% in 2022 (13ppts improvement).

Members are required to report commodity-related KPIs narratively or, where applicable, quantitatively (e.g. the percentage of commodity volume that is of known origin must be reported quantitatively). The quality of reporting has improved amongst members, with 64% of members quantitatively reporting KPIs where applicable in 2023, an 11ppts improvement from 2022 (based on 2022 KPI reporting requirements). Our goal is to ensure all members report KPIs quantitatively where required in the future.

## Number of members reporting on each commodity



In the next sections, we go deeper into each priority commodity as well as the Coalition's Portfolio of Landscape Initiatives to reflect on collective KPI reporting progress and highlight key challenges and the success factors to overcome them.

## Playing our part alongside the wider effort

CDP's **2023 Global Forests Report**, which includes companies in the materials, food, beverage, manufacturing, and retail industries, reports that 49% of companies make deforestation commitments for at least one priority commodity vs 100% of Coalition members.

Even though all Coalition members are making deforestation commitments, Coalition consumption across our priority commodities is only ~3% of global production volume. We need ongoing collaboration and partnership across the value chain to make the systemic changes required. You can read more about opportunities to collaborate with us [here](#).

\*The percentage of CDP companies disclosing a basic or full commitment for at least one commodity. A full commitment denotes a no-deforestation company-based policy and, unlike Coalition deforestation commitments, includes social elements, whereas a basic commitment denotes any type of forest-related policy. Both Coalition and CDP guidelines for a deforestation commitment follow AFi principles.



› **Collectively, members' KPI disclosure rates have been improving in each stage**

In our year on year comparison of member disclosure rates across all priority commodities, we see members progressing through the three stages of maturity. The greatest improvement has been in the percentage of members disclosing stage 1 KPIs, on defining commitments and systems, from 61% in 2022 to 73% in 2023 reporting

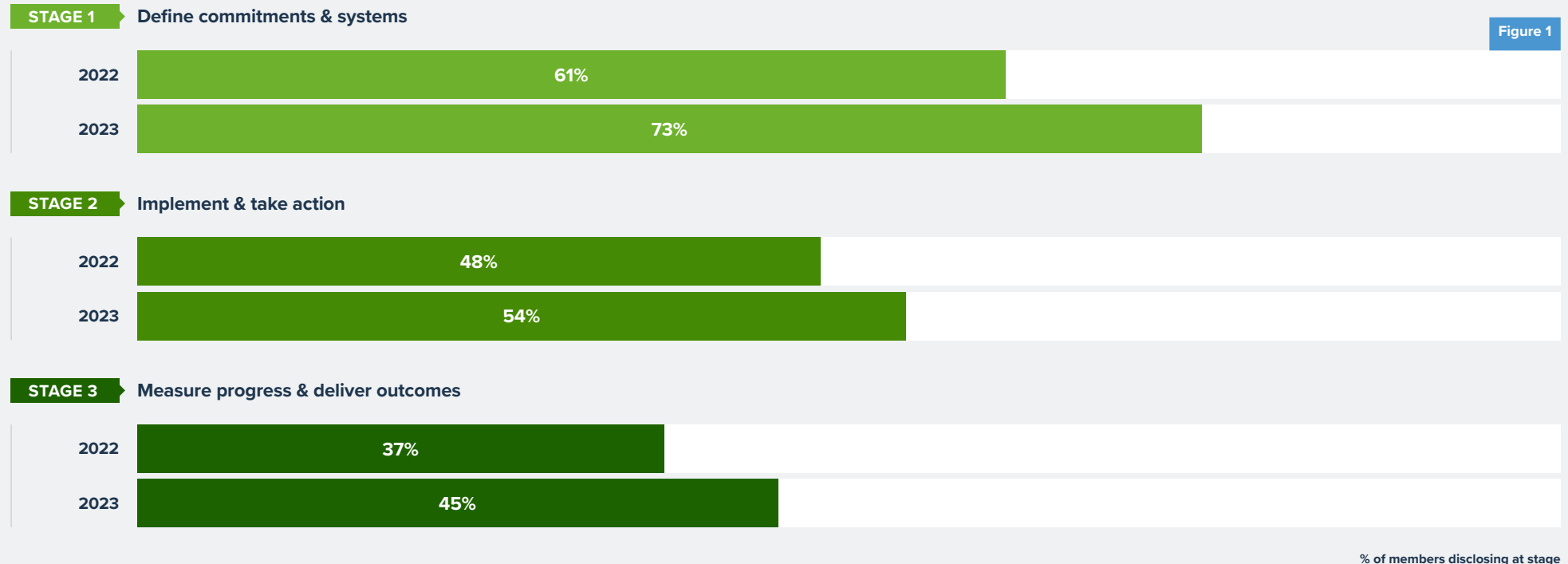


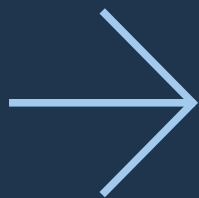
Figure 1

All members. Includes Palm Element 1-3, Soy Element 1-2, Beef Element 1-2, and PPP Element 1-2 KPIs. KPI disclosure requirements to achieve each stage differ by commodity and by year, as noted in Figures 2-9.





PALM OIL



See the full reporting  
online [here](#).



## Actions

Palm oil is one of the most reported commodities in the Coalition with 19 members identifying it as material, including 11 consumer goods manufacturers and 8 retailers. The Coalition's collective palm oil consumption volume is ~ 3% of global production<sup>11</sup>. Therefore, engaging members' suppliers to ensure they adhere to the Coalition's KPIs and commitments across their entire production volumes is essential to achieving industry wide deforestation- and conversion-free palm.

The Coalition has leveraged collective action via its Palm Oil Working Group (POWG). The group has worked towards aligning reporting methodologies across the industry, publishing [guidance](#), and collaborating with external stakeholders such as the Palm Oil Collaboration Group (POCG), Palm Oil Transparency Coalition (POTC) and Action for Sustainable Derivatives (ASD), to build dialogue and drive alignment on forest positive best practices. Furthermore, the Coalition has been supporting the CGF Human Rights Coalition (HRC) on the [People Positive Palm Project](#). The initiative aims to drive collective action to ensure responsible recruitment among Malaysia's palm oil suppliers whilst also improving suppliers' capacity for due diligence in their supply chains via training and workshops.



# Challenges

We have identified four main challenges consumer goods manufacturers and retailers face on the path to deforestation-and-conversion-free palm oil. We have progressed on overcoming these challenges as a Coalition (see [Progress >](#)). We have also identified where there is still more work to do (see [Path ahead >](#)).



## ABILITY TO ENSURE SMALLHOLDER INCLUSION

Supporting smallholder farms is key to unlocking deforestation- and conversion-free practices across all palm oil volumes. Smallholder palm oil accounts for 35%<sup>12</sup> of global supply. Although smallholder inclusion has advanced, the EUDR may exacerbate smallholder exclusion as companies de-risk their supply chain to ensure compliance. The Coalition is working to address DCF issues outside of concessions by developing risk-based smallholder inclusion strategies including landscape-level engagement.



## PALM OIL DERIVATIVES

Efforts to ensure crude palm oil (CPO) and palm kernel oil (PKO) derivatives are forest positive are less mature. Derivatives are difficult to trace fully back to source to subsequently ensure DCF origin due to the complex nature of their supply chains. PKO has additional challenges in traceability to origin; since Fresh Fruit Bunches (FFB) only yield a small amount of PKO, kernels are aggregated and processed from different sources and regions.



## STAND-ALONE MILLS AND INTERMEDIARIES

The focus of supplier engagement has initially been on larger plantations and mill groups and in areas where there is a high density of mills. Independent mills, and mills in areas with lower mill density often face limited options in choosing their Fresh Fruit Bunch (FFB) suppliers, and the aggregation of multiple sources of supply and use of intermediaries adds further complexity to traceability. These mills still need further support to meet DCF commitments.



## GRIEVANCE MONITORING AND RESPONSE

Grievance monitoring and response has been a focus for the Coalition since 2021, with the full set of grievance related KPIs for manufacturers who consume a material amount of palm oil first introduced in 2022. Given this, reporting is novel. Corporations need to also consider working together to minimise duplicative work in reporting and acting against grievances with upstream players.





Impact Story:

**Smallholder outreach via production landscapes**



The Mosaik initiative in Indonesia provides just one example of how Coalition members have been able to support smallholders as well as Indigenous Peoples & Local Communities (IPLCs). The Mosaik initiative supports IPLCs in adopting regenerative agriculture practices, protecting remaining forests, restoring degraded lands and sustainable practices such as farmer certification via financial and technical incentives. To date, the initiative has supported 4,500 smallholders and 30 villages.

Read the full impact story [here](#).

# Progress

**👤** Cross-industry investment on targeted transformation projects that focus on improving sustainable practices through incentives is a key unlock to support smallholder farmers. The Coalition’s [Portfolio of Production Landscapes](#) comprises of 16 palm oil initiatives, all of which support smallholders.

## ➤ Own Supply Chain

### STAGE 2 → Implement & take action

92% of members are implementing and taking action, a positive stride from 84% in 2022. (see [Figure 2](#) ➤). We have seen progress in improving traceability to FFB, with 45% of manufacturer members reporting 90%+ traceability to FFB in 2023 reporting vs 27% in 2022 reporting. Most of the improvement so far has been among larger plantations and mills.

**🏠** The Coalition is increasingly focussing efforts on helping smaller or stand-alone mills and intermediaries that cover smallholders keep pace with the progress made with plantations owned and managed by mills. Production landscapes provide targeted ways to support forest positive transformation in priority areas.

For example, the [Chiapas production landscape](#), led by Colgate-Palmolive, Grupo Bimbo and Earthworm, aims to do just this.

**🌴** The reporting on palm oil derivatives lags behind palm oil (CPO and PKO) due to the complex nature of derivative supply chains. Only 17% of manufacturer members report 90%+ certification for palm oil derivatives vs 64% for palm oil. The Coalition supports members in overcoming derivative transparency challenges by collaborating with Earthworm’s Derivatives Collaboration Group and with the Action for Sustainable Derivatives (ASD) to form a palm oil derivatives subgroup, developing a unified approach to accelerate the forest positive agenda in derivatives.

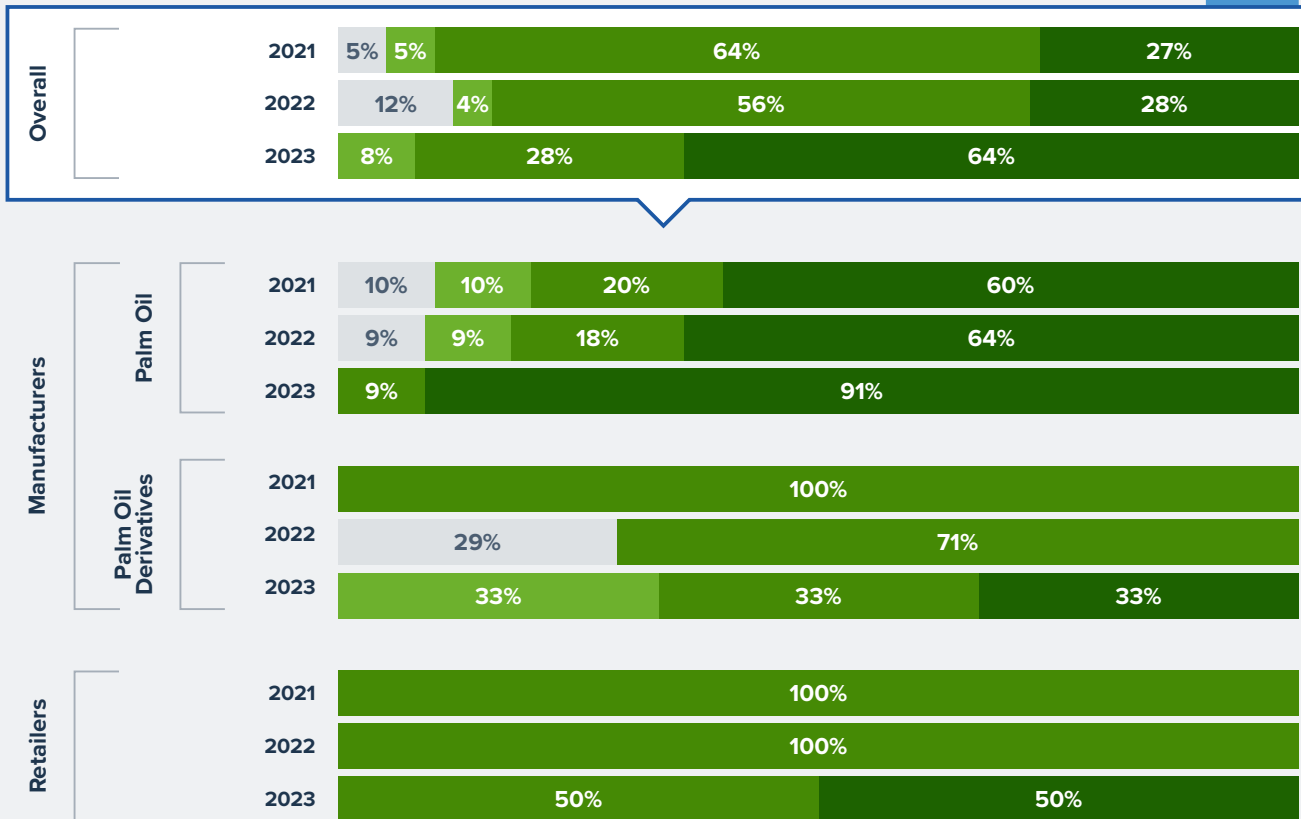
### STAGE 3 → Measure progress & deliver outcomes

64% of members are measuring progress and delivering outcomes in their own palm oil volumes, a +36%ppts improvement since 2022. Improvement has been driven by the Coalition’s work to strengthen the palm KPIs through collaboration with key stakeholders such as AFi and CDP. As part of this work, the POWG has introduced a palm oil DCF KPI this year as a requirement for all members reporting on palm oil, which supports measuring outcomes against progress and drives additional accountability.



Own Supply Chain

Figure 2



% of members disclosing at stage.

Key: ▶ KPI required to progress stage.

NOT REPORTING

STAGE 1: Define commitments & systems

- ▶ KPI #1.1 – Policy commitments to the forest positive (or NDPE) goals
- ▶ KPI #1.2 – Timebound action plan summary
- ▶ KPI #1.3 – Mill list using the conventions of the Universal Mill List to make group links

STAGE 2: Implement & take action

- ▶ KPI #1.6 – % traceable to mill
- ▶ KPI #1.7 – % traceable to FFB
- ▶ KPI #1.8 – % physically certified (MB/SG)

STAGE 3: Measure progress & deliver outcomes

- ▶ KPI #1.4 – % volume that is deforestation and conversion free (*new KPI*)
- ▶ KPI #1.5 – Progress of mills towards forest positive (or NDPE)

Stage 3 KPIs were not available for manufacturers reporting palm oil derivatives or retailers in 2021-2, thus they could not progress beyond stage 2. In 2023, 11 manufacturers report on palm oil, 6 of which also report on palm oil derivatives. 8 retailers report on palm oil for their own brand products.





## › Suppliers & Traders

### STAGE 3 Measure progress & deliver outcomes

Overall, the majority of members continue to systematically monitor progress and outcomes of supplier performance against the forest positive approach (see [Figure 3](#) ›). The Coalition has published [guidance](#) to support its members and the industry in engaging and assessing suppliers in implementing forest positive practices. There has been a slight regression in reporting as manufacturer members who report derivatives as material has altered since 2022. Members who successfully engage and monitor the performance of palm oil derivative suppliers work with third-party partners to establish supplier engagement systems for derivative sourcing, and knowledge sharing across the Coalition (see [the Colgate-Palmolive Impact Story, right](#)). The slight decline in disclosure rate across retailer members' performance is attributed to a new Coalition member reporting palm oil as a priority commodity.

For all members to reach stage 3, progress is still required in aligning supplier requests and scorecards, where antitrust laws permit, to avoid duplication of asks and improve response rate across suppliers. This has been a focus area for 3Keel, AFi, CDP, Forest 500 & the Rainforest Alliance, who we are collaborating with to drive this effort.

## Impact Story:

### Improving derivative supplier engagement by collaborating with implementers



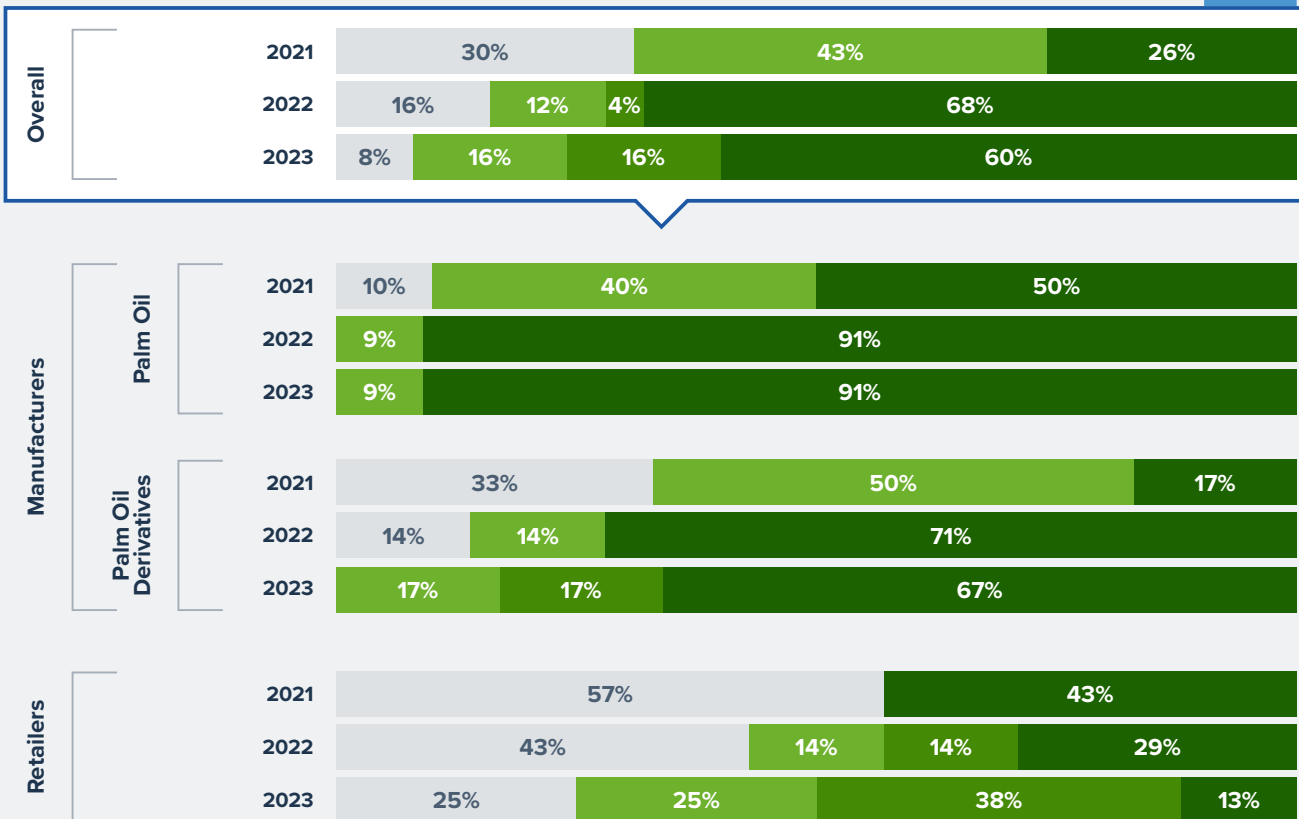
Colgate-Palmolive has been working with its suppliers to ensure sustainable sourcing of derivatives since 2015. More recently, in collaboration with Earthworm, they have developed a survey and dashboard to monitor performance of suppliers and invested in capability building webinars for suppliers.

Read the full impact story [here](#).



Suppliers & Traders

Figure 3



% of members disclosing at stage.

Key: ▶ KPI required to progress stage.

NOT REPORTING

STAGE 1: Define commitments & systems

- ▶ KPI #2.1 – Direct supplier list
- ▶ KPI #2.4 – List of identified major upstream suppliers/traders prioritised

STAGE 2: Implement & take action

- ▶ **KPI #2.2** – % of direct suppliers engaged and informed of the forest positive suppliers commitment & forest positive ask
- ▶ KPI #2.5 – Upstream suppliers/traders prioritised and engaged (directly or via a collective approach) and informed of Forest Positive Approach)

STAGE 3: Measure progress & deliver outcomes

- ▶ **KPI #2.3** – Performance of direct suppliers against the elements of the Forest Positive Approach and changes over time including progress on delivery across entire palm oil business
- ▶ KPI #2.6 – Performance of upstream suppliers/traders against the elements of the Forest Positive approach and changes over time including progress on delivery across entire palm oil business

In 2023, 11 manufacturers report on palm oil, of which 6 also report on palm oil derivatives. 8 retailers report on palm oil for their own brand products.





➤ **Monitoring & Response**

**STAGE 2** Implement & take action

📄 There has been significant advancement in grievance monitoring among manufacturer members who report palm oil as a priority commodity. This year, the proportion of members reporting on coverage of supply base monitoring (stage 2) has doubled compared to 2022. KPIs in this stage include publishing a summary of the progress of grievance cases and the proportion of their supply base covered by monitoring. One key success factor is the use of satellite monitoring technology. (See the [Nestle and Mondelez Impact Stories, right](#)).

**STAGE 3** Measure progress & deliver outcomes

📄 Material progress has also been made to ensure better tracking and action against grievances, with 27% of manufacturer members reporting what proportion of grievances they take action against (+18ppts from 2022). Improvement is largely driven by members leveraging recently published Coalition guidance on [Monitoring & Response](#), building systems, and implementing Coalition frameworks since 2022 reporting requirements.

**Impact Story:**

📄 **Using satellite technology for grievance monitoring and reforestation activities**



STARLING

Nestlé is using Starling deforestation monitoring technology in their palm and pulp & paper supply chains. This includes monitoring over 1,700 palm mills to support their supplier engagement plan for non-compliance. Nestlé is also leveraging progressive monitoring technology to support their reforestation efforts.

Read the full impact story [here](#).

**Impact Story:**

📄 **Using satellite technology to monitor ~88% of the total palm volume sourced**



Mondelez uses satellite monitoring technology for deforestation and peat grievance tracking. Verification/ assurance systems ensure that, when an alert is detected, this kick-starts a “Suspend and Engage” process for the mill. Suppliers are engaged to collaborate and remediate the issue. Once remediated, a re-integration assessment is completed.

Read the full impact story [here](#).



## Path ahead

### ABILITY TO ENSURE SMALLHOLDER INCLUSION

The Palm Oil Working Group's (POWG) main priority is to continue to support the smallholder community via production landscape engagement. Furthermore, the Coalition's upcoming publication of a palm oil DCF methodology builds on POCG's guidance and tools and will highlight the Coalition's perspective on supporting smallholder inclusion in greater detail.

### STAND-ALONE MILLS/ AND INTERMEDIARIES

The POWG will continue to support standalone mills and intermediaries on sustainable production of palm through targeted production landscape initiatives.

### PALM OIL DERIVATIVES

The POWG will continue to drive knowledge sharing opportunities and build critical mass within the coalition to facilitate best practices on improving performance on derivative KPIs and derivative supply chain engagement. For example, the Coalition is collaborating with Colgate-Palmolive and Earthworm to deliver a capacity building webinar series to support smaller derivative suppliers in developing aligned NDPE policies, and accelerating implementation of traceability and grievance management systems.

### GRIEVANCE MONITORING AND RESPONSE

The POWG will continue to provide best practices on implementing the MRF (FPC Palm Oil Deforestation Monitoring and Response Framework), and managing grievances to our members and the wider industry. We are currently working with Satelligence and AidEnvironment to develop an industry report on palm deforestation progress and trends for Malaysia and Indonesia, to catalyse wider uptake of aligned and effective approaches.

Additionally, the POWG recently integrated Indigenous Peoples and Local Communities' land right issues into the Palm Oil Roadmap. Following this, the Coalition will support integration of these rights into member's action plans including supplier and trader guidance and in production landscapes engagement. Furthermore, the Coalition has been working on an aligned DCF methodology for palm oil, with Proforest and input from AFI and CDP. This methodology will be socialised with key palm oil actors later this year.







SOY



See the full reporting  
online [here](#).



## Actions

16 members report soy as a priority commodity in the Coalition (8 manufacturers, of which 6 report on embedded soy, and 8 retailers). Collectively, Coalition member consumption is only ~2% of global soy production.<sup>13</sup> Given this, engaging members' suppliers to ensure they adhere to our forest positive commitments across their entire production volumes is essential to accelerating wider change.

The Coalition's Soy Working Group (Soy WG) has been driving alignment of approaches and reporting methodologies across the industry, publishing [guidance](#), and collaborating with the soy industry including soy traders, FEFAC, and other soy initiatives to build dialogue and share forest positive best practices.



# Challenges

In our members' experience, manufacturers and retailers often face three main challenges in delivering on forest positive soy. We have progressed on overcoming these challenges as a coalition (see [Progress >](#)). We have also identified where there is still more work to do (see [Path ahead >](#)).



## ALIGNMENT ON VERIFICATION AND RISK-BASED APPROACH

Since certification uptake is low and complex, with multiple certification providers, the path towards DCF is less established, and there is less global consensus on best practices. There needs to be standardisation in criteria to classify soy volumes as DCF, which includes robust risk-based approaches, verification mechanisms and remediation processes.



## EMBEDDED SOY TRACEABILITY

There are many intermediaries in the value chain from soybean to farm feed, to animal, and to the final animal product. Downstream companies' view of their sourcing can be opaque. For embedded soy, in addition to the multiple additional steps in the supply chain, soy is processed for use as an ingredient with many different sources, adding an additional complexity to traceability.



**The Coalition has encouraged us to increase our forest positive ambition in soy, where we have increased the scope of our commitments to include embedded soy.**

MARS



## ABILITY TO ENSURE AMBITIONS ARE ALIGNED ACROSS THE VALUE CHAIN

To have the most impact on reducing soy-driven deforestation, more progress needs to be made on embedded soy, supplier engagement and landscape transformation. This requires collaboration across the supply chain, including soy traders, feed suppliers and animal processing industries, as well as with civil society and governments in producer and consumer countries to gain greater leverage.



# Progress

## Own Supply Chain

### STAGE 1 Define commitments & systems

60% of members have defined commitments and systems (see [Figure 4](#)) to drive the forest positive agenda in their own soy volumes, remaining flat since 2022.

To aid members in their journey, the Coalition has provided support through an updated [soy roadmap](#) and implementation [guidance](#), promoting the sharing of lessons learned. The Coalition also works to continuously elevate KPI reporting standards. In 2023, we collaborated with AFi to strengthen the Soy Roadmap Element 1 KPIs, which were updated for this year's reporting. We look forward to more accurately tracking our members' progress in soy reporting going forwards.

### STAGE 2 Implement & take action

55% of members have progressed to reporting traceability KPIs across soy (see [Figure 4](#)). This falls to 17% for manufacturers using embedded soy, which has stayed relatively flat since 2021. Some members have improved their visibility of the soy supply chain by partnering with implementers. (See the [Tesco and Sainsbury's Impact Story, right](#)). Other members are connecting with farmers on the ground by using tools which evaluate soy consumption volumes and soy origin in their supply chain as part of assessments of their greenhouse gas emissions. This facilitates soy traceability at farm level, as well as working towards other climate ambitions.

### STAGE 3 Measure progress & deliver outcomes

The proportion of members who disclose the percentage of their soy supply that is DCF is 55% in 2023, an increase of 15ppts from 2022. The greatest improvement was in manufacturers buying direct soy, who saw an uptick of +38ppts. Coalition efforts over the past year to improve disclosure of this KPI include aligning methodologies across industry bodies. (See the [Soy WG Impact Story](#)).

## Impact Story:

### Working with partners to improve embedded soy supply chain visibility

TESCO

Sainsbury's

3keel

Tesco and Sainsbury's have worked with 3Keel to quantify their full exposure to embedded soy. By understanding and identifying the full scope and actors involved in these value chains, they have been able to target their investments and mitigate their risk exposure to deforestation and conversion.

Read the full impact story [here](#).





### Impact Story:

## Alignment of DCF Methodology for Soy

proforest

Accountability Framework

trase

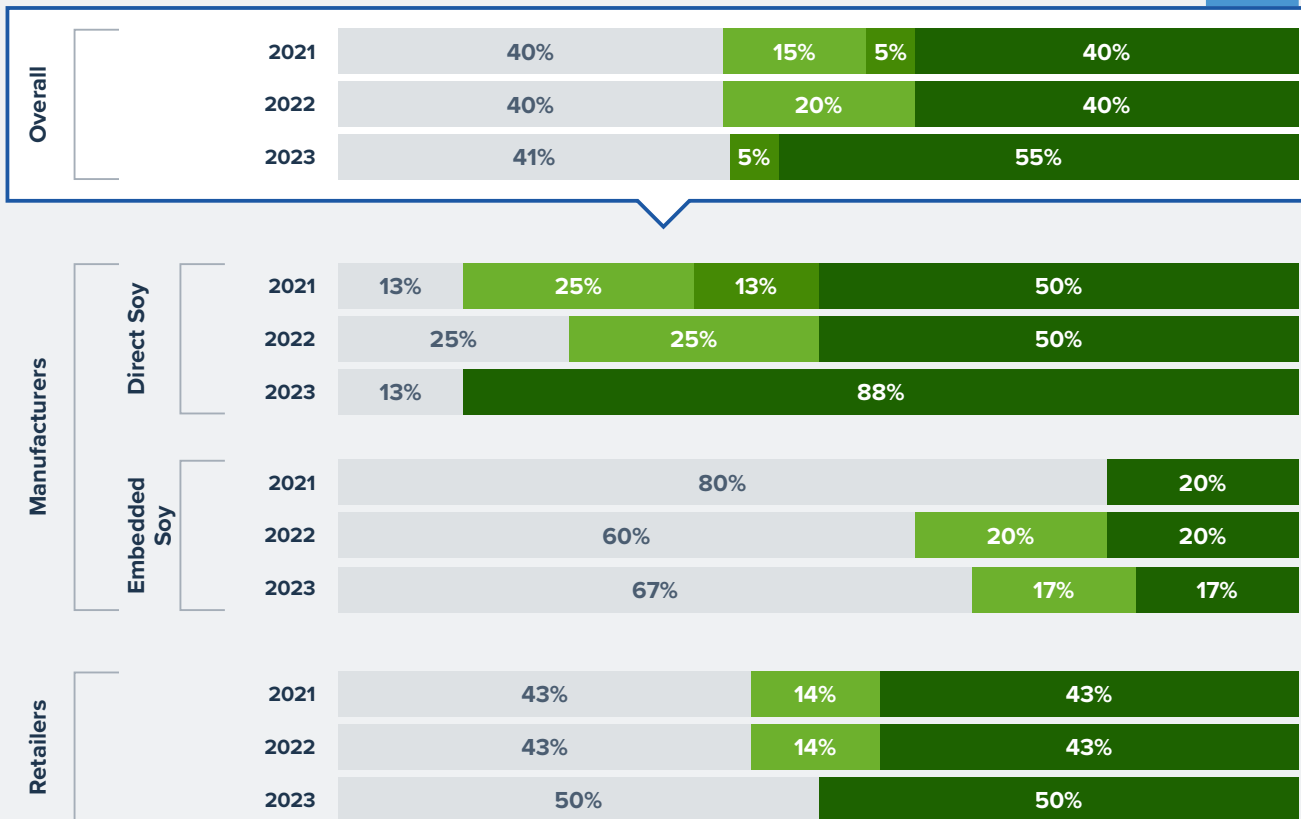
As part of our **deforestation-and-conversion-free (DCF) methodology**, the Coalition's Soy Working Group is working with Proforest, Trase and members of the AFI secretariat, and in dialogue with SCF, to develop a methodology for classifying soy origins as DCF based on their risk of deforestation and conversion to soy. Cross-industry alignment reduces the burden of reporting and simplifies the ask for upstream companies.

Read the full impact story [here](#).



Own Supply Chain

Figure 4



% of members disclosing at stage.

Key: ▶ KPI required to progress stage.

NOT REPORTING

STAGE 1: Define commitments & systems

- ▶ KPI #1.1 – Policy commitments to the forest positive goals
- ▶ KPI #1.2 – Timebound action plan summary
- ▶ KPI #1.3 – Soy footprint across all product categories (*new KPI for direct manufactures*)
- ▶ KPI #1.4 – Methodology for soy footprint calculation (*new KPI for direct manufactures*)

STAGE 2: Implement & take action

- ▶ KPI #1.5 – Percentage traceable to at-risk origin (country or subnational) without further assurance of DCF status
- ▶ KPI #1.6 – Percentage of unknown origins

STAGE 3: Measure progress & deliver outcomes

- ▶ KPI #1.7 – Percentage DCF supply and breakdown into %DCF: negligible risk origin, certified, monitored
- ▶ KPI #1.8 – Progress on ensuring soy is deforestation-and conversion-free for at-risk origins

8 manufacturers report on direct soy, 6 of which also report on embedded soy (5 in 2022). 8 retailers report on soy for their own brand products in 2023 (7 in 2022).




## Suppliers & Traders

### STAGE 1 Define commitments & systems

There is a noticeable improvement in the number of members disclosing at stage 1, from 45% in 2021 to 78% in 2023 (see [Figure 5](#)). All manufacturers using direct soy are acting beyond their own volumes on their path to forest positive. While there has been steady progress, it is more difficult to engage with suppliers in embedded soy, given companies have no existing commercial relationship with upstream suppliers.

This year, the Coalition aims to further transparency, encouraging retailers as well as manufacturers to publish their direct supplier list, within antitrust laws.

### STAGE 2 Implement & take action

 46% of members are informing and engaging suppliers on their forest positive approach. This is a 9ppts decline in disclosure since 2022, driven by new reporting members. As a Coalition, engaging the other players in the value chain collectively has been more impactful than engaging alone (see the [SCF Impact Story, right](#)). The Coalition has published guidance to support its members and the industry in engaging and assessing suppliers & traders in [implementing forest positive practices](#).

### STAGE 3 Measure progress & deliver outcomes

41% of members are reporting on supplier performance. This is a 4ppts decline in disclosure driven by new reporting members. Further strides require alignment in DCF approach across the soy industry, including cut-off dates. Our recent work in DCF methodology alignment for soy enables downstream organisations to have a unified criteria to support supplier and trader communications. We look forward to seeing the impact of these efforts in future years' results.



**The Coalition's DCF methodology is not the first of its type, but this methodology is the most robust and well-supported joint call for a commodity set standard – it is what we use with our suppliers. The Coalition provided a platform to develop a cross-industry best practice initiative.**

TESCO



## Impact Story:

### Stakeholder collaboration across soy value chain



SCF

The Forest Positive Coalition has engaged in an open dialogue with the Soft Commodities Forum (SCF), a global platform for food and agribusiness companies that has key soy traders among its membership. Objectives of the dialogue include consulting traders on the feasibility of implementing DCF parameters as they work towards DCF supply chains and working together to collectively support landscape initiatives. Consulting upstream players is vital to achieve the supply chain transformation necessary for forest positive soy.

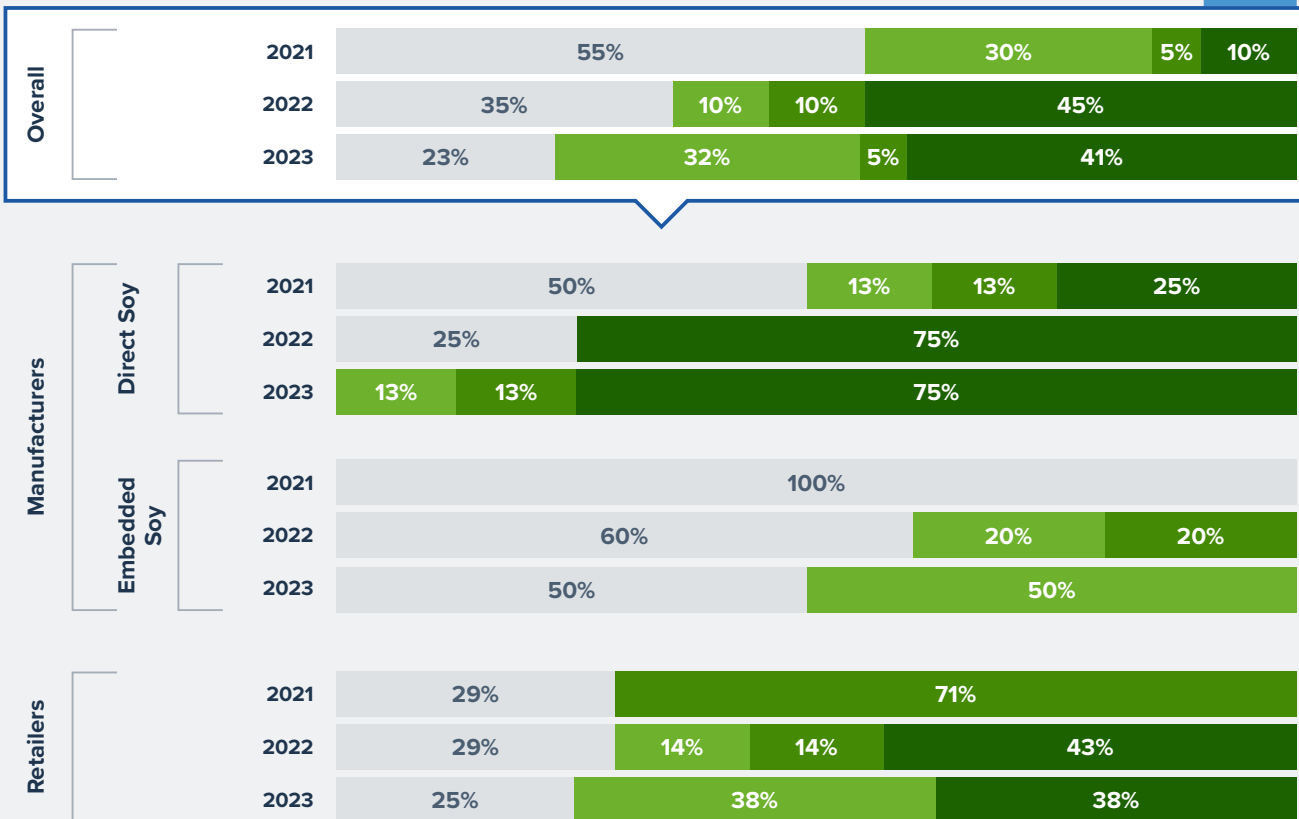
Read the full impact story [here](#).





Suppliers & Traders

Figure 5



% of members disclosing at stage.

Key: ▶ KPI required to progress stage.

NOT REPORTING

STAGE 1: Define commitments & systems

- ▶ KPI #2.1 – Direct supplier list (*new KPI for embedded soy manufacturers and retailers*)
- ▶ KPI #2.4 – List of identified major upstream suppliers
- ▶ **KPI #2.5** – Summary of Forest Positive Approach for suppliers and traders

STAGE 2: Implement & take action

- ▶ **KPI #2.2** – Percentage of Tier 1 suppliers to whom the Forest Positive Approach and its implementation have been communicated
- ▶ KPI #2.6 – Upstream suppliers/traders sourcing from high-risk origins that have been engaged (directly or via collective approach) and are being evaluated

STAGE 3: Measure progress & deliver outcomes

- ▶ **KPI #2.3** – Performance of Tier 1 suppliers against Forest Positive Approach including progress on delivery across entire operations
- ▶ KPI #2.7 – Performance of upstream suppliers/traders against the elements of the Forest Positive Approach including progress on delivery across entire soy business

8 manufacturers report on direct soy, 6 of which also report on embedded soy (5 in 2022). 8 retailers report on soy for their own brand products in 2023 (7 in 2022).

## Path ahead

### ALIGNMENT ON VERIFICATION AND RISK-BASED APPROACH

Looking forward, the Coalition will publish more guidance as the DCF approach is adapted to embedded soy.

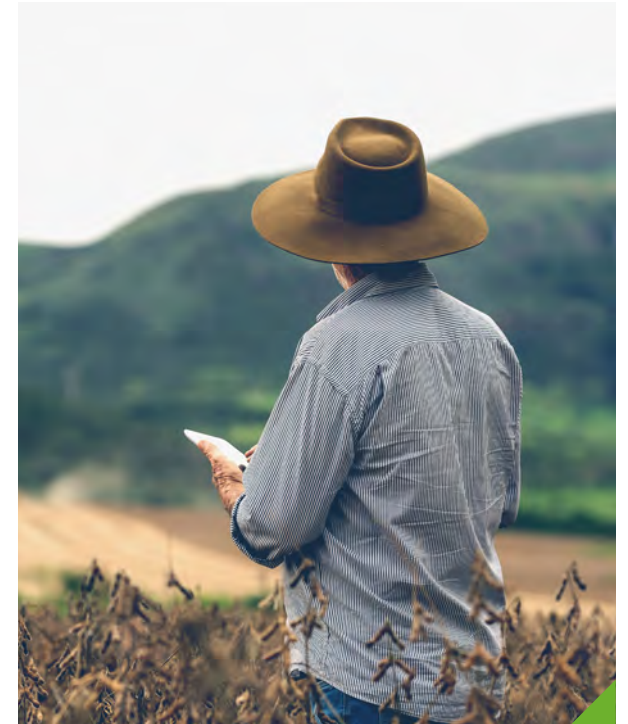


### EMBEDDED SOY TRACEABILITY

The guidance for DCF implementation for embedded soy will acknowledge the challenges of traceability. The Soy Working Group will continue to support members and other stakeholders by sharing best practices.

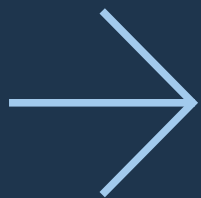
### ABILITY TO ENSURE AMBITIONS ARE ALIGNED ACROSS THE VALUE CHAIN

To further support upstream engagement efforts, the Soy and Beef Working Groups are mobilising members to collectively engage with soy traders and meatpackers on the ground in Brazil in 2023, along with stakeholders from local civil society organisations, Brazilian and donor country governments. The goal of the trip is to engage with Brazilian stakeholders that are key to advancing agreed Coalition priorities for soy and beef, including collaboration in production landscapes. The Coalition looks forward to continuing to collaborate with value chain participants and industry groups.





BEEF



See the full reporting  
online [here](#).



## Actions

Beef, including cattle derived products such as offal, gelatine, tallow and leather, is the newest priority commodity for the Coalition. We launched the first version of our Beef roadmap in 2022, and this is the second-year reporting against our KPIs.

4 manufacturers and 8 retailers have identified cattle derived products as a priority commodity in 2023. Together, these Coalition members only consume ~3% of global cattle meat production.<sup>14</sup> Therefore, engaging members suppliers to ensure they adhere to our forest positive commitments across their entire production volumes is essential on the path to achieve industry-wide DCF beef.

Our Beef Working Group has been engaging governments and other external stakeholders, including the Textile Exchange and the Leather Working Group, creating an open dialogue and sharing best practices for forest positive beef.





# Challenges

The challenges faced by manufacturers and retailers in the cattle industry in delivering forest positive can be ascribed to three main factors. We have progressed on overcoming these challenges as a coalition (see [Progress >](#)). We have also identified where there is still more work to do (see [Path ahead >](#)).



## ABILITY TO ENSURE SUFFICIENT RE-INTEGRATION AND PURCHASE CONTROL SYSTEMS

Implementing purchase control systems is novel as historically, supplier non-compliance with sustainability requirements led to supplier blockage. Re-integration systems offer support to non-compliant suppliers to achieve the standards necessary to re-enter the supply chain. Re-integration systems can be difficult to implement as there is a market for legally deforested beef in leakage markets. Lack of clarity of legal land rights provides additional difficulty in ensuring sustainable sourcing.



## TRACEABILITY

The beef supply chain involves multiple processing steps, with many actors playing distinct roles. This complexity is compounded by high fragmentation at the farm and primary processor level. Further upstream, traceability is complicated by cattle mobility. Progress towards national traceability systems (to farm-level) and collaboration across the entire value chain is necessary to deliver forest positive in beef.



## ABILITY TO ENSURE AMBITIONS ARE ALIGNED ACROSS THE VALUE CHAIN

Consumer interest in sustainable beef production is high, which creates momentum for downstream actors on the path to DCF beef. Many actors in the supply chain are cautious of making commitments to DCF that they are uncertain of the practical feasibility of fulfilling. In addition, some actors are more ahead in their forest positive journey.

While we are grateful to those who have partnered with us on the path to forest positive, there is further collective progress to be made via knowledge sharing and capacity building.




# Progress

## > Own Supply Chain

### STAGE 1 → Define commitments & systems

Of those reporting on beef, fewer members achieve stage 1 compared to other commodities (58% vs 60% in soy and 75% in PPP) (see [Figure 6](#) >). This is driven by difficulties in disclosing beef footprint across all product categories – particularly where beef is an ingredient in other products. To support reporting members, the [Coalition provides sources to credible beef footprint calculation methodologies](#).

### STAGE 2 → Implement & take action

 Traceability reporting has remained relatively flat year on year. Efforts should not only be on increasing the volume of beef traced, but also on improving the granularity of traceability. Members successful in this area are using satellite technology to improve traceability.

### STAGE 3 → Measure progress & deliver outcomes

50% of members measure their progress on ensuring beef is DCF in high-priority areas, an 8ppts improvement from last year. The Coalition has been working with Trase to identify high-priority areas where member actions will make the greatest impact, and where members can make credible DCF claims. This work aims to raise the bar for traceability by providing enhanced guidance on origins which are considered medium-priority and redefining high-priority countries.



## Impact Story:

### Achieving high visibility on beef volumes through satellite-monitoring technology



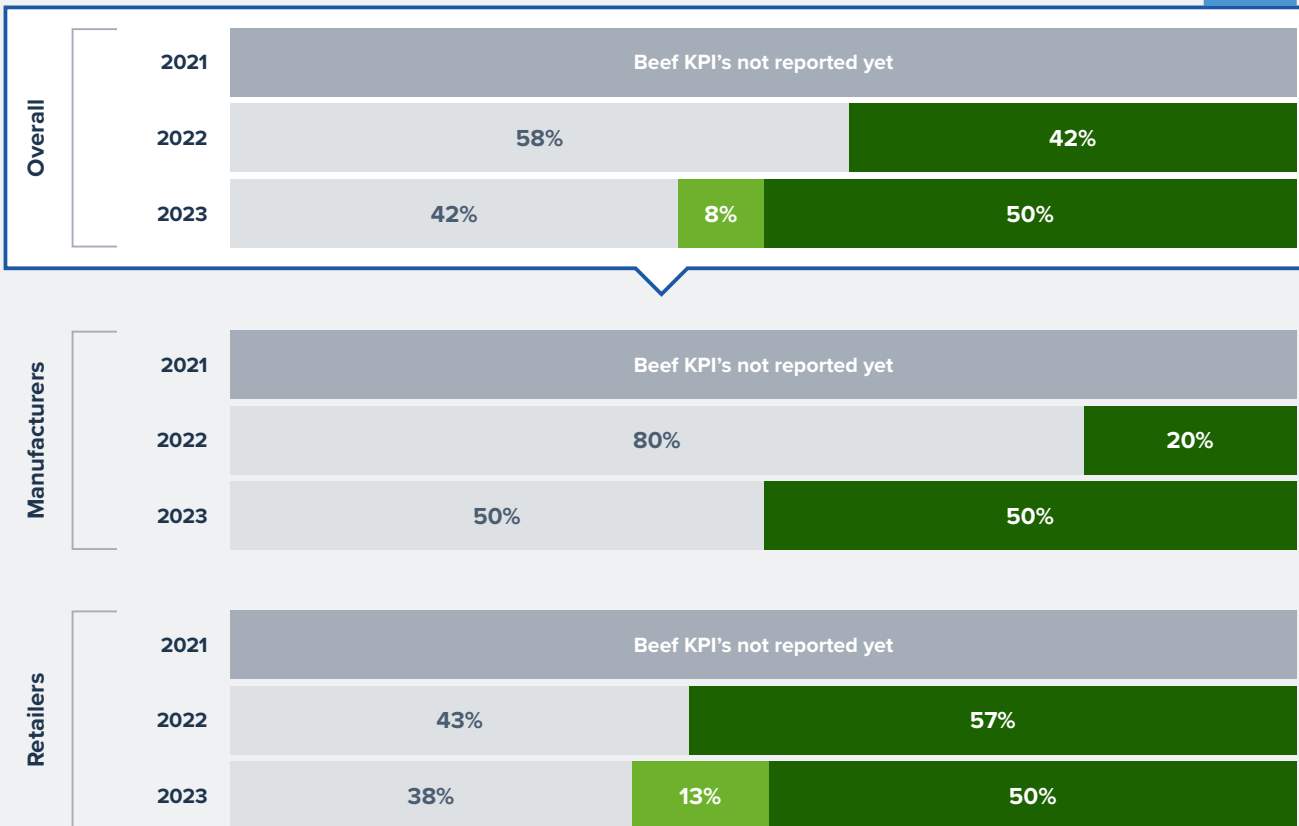
McDonald's works with Agrotools to identify key farm-level social and environmental criteria and monitor compliance in its beef supply chain, focused on purchasing from producers that conserve forests and respect human rights. Comprehensive monitoring in Brazil to detect and address deforestation, properties associated with forced labour or embargoes, or agricultural expansion onto Indigenous Territories or protected areas, is critical to the implementation of McDonald's Forest Commitment. In 2022, 98.5% of beef sourced for McDonald's restaurants supported deforestation-free supply chains.

Read the full impact story [here](#).



Own Supply Chain

Figure 6



% of members disclosing at stage.

Key: ▶ KPI required to progress stage.

NOT REPORTING

STAGE 1: Define commitments & systems

- ▶ KPI #1.1 – Policy commitments to the forest positive goals
- ▶ **KPI #1.2 – Timebound action plan summary**
- ▶ KPI #1.3 – Beef footprint across all product categories

STAGE 2: Implement & take action

- ▶ **KPI #1.4 – Percentage with known origin**

STAGE 3: Measure progress & deliver outcomes

- ▶ **KPI #1.5 – Progress on ensuring beef is free from deforestation, conversion and conflict for high-risk areas**

4 manufacturers and 8 retailers report on beef in 2023.





## › Suppliers & Traders

### STAGE 2 Implement & take action

42% of members have engaged with Tier 1 suppliers to implement forest positive practices, an increase from 25% last year (see [Figure 7](#) ›). Resources from our Beef Working Group have played a key role in this advancement. For example, the Coalition published the [Guidance on the Forest Positive Beef Roadmap](#) in March 2023, and also updated the [Guidance for Forest Positive Suppliers of Cattle-derived Products \(Meatpackers in Brazil\)](#) in January 2023. The guidance for meatpackers lays out more specific requirements for upstream suppliers, including a monitoring protocol, which comprises a purchase control system, re-integration criteria, and cut-off dates for the Amazon and the Cerrado. The guidance has supported members and industry stakeholders alike.

Based on the Coalition’s publication of the guidance for meatpackers, Carrefour developed its own roadmap, focussing on four pillars to accelerate efforts towards achieving forest positive beef: traceability of sourcing, alternatives to beef, production landscapes, and transparency and governance. Carrefour plans to invest \$10M in these priorities over the next four years.



We leveraged the Coalition’s meatpacker guidance to help us prioritise which meatpackers to engage and how to engage them.

CARREFOUR



### STAGE 3 Measure progress & deliver outcomes

25% of members measure the performance of their suppliers against their targets, improving from 17% last year. Members successful in this area have taken a systematic approach. For example, Nestlé has a dedicated partner pilot program through which they’ve engaged eight of their Tier 1 beef suppliers. The program involves training and support to build guidelines and internal capacity to meet responsible sourcing standards. As a result, they have successfully supported suppliers in implementing additional purchase controls aligned with Coalition standards.

## Impact Story:

### Cross-sector collaboration in beef



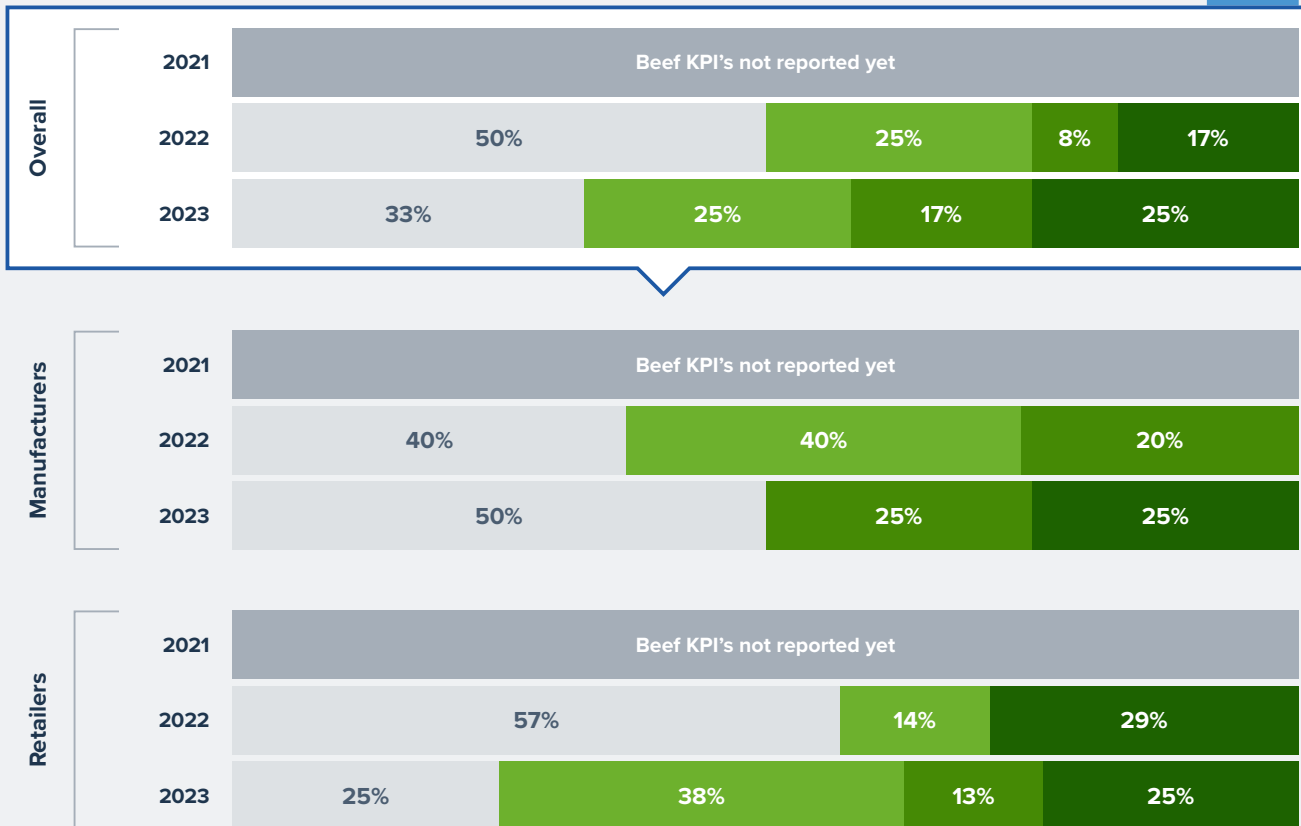
The Beef Working Group has shared our [Guidance for Meatpackers](#) with the Amsterdam Declarations Partnership (ADP), a group of European governments, with the aim to amplify our guidance to a wider audience and share best practices across the industry. The Coalition’s work caught the attention of Brazilian government stakeholders and brought wider thinking on how government action could improve traceability in beef.

Read the full impact story [here](#).



Suppliers & Traders

Figure 7



% of members disclosing at stage.

Key: ▶ KPI required to progress stage.

NOT REPORTING

STAGE 1: Define commitments & systems

- ▶ KPI #2.1 – Direct supplier list
- ▶ KPI #2.2 – A summary of the Forest Positive Approach for meatpackers and own brand manufacturers

STAGE 2: Implement & take action

- ▶ KPI #2.3 – Tier 1 suppliers to whom the Forest Positive Approach and its implementation have been communicated
- ▶ KPI #2.5 – Meatpackers sourcing from high-risk origins that have been engaged and are being evaluated

STAGE 3: Measure progress & deliver outcomes

- ▶ KPI #2.4 – Performance of Tier 1 suppliers against Forest Positive Approach including progress on delivery across entire operations
- ▶ KPI #2.6 – Performance of meatpackers against Forest Positive Approach including progress on delivery across entire operations

4 manufacturers and 8 retailers report on beef in 2023.



## Path ahead



### TRACEABILITY

The Beef WG will continue to drive knowledge sharing opportunities and build critical mass within the Coalition to facilitate best practices on improving performance on beef traceability in high-priority areas.



### ABILITY TO ENSURE SUFFICIENT RE-INTEGRATION AND PURCHASE CONTROL SYSTEMS

The Beef WG will support members with the implementation of the [Guidance for Forest Positive Suppliers of Cattle-derived Products \(Meatpackers in Brazil\)](#), which includes requirements on purchase control system, re-integration criteria, and cut off dates for the Amazon and the Cerrado with deforestation and conversion cut off dates for the Amazon and the Cerrado, as well as facilitating the exchange of industry best practices.



### ABILITY TO ENSURE AMBITIONS ARE ALIGNED ACROSS THE VALUE CHAIN

To continue facilitating engagement with meatpackers and further support upstream engagement efforts, the Soy and Beef Working Groups are mobilising members to collectively engage with meatpackers, soy traders, local civil society organisations, Brazilian and donor country governments on the ground in Brazil in 2023.

In addition to addressing the above challenges, the Beef WG will encourage participation and investment in beef production landscape initiatives that cover a wider geographic area of action (particularly to drive progress in expanding implementation of the forest positive approach to indirect cattle suppliers) identify new priority areas of action, and use similar methodologies for DCF claims.







PPP



See the full reporting  
online [here](#).



## Actions

Paper, Pulp & fibre-based packaging (PPP) is the most material commodity in the Coalition, with 20 members having identified PPP as a material commodity, including 12 manufacturers and 8 retailers. Together, Coalition members represent a commodity volume accounting for only ~5% of global production of virgin pulp.<sup>15,16</sup> Given this, engaging members' suppliers to ensure they adhere to our forest positive commitments across their entire production volumes is essential to accelerating wider change.

Over the past three years, the Coalition has made progress in addressing the challenges associated with PPP through the PPP Working Group (PPP WG). This collaborative effort has focused on aligning KPIs and reporting methodologies across the industry, **[publishing guidance to support companies' implementation of the PPP Roadmap](#)** and fostering dialogue with global certification schemes.



# Challenges

We have identified three main challenges consumer goods manufacturers and retailers face on the path to deforestation, conversion and degradation-free paper, pulp & fibre-based packaging. We have progressed on overcoming these challenges as a coalition (see [Progress >](#)). We have also identified where there is still more work to do (see [Path ahead >](#)).



## TRACEABILITY AND CHAIN OF CUSTODY

Achieving traceability and maintaining a robust chain of custody is difficult due to the fragmented nature of supply chains in the PPP industry, where the location of processing mills is often far away from where the raw materials are sourced.



## FOREST AREA CERTIFICATION

The industry has faced challenges in improving uptake of forest certification with about 13% of the world's forests certified in 2021, compared to 9% in 2011.<sup>17</sup> Challenges persist across the value chain, including a lack of incentives for the premium on certified products and the complex and costly process of verifying chain of custody.



## PACKAGING SUPPLIER MARKET

The market for fibre-based packaging suppliers in the PPP industry is primarily localised and highly fragmented compared to other commodities. There is a notable gap in defining processes and systems to engage systematically through the fibre-based packaging supply chain to access information on traceability and support establishment of sustainable practices.





# Progress

## Own Supply Chain

### STAGE 1 Define commitments & systems

The majority (75%) of members have public commitments and systems in place to drive the forest positive agenda in their own PPP volumes, and this has been stable over the past three years (see [Figure 8](#)).

### STAGE 2 Implement & take action

55% of members are implementing and taking action, which is lower than the 72% reported in 2022, due to methodology changes.

This year, the Coalition introduced a KPI on traceability to origin (or country of harvest) to show efforts on mapping PPP supply chains. This is a critical prerequisite to tracking deforestation-and-conversion-free supply. Only 55% of members are reporting 90%+ traceability to origin (or country of harvest) in 2023 reporting. This is materially lower than some of the other priority commodities due to greater fragmentation in PPP's supply chain.

We will continue to enhance our reporting. In collaboration with Earthworm, the Coalition is working to update our risk approach to PPP sourcing origins to consider not only risk of deforestation, but also risk of degradation and land rights issues. To support this, we will provide guidance on risk mitigation to advance companies' actions in high priority origins (linked to KPI #1.6, #1.7). This work was initially driven by members individually and subsequently raised to the Coalition as a focus area to drive collective action. The Coalition is in the process of refining the scope of countries defined as high-priority for collective action in the [Roadmap Guidance](#).

### STAGE 3 Measure progress & deliver outcomes

50% of members are measuring progress and delivering outcomes by reporting percentage of virgin supply that is certified. Essity is a member that has 97% certification across their purchased virgin fibre volumes. Essity manages to maintain high certification levels by supporting new suppliers to achieve certification. Essity also asks suppliers to share information on plans to increase their total volume certified, beyond Essity's volumes, with the aim to be fully certified up and down the supply chain.

## Impact Story:

### Coalition engagement with certification schemes



Throughout the past three years, the Coalition has engaged with key certification schemes (FSC, PEFC & SFI) to ensure aligned approaches in our [Roadmap](#) and [guidance](#), and to tackle specific issues to accelerate progress in the sector. We are committed to future collaboration with the certification schemes on improved transparency and access to traceability information, EUDR implementation and DCF methodology alignment.

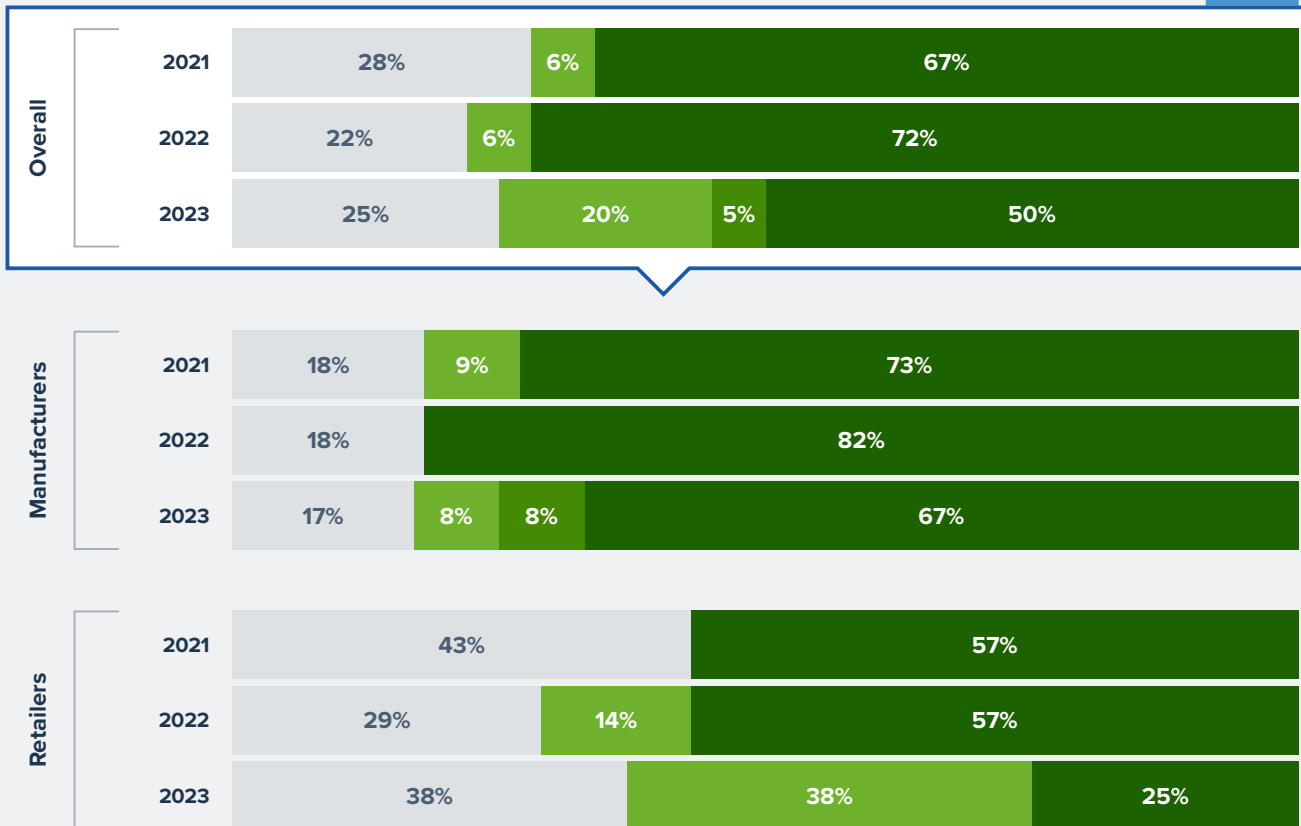
Read the full impact story [here](#).





Own Supply Chain

Figure 8



% of members disclosing at stage.

Key: ▶ KPI required to progress stage.

NOT REPORTING

STAGE 1: Define commitments & systems

- ▶ KPI #1.1 – PPP Sourcing Policy including commitment to the forest positive goals
- ▶ KPI #1.2 – Timebound action plan summary

STAGE 2: Implement & take action

- ▶ KPI #1.3 – Percentage recycled, percentage virgin fibre
- ▶ KPI #1.5 – Percentage of virgin supply traceable to origin (at least to country of harvest) (new KPI)
- ▶ KPI #1.6 – Percentage of supply from high-priority (high-risk) sources
- ▶ KPI #1.7 – Actions being taken for supply from high-priority sources

STAGE 3: Measure progress & deliver outcomes

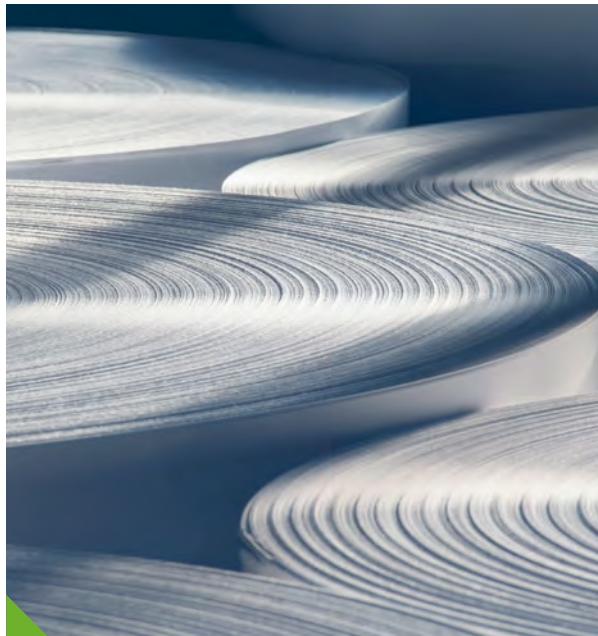
- ▶ KPI #1.4 – Percentage of virgin supply certified, and percentage per scheme and chain of custody model

Out of 12 manufacturers and 8 retailers reporting on PPP in 2023.



## › Suppliers & Traders


Overall, there has been an uptick in the public disclosure rate of KPIs on PPP suppliers (70% of members disclosing at least one PPP supplier KPI in 2023 compared to 44% in 2022).



### STAGE 1 → Define commitments & systems

To further strengthen our transparency, we launched a new KPI on publishing a list of direct suppliers for PPP. There have been challenges in reporting this KPI amongst retailer members due to anti-competition considerations, however, reporting remains a crucial step towards fostering accountability of robust standards.

### STAGE 2 → Implement & take action

 In 2023, 25% of members reported engaging suppliers to implement the Coalition’s forest positive PPP approach, up 8ppts since 2022 (see [Figure 9](#) ›).

Members such as Essity are engaging 100% of their pulp suppliers by periodically sending suppliers their sourcing policy and questionnaire to ensure they are adhering to Essity’s standards. They work collaboratively via site visits to correct deviations together. In future, these learnings aim to be shared with packaging suppliers. Similarly, retailers such as Jeronimo Martins collaborate with suppliers by not only informing suppliers of their Forest Positive approach, but also inquiring about suppliers’ own policies and commitments to align forest positive ambitions.



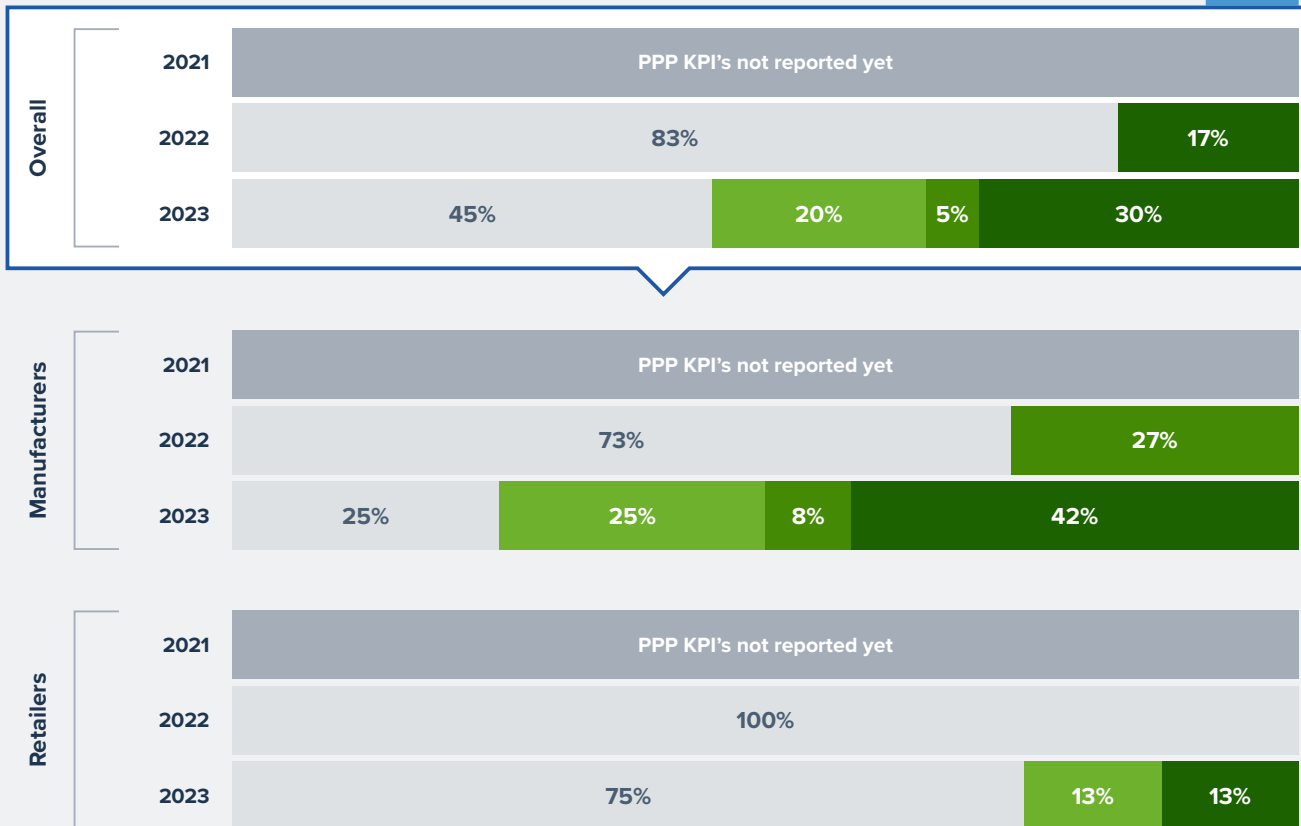
### STAGE 3 → Measure progress & deliver outcomes

 30% of members are monitoring supplier performance (stage 3), improving from 0% in 2022 reporting. Improvement is largely driven by building systems and implementing coalition frameworks since 2022 reporting requirements. Industry challenges to improve disclosure across fibre-based packaging suppliers are largely due to the localised and fragmented nature of the packaging supplier market. Smaller players typically do not have systems in place to facilitate requests. Ensuring members’ packaging suppliers are working towards our forest positive ambition is a priority for the Coalition.



Suppliers & Traders

Figure 9



% of members disclosing at stage.

Key: ▶ KPI required to progress stage.

NOT REPORTING

STAGE 1: Define commitments & systems

▶ KPI #2.1 – Direct supplier list (*new KPI*)

STAGE 2: Implement & take action

▶ KPI #2.2 – Proportion of suppliers informed about the Forest Positive Suppliers Approach  
 ▶ **KPI #2.3** – Number or proportion of suppliers identified as priority for engagement, and percentage engaged

STAGE 3: Measure progress & deliver outcomes

▶ **KPI #2.4** – Performance of engaged suppliers and changes over time including progress on delivery across entire business

Out of 12 manufacturers and 8 retailers reporting on PPP in 2023.



# Path ahead

## TRACEABILITY AND CHAIN OF CUSTODY

The PPP WG will leverage our engagement with certification schemes to improve traceability and chain of custody. Additionally, responsible PPP sourcing presents an opportunity for sustainable forestry management, and the Coalition aims to expand its investment in production landscapes beyond our three initiatives, to further support forest restoration, conservation, and local communities.



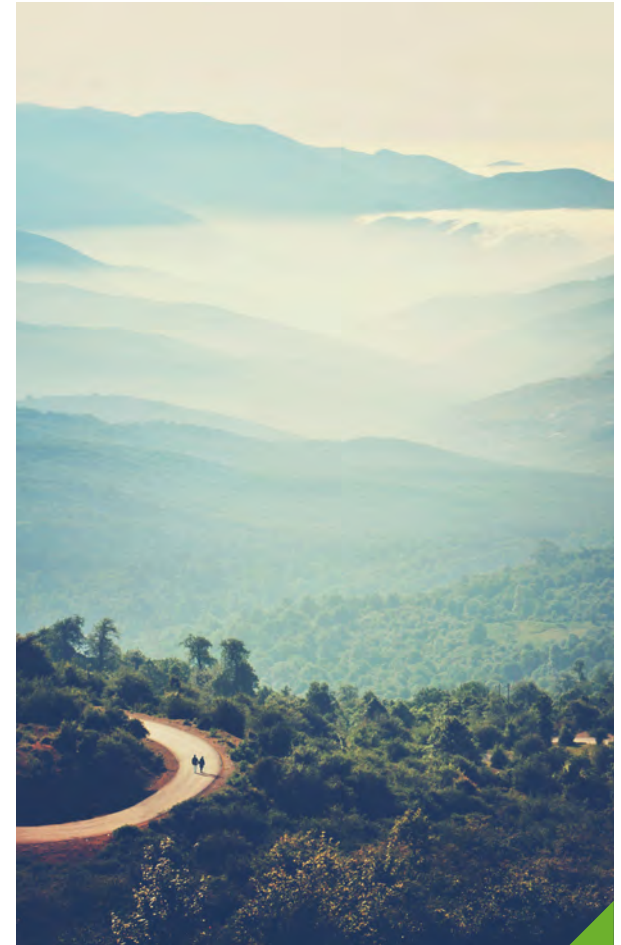
## FOREST AREA CERTIFICATION

The PPP WG's main priority is to continue engagement with certification schemes and where relevant, drive collective engagement with SSCI.

## PACKAGING SUPPLIER MARKET

In the future, the Coalition aims to improve collective engagement of pulp mills to drive supplier engagement towards our forest positive approach further downstream.

In addition to working on the above challenges, the PPP WG will align DCF metrics and methodology, with Proforest support and input from AFi, CDP and other key stakeholders (e.g., certification schemes).

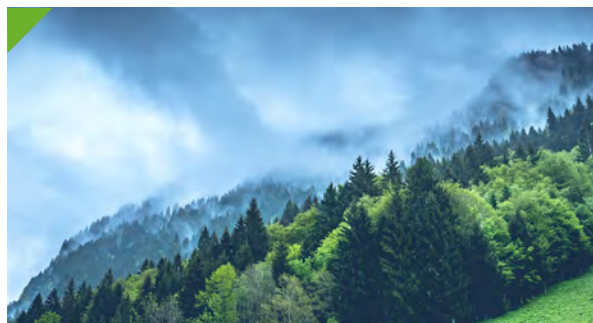




# Production landscapes

## › Why actions in production landscapes are a priority

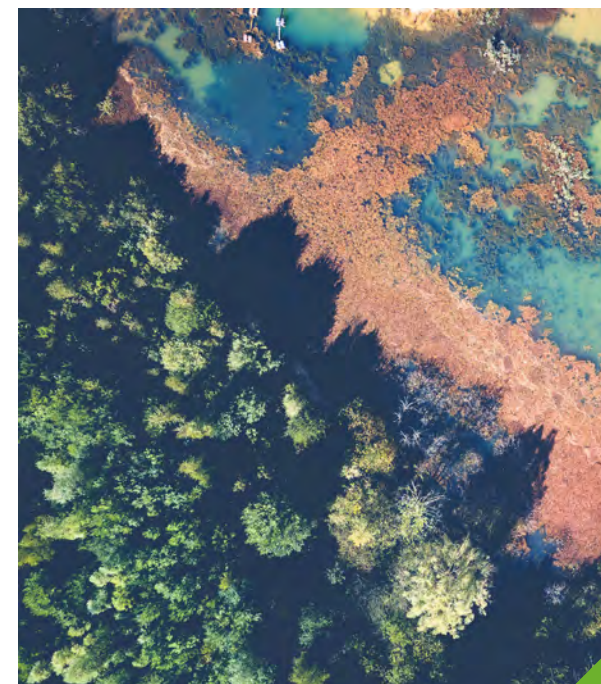
Production Landscapes are an integral part of our Coalition’s **Theory of Change**. Achieving lasting systemic change requires going beyond companies’ own value chains, and into the regions and ecosystems tied to the Coalition’s key commodities. Landscape-level action enables companies to take a holistic approach to advancing forest positive, supporting the goals of promoting sustainable agricultural commodity production and land-use, protecting forests and other natural ecosystems, upholding human rights, and supporting local livelihoods.



Our members are encouraged to participate in at least one landscape-level initiative and work with local stakeholders – ranging from producers to communities to subnational governments to civil society organisations – to overcome systemic challenges to forest positive. Our Coalition has committed to taking direct action and collaborating with stakeholders to transform to forest positive an area equivalent to the Coalition’s combined production base-footprint (in hectares) by 2030.

Each Coalition member has agreed to a minimum investment in landscape initiatives. To assist the Coalition in developing its landscape strategy and commodity-specific approaches for landscape engagement, a portfolio of landscape initiatives was created. This portfolio facilitates learning and exchange between initiatives and to serve as a resource for members considering which initiatives to support.

For more information on the guiding principles for the Coalition’s engagement in landscapes and its vision for how landscape initiatives can transform production areas to forest positive, please see the Coalition’s ‘10 Principles for Collective Action’ in our [Landscape Strategy](#).



### › Coalition's Portfolio of Landscape Initiatives (2023)

23 initiatives in palm oil, soy, beef and PPP; three landscape initiatives address two commodities







# Actions within our landscapes

Portfolio-level analysis of our 23 landscapes provides insights into our actions along priority commodities, impact levers, and member collaboration:

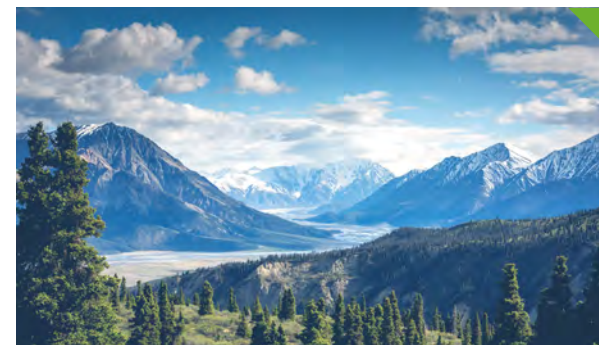
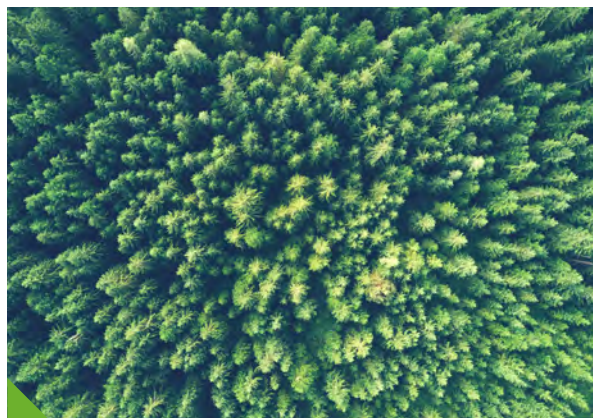
## › Commodities

Nearly 80% of the Coalition’s Portfolio of Landscape Initiatives (by hectare) are in palm oil landscapes, reflecting the relative maturity of members’ progress in this commodity.

We are working with members and technical partners to identify high priority areas for landscape engagement through traceability exercises, mapping high-risk areas for beef and PPP (see [Beef Transamazonica Impact Story](#)). This will ensure that the Coalition is channelling collective effort to areas most in need of investment and support for forest and people positive initiatives, while leveraging Coalition sourcing relationships. (see [Path ahead](#) ›).

## › Impact levers

Out of the total land area being impacted by landscape actions, 88% of the hectares are covered by activities supporting conservation or restoration, aligning with company commitments to deforestation-and-conversion-free sourcing, climate, and nature. Also key to ensuring Forest Positive outcomes in production landscapes is support for actions improving land tenure security, particularly for smallholders and IPLCs, and improved agricultural practices and livelihoods. These actions not only promote people-positive outcomes such as enhanced livelihoods for local communities, but through increased production efficiency, also reduce pressures in local ecosystems that can lead to deforestation and conversion.



## › Co-investment

The Coalition has been instrumental in enabling more members to understand the benefits of investing in landscapes and get started on their own landscape journeys. As of 2022, over 75% of hectares in the Coalition’s landscape portfolio are covered by co-investment by three or more Coalition members.

While we still have a way to go to achieve our landscape targets, we are encouraged by the progress we have made in demonstrating the power of landscape investments. We remain committed to driving systemic change through collective action and engagement.

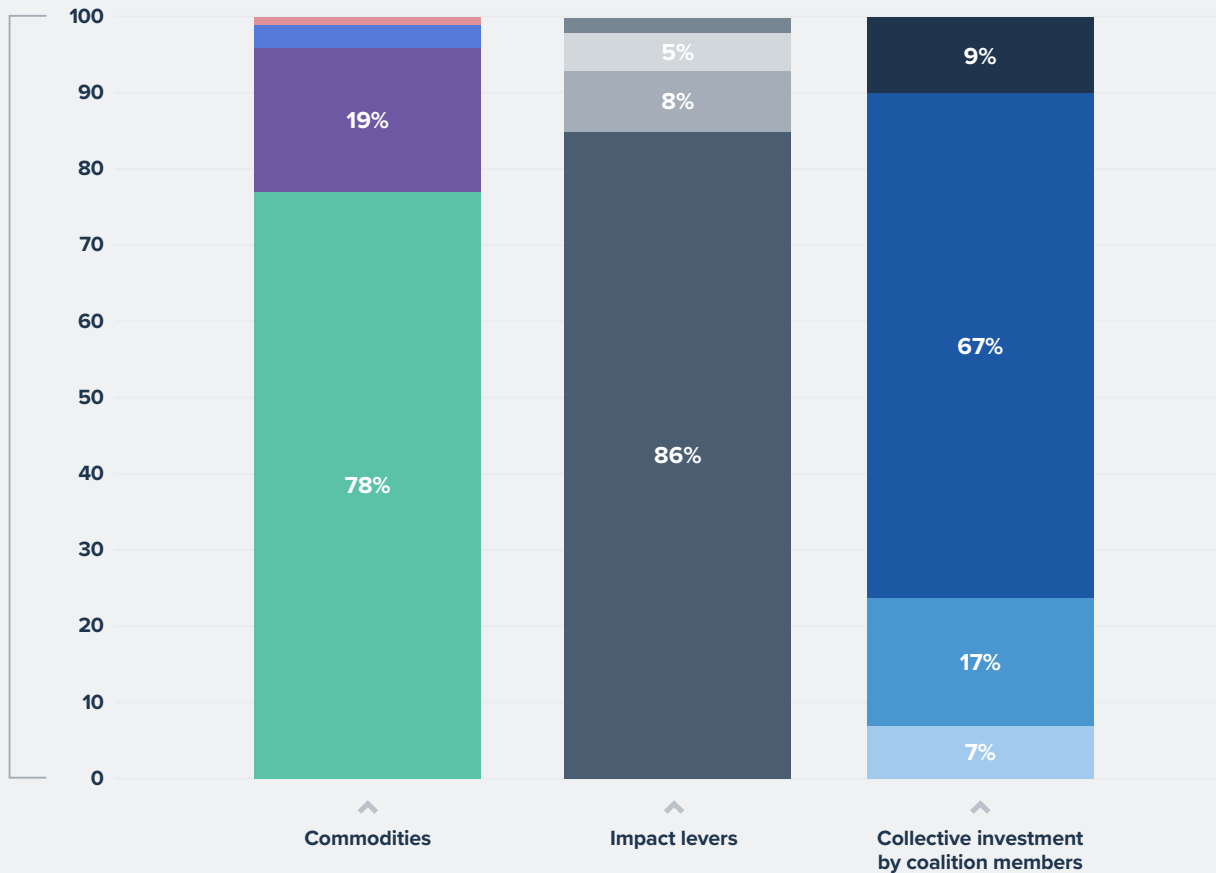
See [Figure 10](#) › for FPC landscape portfolio breakdown.



➤ FPC landscape portfolio breakdown

% split of existing Forest Positive Coalition production landscapes (by Ha, as of 2022)

Figure 10



Key

Commodity:

- Palm Oil
- Soy
- Beef
- PPP

Impact levels:

- Conservation
- Restoration
- Improved ag. practices
- Land tenure

Co-investment:

- 4 members
- 3 members
- 2 members
- 1 member

**Note:** Data shown for 19 out of 23 landscape initiatives in the Coalition's Portfolio.

**Source:** Member reporting on 2022 activities, by landscape initiative.



# How we measure progress in production landscapes

Landscape engagement is a complex, multi-stakeholder endeavour and it can take years to realise investment outcomes. As such, evaluating and communicating progress in landscapes can vary significantly from those of standard business initiatives.

It is important for companies to be able to effectively measure and internally and externally communicate stepwise progress towards Forest Positive outcomes through actions in landscape initiatives. An aligned approach to measuring landscape initiatives' progress allows stakeholders to speak the same language for decision-making, compare progress across initiatives, prevent duplication of efforts in monitoring and reporting, and track all stages of investment with integrity and transparency.

## › The Landscape Reporting Framework

**The Landscape Reporting Framework** was co-developed by Proforest, ISEAL, and Coalition members Nestlé, PepsiCo and Unilever and pressure-tested with 15 landscape initiatives. It classifies landscape actions into four phases, with a template of common activity and outcome indicators for each phase of implementation progress. More information on the framework can be found [here](#).

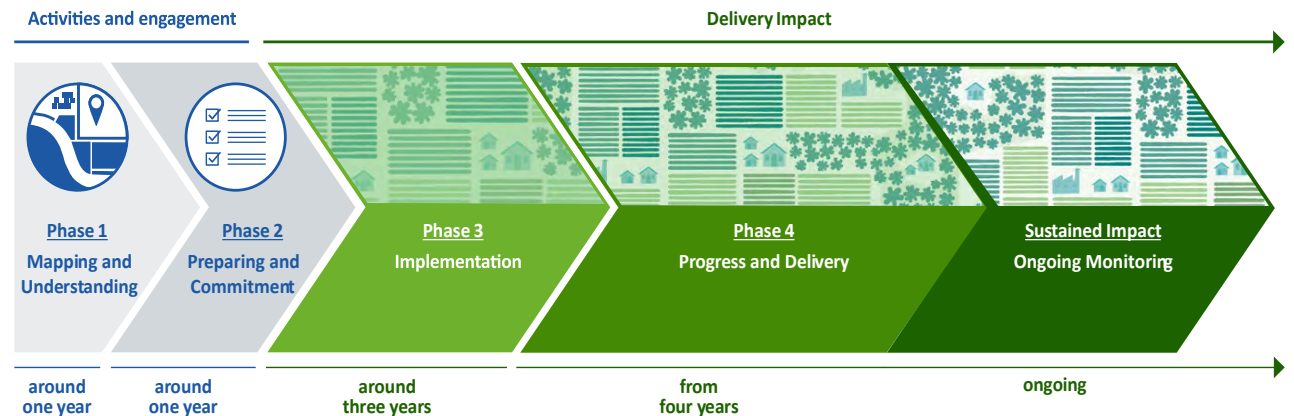






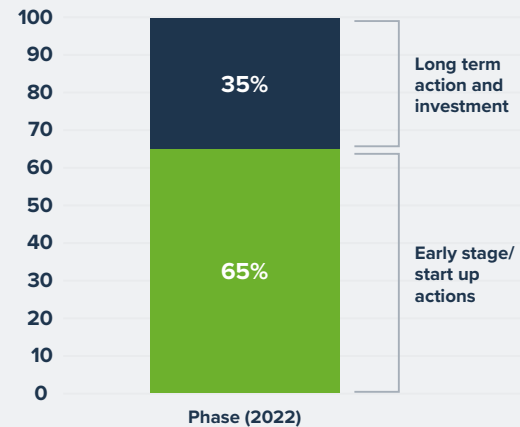
Figure 11

# Progress in 2022

As of 2022, 65% of the landscapes in the Coalition's Portfolio of Landscape Initiatives are in the early stages of the Landscape Reporting Framework, reflecting the fact that many of our members are supporting on mapping landscape conditions and building commitments among stakeholders for landscape action and goals. We promote continued year-on-year investment in landscape initiatives, recognising this is driving initiative progress from the mapping and commitment phases to full implementation and delivery of results.

We will continue to track progress using this framework across our Portfolio of Landscape Initiatives and plan to share our 2023 results in the next annual report. We also encourage members and companies to evaluate their individual portfolios using the framework (see [Figure 11, right >](#)).

> % split of existing Forest Positive Coalition production landscapes (by Ha, 2022)



KEY:

- Phase 1 and 2: Mapped and committed
- Phase 3 and 4: Implemented and delivered

**Note:** 1) Data shown for 19 out of 23 landscape initiatives in the Coalition's portfolio. 2) Phases are sequential i.e., each hectare in Phase 2 has progressed through Phase 1, each hectare in Phase 3 has progressed through Phases 1 and 2.

**Source:** Member reporting on 2022 activities, by landscape initiative, using the [Landscape Reporting Framework](#).



# Insights from action

Members' actions in production landscapes has crystallised three key insights that reinforce our commitment to catalysing transformative change in key commodity landscapes:

## 1 Collaboration in production landscapes is a key way to achieve company climate, nature, and people commitments

Our members' engagement in production landscapes has solidified the belief these initiatives can yield positive business outcomes while concurrently benefiting the communities and production areas critical for commodity production.





Impact Story:

**The power of landscapes to drive progress on climate and company commitments in the Cerrado Biome, Tocantins, Brazil**



Commodities:



Read the full impact story [here](#).

A Coalition-endorsed landscape initiative in Tocantins, Brazil is one example of how production landscapes have helped our members deliver positive impacts in climate, as well as in nature and production. Brazil's role as a leading producer of soy, cattle, and maize has resulted in intensive land conversion in the Cerrado biome, the world's most biodiverse savannah and an important carbon sink. The state of Tocantins has one of the highest rates of land conversion in Brazil in the last decade. Degraded production areas have led to lower yields, contributing to a cycle of continued unsustainable production practices.

Conservation International, in partnership with EMBRAPA, and with support from Coalition members Carrefour, METRO, and Nestlé is promoting low-carbon regenerative production of soy and beef in the Cerrado biome through:

- ▶ Supporting farmers in the adoption of low-carbon and DCF agriculture practices, such as no-tillage, integrated crop-livestock systems, and degraded pasture recovery through training.
- ▶ Encouraging consolidation of agricultural production in areas of degraded pasture, improving land use management through natural capital conservation and monitoring tools.

- ▶ Raising producer awareness of existing credit mechanisms and building capacity for improving producer financial stability through greater access to climate finance (e.g., credit for sustainable farming practices), informed by workshops and dialogues with local financial institutions and producers.

Impact in 2022:

- ▶ Engagement and capacity-building of **53 rural producers and 40 rural extension experts** for implementing low-carbon regenerative farming practices in soy and beef (covering almost **60,000 hectares** of land).

METRO notes that participation in this landscape has helped drive progress on their commitments as Cerrado Manifesto signatories and broader company commitments to DCF supply chains. The initiative's endorsement by the Coalition helped initiate collaboration between members and implementing partners, such as Conservation International, that work in priority regions for members.

The full potential of continued engagement in this landscape is immense, improving livelihoods and increasing yields while maintaining a landscape that is a critical carbon sink.



# Insights from action

2

**Production landscapes are complex webs of relationships and interactions between different stakeholders**

These range from local communities to companies who source from those landscapes to subnational governments. Companies are a small, but important, node in this web, and can leverage different pathways to support stakeholders in holistically delivering forest positive. Through the Coalition's Portfolio of Landscape Initiatives, we have started to more fully understand the interrelated systemic challenges faced by different stakeholders in landscapes.

We have also sought to understand the actions companies can take to more effectively foster collaboration and action with landscape stakeholders and drive progress on forest positive (see [Figure 12](#) >).





› Landscape-level stakeholders and roles for action in landscape initiatives (1/2)

Figure 12

Stakeholders:	Corporates (downstream)	Value chain intermediaries (focus upstream)	Producing enterprises	Smallholders & local communities
<b>Overview</b> ›	Consumer goods manufacturers and retailers	Suppliers and traders sourcing directly from production landscapes (some integrated with production)	Large-scale producers & plantations	Smallholder producers, local communities, indigenous peoples
<b>Role in landscape-scale action</b> ›	<ul style="list-style-type: none"> <li>▶ Through sourcing relationships, provide clear incentives and market signals for forest positive actions at landscape scale.</li> <li>▶ Financial and in-kind support, including information/data sharing.</li> <li>▶ Use reputation to build support for forest positive principles and practices.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Provide clear incentives and market signals for forest positive actions at landscape scale.</li> <li>▶ Leverage strong local connections to drive change through existing relationships e.g., with local governments or producers.</li> <li>▶ In-kind support including capacity building &amp; loans.</li> </ul>	<ul style="list-style-type: none"> <li>▶ As key economic actors in the landscape, leverage relationships with local governments to encourage adoption of forest positive policies.</li> <li>▶ Commit to and support forest positive actions at scale in partnership with value chain intermediaries.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Bring knowledge of local contexts and production and monitoring capacity, including through community-based deforestation monitoring or development of land use plans.</li> </ul>
<b>What we have heard is needed to accelerate landscape-level, forest positive change</b> ›	<ul style="list-style-type: none"> <li>▶ Clearer link between landscape-scale action and outcomes to climate, nature, and people commitments (e.g., SBTi, SBTs for Nature) to unlock corporate investment.</li> <li>▶ Leverage additional corporate investment through ability to link DCF claims with support to progressing landscape.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Market signal from critical mass of downstream companies that landscape-scale action are is considered in sourcing decisions and key to reaching DCF.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Market signal from critical mass of downstream companies that landscape-scale action is considered in sourcing decisions.</li> <li>▶ Increased support to incentivise uptake and implementation forest positive commitments, like DCF.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Inclusion in forest positive value chains, especially in light of recent due diligence laws.</li> <li>▶ Alternative livelihoods for local communities.</li> </ul>
<b>Pathways for corporates support on forest positive</b> ›	<ul style="list-style-type: none"> <li>▶ Engage peers to reach critical mass of downstream companies supporting landscape-level action/forest positive outcomes with a united voice.</li> <li>▶ Support smallholder inclusion in value chains through stated support sourcing, technical support.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Align expectations for what “forest positive” looks like in production landscapes through a united voice.</li> <li>▶ Incentivise increased supplier participation in landscape initiatives through e.g., contract incentives, public recognition.</li> <li>▶ Support smallholder inclusion in value chains through sourcing, technical support.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Align expectations for what “forest positive” looks like in production landscapes.</li> <li>▶ Incentivise forest positive action at scale in production landscapes through offtake agreements / preferential sourcing and capacity building.</li> <li>▶ Support smallholder inclusion in value chains through sourcing, technical support.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Offer preferential sourcing, premiums, support for capacity building including improved production practices, cooperative formation, and connections to market.</li> <li>▶ Engage suppliers to promote inclusion of smallholders in the value chain.</li> </ul>

For additional resources, please reference [Jurisdictional Approaches Resource Hub](#) for more information on stakeholder roles in landscape and [Proforest Academy](#) for materials for corporations looking to take downstream action.



› Landscape-level stakeholders and roles for action in landscape initiatives (2/2)

Figure 12

Stakeholders:	Civil society organisations	Producer country & sub-national governments	Philanthropic and public donors
<b>Overview</b> ›	Local, national and international NGOs, research institutions	National and subnational governments	Philanthropic organisations, donor governments
<b>Role in landscape-scale action</b> ›	<ul style="list-style-type: none"> <li>▶ Ensure inclusivity and credibility of multi-stakeholder processes.</li> <li>▶ Bringing key local knowledge and accountability.</li> <li>▶ Implement activities contributing to landscape-scale goals.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Incorporate sustainability principles into policy.</li> <li>▶ Increase scale and efficacy of policy through promotion (financial, technical support) and enforcement.</li> <li>▶ Increase credibility of multistakeholder processes.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Financial support to de-risk landscape scale action.</li> <li>▶ Building relationships with national and subnational governments to promote enabling policy e.g., encouraging application of government data sources to support greater transparency/traceability.</li> <li>▶ Implement jurisdictional-scale action.</li> </ul>
<b>What we have heard is needed to accelerate landscape-level, forest positive change</b> ›	<ul style="list-style-type: none"> <li>▶ Incentives from companies to build value proposition among local stakeholders.</li> <li>▶ Multi-stakeholder representation and governance of landscape goals to ensure local ownership of actions and outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Incentives for local leaders and sub-national governments to support DCF production, de-linking deforestation from economic development.</li> <li>▶ Recognition and reputational benefits for implementing forest positive policies.</li> <li>▶ For subnational govts: sustainability principles embedded into to national level frameworks, which can support local policies.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Identification and alignment on priority areas and opportunities for collaboration with landscape actors.</li> </ul>
<b>Pathways for corporates support on forest positive</b> ›	<ul style="list-style-type: none"> <li>▶ Offer multi-year financial and in-kind contributions towards landscape goals, including support for establishment of multi-stakeholder partnerships and platforms to ensure long term impact of landscape actions.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Offer opportunities for in-kind support and collaboration to help create / encourage enabling policy e.g., data-sharing for traceability systems, alignment on jurisdictional indicators to demonstrate progress.</li> <li>▶ Raise the profile of progressing jurisdictions.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Identify and communicate opportunities to provide financial support in overlapping priority areas.</li> </ul>

For additional resources, please reference [Jurisdictional Approaches Resource Hub](#) for more information on stakeholder roles in landscape and [Proforest Academy](#) for materials for corporations looking to take downstream action.



# Impact Stories

The following stories, from the Coalition's Portfolio of Landscape Initiatives, bring to life potential pathways for action for corporations working with landscape-level stakeholders to drive forest and people positive outcomes.

These initiatives are at varying levels of maturity with some already working to build multi-stakeholder partnerships to develop and deliver on shared, landscape-level goals, while others are trialing approaches that can be further developed or integrated into a holistic landscape initiative in the future.



PALM OIL

SOY

BEEF

PPP

See the full reporting online [here](#).



Impact Story:



**Sabah Landscape in Malaysia: Building forest and people positive capacity throughout the value chain**



COLGATE-PALMOLIVE COMPANY



Earthworm

Commodities:



Palm oil

The Sabah Landscape in Malaysia, is home to some of the most biodiverse forests in the world, and a large elephant population. It also has 1.5 million hectares of planted palm oil plantations and relies heavily on a migrant and smallholder farmer population for palm oil production. As in many production areas, at times there can appear to be a tension between positive outcomes for nature and for people. Coalition members Nestlé, Colgate-Palmolive, and Reckitt have worked with Earthworm to reconcile these tensions and encourage forest and people positive palm oil production through funding activities such as:

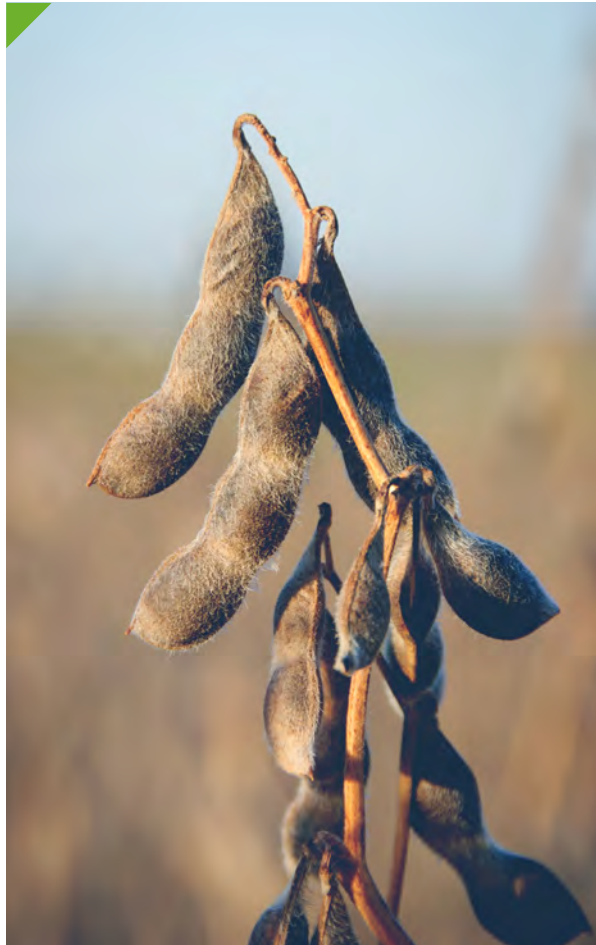
- **Identification and socialisation of interventions to protect High Conservation Value (HCV) forests and enhance smallholder livelihoods:** Through in-depth consultations with local producers, civil society organisations, and government agents; field visits; and spatial monitoring, Earthworm, with the support of Coalition members, has been able to identify drivers of deforestation and viable potential pathways for action including HCV screening, participatory land use planning, and the implementation of sustainable livelihood activities such as agroforestry and goat rearing.

The upcoming year will be focused on finalising strategy and implementing a pilot project, with the vision of scaling it up to other parts of the landscape.


- **The Human Elephant Coexistence (HEC) project,** which works with upstream companies, smallholders, government agencies, and civil society organisations to plan and implement elephant and smallholder coexistence strategies. Planned activities include community patrolling, capacity-building in personal safety, patrolling techniques, and wildlife protection; and the development of buffer zones and enhanced physical barriers along the borders of forests and plantations.

Members have stated that investment in this landscape has helped increase their traceability and own-supply chain knowledge; enable positive engagement with NGOs on issues and resolution of grievances and conflicts within those landscapes; and built smallholder capacity for inclusion in DCF supply chains.

Read the full impact story [here](#).



Impact Story:

 **Responsible  
Commodities Facility (RCF)  
Cerrado Programme:  
Financial incentives to  
build deforestation and  
conversion free soy  
supply chains**



Commodities:



Launched in 2022, the Responsible Commodities Facility (RCF) supports the production of deforestation and conversion free (DCF) soy in Brazil's Cerrado region by providing low interest rate loans to medium-to-large soy farms who commit to zero deforestation of native vegetation (over and above their legal reserves) and implement practices that avoid negative climate and nature impacts. Through a first-of-its-kind financing mechanism, our members, alongside Waitrose, were able to purchase green agribusiness receivables certificates (green bonds) issued by the RCF and registered on the Vienna Stock Exchange, enabling RCF to provide 11M USD in low interest rate loans to farmers who committed to the aforementioned criteria.

Through this initiative, Coalition members supported 42K tonnes of DCF soy production, the conservation of ~8.5K hectares of native vegetation, and the expansion of available funding in the coming year.

Read the full impact story [here](#).



**Impact Story:**

**Coalition for Sustainable Livelihoods: A multi-stakeholder platform that works above silos to accelerate progress and scale across landscape and district initiatives**



**Commodities:**

Palm oil

The Indonesian provinces of Aceh and North Sumatra play a pivotal role in palm oil production and sourcing. However, as in many production landscapes, the abundance of stakeholders and initiatives in these areas poses a risk of fragmented efforts in promoting sustainable production, livelihoods, and conservation.

Our members work with the Coalition for Sustainable Livelihoods – a localised platform that works closely with district and provincial officials, industry players, farmers, communities, civil society groups, and strategic partners to facilitate peer-to-peer learning, knowledge product development, and alignment of sustainable development priorities for palm oil landscapes.

Read the full impact story [here](#).







### Impact Story:

## Engaging local stakeholders and governments to build Sustainable Peatland and Forest Management plan in Siak, Indonesia

### Commodities:

 Palm oil  PPP

Coalition members have supported Winrock in driving a transformational shift in sustainable peatland and forest management in Siak, Indonesia through extensive multi-stakeholder, community-based consultation. These efforts have culminated in local community buy-in for a Master Plan for preservation and conservation of peatlands, with potential carbon revenue, while boosting economic development and improving local livelihoods. These landscape-level actions have helped map 500 hectares of peatland for restoration and build support for a 20-year master plan.

Read the full impact story [here](#).





Impact Story:

**Scaling a jurisdictional approach to sustainable commodity-production in Brazil's Matto Grosso region**

Jerónimo Martins



Sainsbury's

Partnership for Forests

PCI

proforest

IPAM

Commodities:

Soy Beef

What started as an initiative with two Coalition members' funding IPAM to establish a municipal multi-stakeholder governance structure in four municipalities linked to state-level Produce, Conserve, and Include (PCI) strategy, has now expanded to include a third member, a consortium of implementing organizations (PCI, Produzindo Certo, Proforest in addition to IPAM), and a further two municipalities. Additionally, the initiative is now also funded by the Land Innovation Fund. This initiative has now grown to become the PCI Western Mato Grosso Landscape Consortium. Goals include setting locally-defined targets, plans for emissions reductions, smallholder support, restoration activities and delivering technical assistance to soy farms.

This initiative is also supported by soy traders in the Soft Commodities Forum, which the FPC is collaborating with on its soy landscape approach, representing a shared private sector vision for sustainable soy production that promotes positive impacts in the long-term for the climate, environment and people in this landscape.



# Insights from action

3

**Being part of a Coalition has helped companies get started on landscape-scale action**

While many companies understand the benefit of investing in localised production landscape initiatives to progress on their nature, people, and climate goals, it can be a daunting task to even identify where and how to begin investing in a landscape.



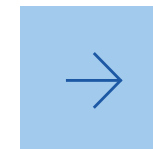
A benefit of Coalition participation referenced by members is the exposure to a portfolio of vetted initiatives, introduction to local civil society organisations and implementing partners, and a network of commercial and technical supporters to help them embark on their landscape journey. Additionally, the Coalition membership requirement of investment in at least one initiative, alongside participation in workshops and exchanges with implementers and companies, creates a strong enabling environment of knowledge-sharing and collaboration.

This can make it easier for companies to help create new landscape initiatives tied to their own existing sourcing areas or invest in pre-existing landscape initiatives to facilitate learning and identify potential new sourcing areas.

# Bringing it all together

➤ **How a new production landscape was formed with the Coalition**

The Transamazonica Novo Repartimento Landscape Initiative (see [next page](#)) is a collaboration born out of our Beef Working Group illustrates the role the Coalition can play in supporting members in identifying opportunities for action, facilitating multi-stakeholder collaboration, and laying the groundwork for inclusive and effective local governance to drive progress on forest positive commodity supply chains.









## Path ahead

We remain firm in our commitment of helping our members and other companies to learn and scale actions in landscapes. Our priorities for the future focus on strategic initiatives that will enable members to deliver on long term investments in forest positive that will pay dividends not only for themselves, but for stakeholders across the value chain and in production landscapes.

In the coming year, we aim to build on our learning phase of landscape action to:

1

*Identify pathways for scaling landscape-level action and multi-stakeholder collaboration within priority landscapes to reach the Coalition's 2030 ambition to transform landscapes to forest positive in an area equivalent to its production base footprint.*

### › Actions include:

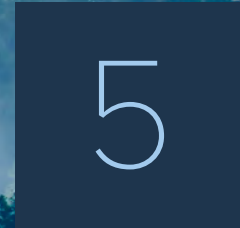
- ▶ Continuing to build landscape links to climate, nature, people commitments and forest positive sourcing to further embed landscape engagement into business strategy, increasing resilience of the farmers and communities upon who commodity production depends.
- ▶ Leveraging opportunities for collaboration with other stakeholders such as value chain actors, philanthropic organisations, and public funds to accelerate progress.
- ▶ Continuing to identify high-priority sub-national areas for landscape engagement across commodities and synergies between landscapes in overlapping jurisdictions.

2

*Continue supporting companies in communicating landscape-level actions and progress*

### › Actions include:

- ▶ Ensuring efficacy of landscape outcomes and credibility of company and initiative claims of action and impact.
  - Support landscape initiatives to develop robust baselines and outcome validation processes, building upon methodology of Landscapes Reporting Framework.
  - Ensure company claims on contributions to landscape actions and outcomes are credibly aligned with best practices (e.g., ISEAL) and avoid duplication of reporting efforts.
- ▶ **Developing online resources to track initiatives, helping members and non-members:**
  - Transparently communicate progress and company-level support for landscapes.
  - Promote the uptake of the LRF approach and create aligned, credible downstream company communication around landscape engagement.



# LESSONS LEARNED

PAGE 72



# Looking forward

We have made progress in advancing our forest positive agenda, however, there is still more work to do. Our Coalition's priorities are to continually elevate the standards of KPI reporting, such as aligning DCF methodologies, disclosure, and performance, as well as updating member reporting dynamically on [our website](#). We are also scaling and accelerating our engagement with value chain participants, governments, and civil society organisations. In addition, we seek to harmonise best practices to effectively implement regulations, such as EUDR.

In this report, we have sought to reflect on the challenges and lessons learned from our members' journeys on the path to forest positive over the last three years.

We believe our lessons learned are relevant not only for other consumer goods manufacturers and retailers but also for all players within and beyond the value chain to comply with their own company commitments, market sentiments, and legislation.

As a forum of 400+ members across diverse geographies, we recognise the potential power of our collective action. We will continue to identify synergies across CGF, such as our collaborations with [Sustainable Supply Chain Initiative](#) and [Human Rights Coalition](#), to help consumer goods companies, sectors, and other stakeholders catalyse on their people, nature, and climate commitments, all of which are intimately linked to forest positive.

We are at an inflection point where social, environmental, political, and economic pressures are converging to make the need for forest positive commodity supply chains even more pressing.

This moment is a positive opportunity for all players to reflect on and shape legislation, company policies, and societal perspectives into actionable, powerful, and effective measures that equip all players to achieve forest positive initiatives. This will require collaboration, knowledge sharing, and unified action to promote forest positive commodities supply chains. Let's embrace this opportunity to create positive change and build a better future for all.

## ➤ Human Rights and Environmental due diligences

Human Rights and Environmental due diligences in supply chains are two sides of the same coin. This symbiotic relationship is central to the [EU legislative proposal on corporate sustainability due diligence](#). Mandatory laws are already in place in [France, Germany and other European countries](#). Beyond Europe, the Japanese government recently issued human rights guidelines for corporate due diligence, while the Malaysian government has [publicly advocated](#) for human rights due diligence to protect workers' rights in the palm oil sector. We've seen how successful this approach is in CGF's Human Rights Coalition's [People Positive Palm Project](#), which brings together international companies focusing on addressing forced labour in the Malaysian palm oil sector, and we are encouraged to see legislation continue evolving.





# Lessons learned on our journey so far

As we reflect on our perspectives on progress towards forest positive, the Coalition has identified lessons learnt that we believe have been instrumental in supporting our members reach our ambition.

## › Set up internal organisation for success

- ▶ Drive accountability with the CEO and leadership team and publicly commit to GHG value chain emission reduction and deforestation targets.
- ▶ Drive transparency via public reporting of KPIs, aligning methodologies to industry best practices.
- ▶ Ensure sustainability function works closely with Procurement and Commercial functions to spearhead forest positive actions.

- ▶ Leverage Forest Positive Coalition guidance and tools as a basis for the company policies, to enable greater consistency for engaging the value chain (e.g., suppliers, traders), and building business cases for forest positive investments. Example Coalition guidance includes commodity [roadmaps](#), supplier trader guidance & [MRF framework](#), DCF methodology, [Landscape Reporting Framework](#).
- ▶ Develop individual engagement models to engage suppliers (once coalition guidance is leveraged) to tailor to company context and individual relationships with upstream stakeholders.
- ▶ Instil a test and learn approach to start with a pilot or implementation, where there may not be a complete methodology in place yet (e.g., embedded soy DCF methodology alignment is in progress, but members are already collectively addressing supply chain visibility in embedded soy (see [soy impact story](#) »)).

## › Overcome systemic barriers with collaborations across the value chain and external stakeholders

- ▶ Engage with other stakeholders across the value chain (e.g., producers, traders) to build dialogue, drive alignment in forest positive expectations and methodologies, and share best practices (e.g., [Soy WG engagement with SCF](#), learning exchanges with landscape initiatives, Commodity WGs collaborating with other entities on EUDR implementation.

- ▶ Collaborate with certification schemes to overcome challenges in acquiring certification (e.g., FSC/ PEFC/ SFI collaboration in PPP WG on chain of custody, consideration of degradation & conversion and EUDR in certification schemes). This includes working with corporates and external stakeholders to ensure standards and verification of certification schemes are upheld (e.g., as part of CGF's [Sustainable Supply Chain Initiative](#)).
- ▶ Work together with value chain participants to enrich policy makers with lessons learned (e.g., from Human Rights and Environment Due Diligence (HREDD), such that legislations are practical.
- ▶ Collaborate with companies in the same industry to solve similar problems, together. Forums such as CGF foster pre-competitive collaboration while complying with antitrust regulations.
- ▶ Work with on-the-ground partners (e.g., Implementers for technical capacity building, technology partners for setting up or enhancing traceability and grievance monitoring systems).
- ▶ Support Indigenous Peoples and Local Communities by investing in production landscape initiatives, involving collaboration with civil society organisations (e.g., [Siak landscape](#) supporting smallholder and IPLC inclusion).








# Opportunities for collaboration

We are eager to work together with other stakeholders to address the systemic challenges to forest positive commodity production. We understand that action towards forest positive must come from all stakeholders – governments, the finance sector, civil society, private sector corporations, and consumers – to truly address the root causes of deforestation.

Collaboration and alignment on implementation across a range of stakeholders is necessary to prevent the creation of global two-tiered markets for DCF and non-DCF commodities. A two-tiered market can undermine the efforts of producers, value chain intermediaries, and retailers and manufacturers who are committed to sustainability, as well as the impact of sustainability standards and certifications.



## Working together with stakeholders:

-  **Value-chain intermediaries**
-  **Investors and asset managers**
-  **Philanthropic organisations**
-  **Producer-country governments**
-  **Consumer and donor country governments**



## Value-chain intermediaries (Suppliers and Traders)

At COP27, 14 traders and suppliers published an [Agricultural Sector Roadmap to 1.5C](#), outlining commitments to halt commodity-driven deforestation in line with a 1.5°C pathway. The Coalition welcomed the positive step, but **called for stronger ambitions and action**, especially in cattle and soy.

Forest positive is a collective effort and we also understand that **all value chain partners face unique challenges**. We want to identify opportunities for collaboration and realistic, actionable goals that will help embed forest positive practices into every companies' DNA. Actions include:

- ▶ Adopting cut-off dates and target dates aligned with the Coalition roadmaps and AFI guidance.
- ▶ Collaborating with up- and down-stream value chain partners to support transition of key production areas, e.g., participate in or co-invest in landscape initiatives supporting producers.
- ▶ Promoting a united voice with consumer goods companies in engagements with donor governments and the finance sector to promote opportunities and align on forest positive asks.

## Investors and asset managers

Initiatives such as the [Finance Sector Deforestation Action \(FSDA\)](#) and the [Glasgow Financial Alliance on Net Zero \(GFANZ\)](#) mark commendable strides in the finance sector. However, as in the consumer goods sector, work remains to align organisations with industry benchmarks and ensure coalition-level commitments are met. Investors and asset managers have enormous potential to contribute to the creation of forest positive supply chains, and also have major deforestation risks to mitigate. Our industry encounters similar challenges, and we recognise the value of knowledge exchange and cooperation. Opportunities to collaborate include:

- ▶ Aligning with Coalition DCF-methodology and asks for suppliers and traders to eliminate DCF for key commodity supply chains.
- ▶ Drafting and enforcing strong policies and clear implementation plans to address exposure to deforestation and conversion in investment portfolios and with clients.
- ▶ Investing in solutions and leverage established initiatives such as the Innovative Finance for the Amazon, Cerrado and Chaco ([IFACC](#)) to address deforestation.

## Philanthropic organisations

Philanthropic organisations play a unique role in advancing progress on forest positive initiatives that are critical to the transition but do not have a near-term, directly obvious return on investment. Philanthropic organisations can provide substantial leverage through public-private-philanthropic partnerships to support the sustainable transition of commodity production and ensure cohesive, targeted action. These efforts can mobilise resources to support key players in the value chain such as producers who run the risk of exclusion. Representative support includes:

- ▶ Technical and financial support to producers (e.g., payments to soy producers to protect surplus legal reserve; capacity building to cattle farmers; innovative finance mechanisms to increase palm smallholder resilience).
- ▶ Investment into high deforestation-risk areas to support the transition to forest positive production via landscape and jurisdictional initiatives.
- ▶ Supporting increased uptake of traceability and monitoring tools.

## **Producer-country governments**

We, as a Coalition, want to better understand the systemic challenges faced by producer-country governments and how the private sector can collaborate to improve traceability, support producers, and smallholders, and comply with global trade regulations.

Opportunities for collaboration include:

- ▶ Working to strengthen and enforce new and existing laws that protect the environment and indigenous lands, including alignment on policies between different government ministries to ensure consistent processes for and recognition of smallholder land registration, ability to access credit support, certification, etc.
- ▶ Supporting the implementation of strong land use management practices.
- ▶ Encouraging more public-private partnerships to support the establishment of transparency and traceability systems, to facilitate inclusion in global trade and support traceability and grievance monitoring (such as those implemented in Ghana and Côte d'Ivoire for cocoa and Argentina for soy).

## **EU policy makers**

The Coalition welcomes legislation that promotes global trade of forest positive commodities. The EUDR is a significant step towards this.

We strongly urge EU policymakers and nations developing akin legislation to couple due diligence mandates with complementary measures such as direct support for producer countries and companies to comply with new demands like traceability and satellite monitoring. This reinforcement aligns with the **2019 EU communiqué's** priority areas and promotes market access, economic growth, and rural livelihoods for smallholder producers and IPLC.

Without such complementary measures, there's a risk that legislation might fall short in curbing deforestation, as was the original intent of this regulation. This can occur if a two-tiered market is created in which compliant products enter requirement-enforced markets, while non-compliant items continue to flow into markets without such stipulations.

## **Consumer and donor country governments**

We encourage consumer countries to complement due diligence requirements with investment in the transition to forest positive practices in producer countries and companies. Opportunities include:

- ▶ Engaging with peers to align due diligence requirements in new trade regulations, such as the EUDR, to minimise the administrative burden on supply chain actors.
- ▶ Aligning with Coalition methodology and asks for suppliers and traders to eliminate DCF from key commodity supply chains.
- ▶ Honouring existing climate and biodiversity commitments.
- ▶ Supporting producer countries through diplomatic, commercial, and development channels to build institutional capacity to address DCF in supply chains (e.g., technical training and funding for Good Agricultural Practices, especially for smallholders and IPLC to avoid exclusion in global supply chains).





6

**COMPANY**  
PERFORMANCE  
PROFILES

PAGE 78



# COMPANY PERFORMANCE PROFILES



## Member Company Performance Profiles and Access to KPI Reporting Data

The Consumer Goods Forum (CGF) Forest Positive Coalition of Action is a CEO-led initiative representing 21 CGF member companies who are committed to leveraging collective action and accelerating systemic efforts for a forest positive future.

CLICK EACH COMPANY  
LOGO TO VIEW THEIR 2023  
PERFORMANCE RESULTS.








7

## PARTNERS

PAGE 80



## PARTNERS



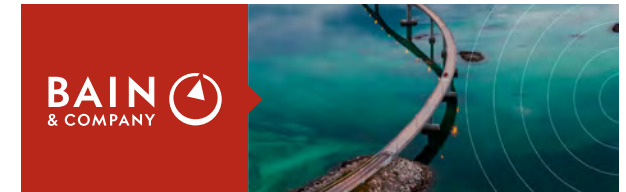
### › Proforest

Proforest has been a technical and strategic partner of the Coalition since October 2019. Working with members and stakeholders, they have supported the Coalition as it develops its Commodity Roadmaps, Forest Positive Approach, and detailed KPIs, as well as supporting strategies such as the Roadmap Implementation Guidance, Guidance for Forest Positive Suppliers and Traders, and Landscape Engagement Ambition. With teams around the world with expertise in both environmental and social issues, Proforest provides the Coalition with technical expertise to understand the key challenges and opportunities for creating a forest positive future as well as implementation support as members progress on the Forest Positive Approach. They also provides primary support to Coalition members as they report against KPIs and developed the methodology for the collective progress on reporting included in this report. To learn more, visit [www.proforest.net](http://www.proforest.net)



### › The Tropical Forest Alliance

The Tropical Forest Alliance (TFA) is a multi-stakeholder partnership platform created to support the private sector in the transition to productive, forest-positive supply chains. Hosted by the World Economic Forum, TFA works with stakeholders in the tropical forest landscape to work on tackling land use change – while protecting livelihoods, jobs and food systems. The TFA network identifies challenges and co-develops solutions by bringing together key stakeholders from around the world to transform ideas into effective actions. As a strategic partner to the Coalition, TFA leverages the tools and resources developed by the Coalition, including the Commodity Roadmaps and the Landscape Engagement Ambition, to catalyse action through strategic engagement with other supply chain companies and platforms. As a convener, TFA creates space for dialogue between Coalition members and key stakeholder groups such as governments, the finance sector and civil society to also encourage further action and collaboration. To learn more, visit [www.tropicalforestalliance.org](http://www.tropicalforestalliance.org)



### › Bain & Company

Bain & Company is a global consultancy that helps the world's most ambitious change makers define the future. Across 65 cities in 40 countries, Bain works alongside clients as one team with a shared ambition to achieve extraordinary results, outperform the competition, and redefine industries. Bain complements their tailored, integrated expertise with a vibrant ecosystem of digital innovators to deliver better, faster, and more enduring outcomes. Their 10-year commitment to invest more than \$1 billion in pro bono services brings their talent, expertise, and insight to organisations tackling today's urgent challenges in education, racial equity, social justice, economic development, and the environment. Bain has been supporting CGF and working closely with Proforest and TFA to generate insights on members' forest positive journey, analyse and visualise KPI data for this year's Forest Positive Coalition annual report, and advise on opportunities for the coalition. To learn more, visit [www.bain.com](http://www.bain.com)





## STAKEHOLDER FEEDBACK

PAGE 82



# STAKEHOLDER FEEDBACK



The Coalition invited its stakeholder community to review this report prior to publication and share their feedback. Comments from the organisations who responded to this invitation are included below in full and without amendment. The Coalition thanks these organisations for their feedback and welcomes additional comments via [email](#).

## › The Programme for the Endorsement of Forest Certification (PEFC) International

So much work has been accomplished by the CGF PPP WG in thinking through the PPP Forest Positive roadmap, KPIs and guidance document in the last 3 years. PEFC is pleased to contribute to this work as external stakeholders, to constructively challenge and be challenged. As a result, many CGF members have come to PEFC directly for training and in-depth questions, we welcome this engagement and would like to see more of it. Our various WGs, such as sustainable forest management, chain of custody traceability, EUDR, etc. are considering CGF members feedback for increased collective impact. EUDR has taken a huge space in forest discussions in Europe and around the world, this past year, yet the implementation practicalities and costs remain unclear.

Since inception, PEFC's objective has been to stop deforestation in certified areas, the EUDR will support our effort and vice versa. We invite the CGF members to [contact](#) PEFC for training and trademarks use.

## › Rainforest Action Network

FPC members have adopted “No Deforestation, No Peat and No Exploitation” policies but the full impact of those commitments has yet to be realized because the policies, of most members, are not cross-commodity NDPE policies or being enforced across the entire operations of each corporate group that they do business with. Corporate conglomerates supplying palm oil, or wood pulp or paper, used to make CGF member's products are too often using shadow, or off the books, companies to look like they have reformed while still doing business as usual practices. The CGF can overcome this challenge by revising its roadmaps and KPIs to ensure NDPE policy requirements are set across all commodity supply chains and the Accountability Framework initiative's (AFi) leading definition for determining the extent of a 'corporate group' is used by all members. A “Deforestation and Conversion Free” commitment is not sufficient as policies must include all elements of the standard for “No Deforestation, No Peatland and No Exploitation” practices to be credible.

Members are making bold claims that they have ended deforestation in their supply chains but claims are based on a limited scope, namely on ending deforestation in their physical supply chains, or flawed methodologies for verifying DCF claims. The CGF must adopt a credible methodology for independently verifying claims, not a “DCF methodology” that accepts claims being verified by the same consultants that are paid to monitor its members' supply chains. These methods are not independent and free of conflicts of interests.

The near stagnant level of traceability and transparency on suppliers of raw materials is concerning, and shows members have a long way to go to adhere to the level needed to meet the EUDR.





## › Roundtable on Sustainable Palm Oil

For palm oil, the report highlights four challenges going forward: Smallholder inclusion; Palm oleo derivatives; stand-alone mills and intermediaries; and grievance monitoring and response. As the largest global voluntary scheme for the certification of sustainable palm oil, these topics are pivotal to the RSPO and we have a long history, experience and relevant data on these matters. The same applies to the important topic of production landscapes where the experience of the RSPO with its jurisdictional approach could have added relevant information to the report.

A critical note to the Annual Report in general is that, whilst collaboration with voluntary schemes is highlighted as an important tool, this seems in practice mainly to have taken place for PPP and much less or not for the other three commodities concerned. Recognition of these schemes as tools that all CGF members use is not only appropriate, but an important element that is missing to show other companies how they can use our standards, procedures and technical tools to support their sustainability work.

With this in mind, building on the positive interactions between our respective organisations which culminated with the participation of CGF's Senior Sustainability Manager Debora Dias as speaker during SPOD 2023, we invite CGF to strengthen the cooperation with us in 2024 in order to increase the synergy between our two organisations.

## › Sustainable Forestry Initiative

Release of the 2023 Annual Report of the Forest Positive Coalition is an important further step towards all Consumer Goods Forum (CGF) members taking collective action to deliver Deforestation and Conversion Free (DCF) products to global consumer markets.

As an associate member of the CGF, the **Sustainable Forestry Initiative** (SFI) has been involved with the Forest Positive Coalition since its inception. This is because 3rd party sustainability production and chain-of-custody certification supports all four key areas of Coalition action – supply chain collaboration, investing in productive landscapes, stakeholder and government engagement, and transparency and accountability.

This year we are pleased to see new sections in the Annual Report on Enhanced KPI Insights, Lessons Learnt and Insights for Action.



We applaud the Paper, Pulp and Fibre-based Packaging (PPP) working group's strengthened links with all forest certification schemes.

Given that PPP is the most material commodity within the Coalition and across CGF's entire memberships, SFI's appreciates deeper involvement on Actions, Challenges, Progress and the Path Ahead over the past 12 months

We note that there are few PPP Production Landscape pilots relative to other commodities. We recommend the Coalition members expand the geographic location of PPP pilots to include leading sources of packaging solutions to the global FMCG sector, such as North America.

SFI would be pleased to help facilitate relevant Forest Positive Coalition projects in the US or Canada.





9

## ANNEX

PAGE 85





## › Endnotes

- 1 World Resources Institute, Global Forest Watch (2022). Forest Pulse: The Latest on the World's Forests. Retrieved from <https://research.wri.org/gfr/latest-analysis-deforestation-trends>
- 2 The World Bank. (2022, May 19). What you need to know about nature-based solutions to climate change. Retrieved from <https://www.worldbank.org/en/news/feature/2022/05/19/what-you-need-to-know-about-nature-based-solutions-to-climate-change>
- 3 Kurz, W. A., & Carter, D. R. (2022). Carbon implications of forest manager compensation strategies for maintaining or enhancing carbon stores. *Global Change Biology*, 28(10), 3811-3827. <https://onlinelibrary.wiley.com/doi/full/10.1111/gcb.15873>
- 4 The Sustainable Palm Oil Choice. NDPE commitment. Retrieved from <https://www.sustainablepalmoilchoice.eu/ndpe-commitment>
- 5 WWF (2022). Statement on the Lula's speech at COP27, held in Sharm el-Sheikh, Egypt. Retrieved from <https://www.wwf.org.br/?84100/Before-the-world-Lula-commits-to-put-Brazil-on-the-path-of-zero-deforestation-by-2030>
- 6 European Commission (2023). Regulation on deforestation-free products. Retrieved from [https://environment.ec.europa.eu/topics/forests/deforestation/regulation-deforestation-free-products\\_en](https://environment.ec.europa.eu/topics/forests/deforestation/regulation-deforestation-free-products_en)
- 7 Bain & Company. (2023). Consumer lab. Retrieved from <https://www.bain.com/industry-expertise/consumer-products/consumer-lab>
- 8 Global Witness. (n.d.). Bankrolling deforestation. Retrieved from <https://www.globalwitness.org/en/campaigns/forests/bankrolling-deforestation/>
- 9 FairPlanet. UK: London bank HSBC & deforestation effects. Retrieved from <https://www.fairplanet.org/story/uk-london-bank-hsbc-deforestation-effects/#:~:text=The%20original%20amendment%2C%20new%20clause,are%20not%20funding%20illegal%20deforestation>
- 10 Trucost, part of S&P Global (2023). CDP Global Forest Report 2023. Retrieved from [https://cdn.cdp.net/cdp-production/cms/reports/documents/000/007/182/original/CDP\\_Global\\_Forest\\_Report\\_2023.pdf?1688396252](https://cdn.cdp.net/cdp-production/cms/reports/documents/000/007/182/original/CDP_Global_Forest_Report_2023.pdf?1688396252)
- 11 United States Department of Agriculture (2023). Oilseeds and products annual. Retrieved from <https://apps.fas.usda.gov/psdonline/circulars/oilseeds.pdf> Please refer to our methodology used to determine collective palm consumption as a proportion of global palm production [here](#).
- 12 Solidaridad Network (2023). Briefing paper: EUDR and palm oil smallholders. Retrieved from <https://www.solidaridadnetwork.org/wp-content/uploads/2023/04/Briefing-paper-EUDR-and-palm-oil-smallholders.pdf>
- 13 United States Department of Agriculture Foreign Agricultural Service (2023). PSD Online. Retrieved from <https://apps.fas.usda.gov/psdonline/app/index.html#/app/downloads>. Please refer to our methodology used to determine collective soy consumption as a proportion of global soy production [here](#).
- 14 Food and Agriculture Organization of the United Nations (2023). FAOSTAT. Retrieved from <https://www.fao.org/faostat/en/#data> Please refer to our methodology used to determine collective beef consumption as a proportion of global beef production [here](#).
- 15 Statista (published in 2023). Global pulp production by type 2020/2021. Retrieved from <https://www.statista.com/statistics/1177461/global-pulp-production-by-type/>. Please refer to our methodology used to determine collective pulp consumption as a proportion of global pulp production [here](#).
- 16 GlobeNewswire (2022). Global Wood Pulp Market Report 2022 to 2027 - Featuring Sodra, Suzano, and UPM-Kymmene Among Others. Retrieved from <https://www.globenewswire.com/en/news-release/2022/06/17/2464555/28124/en/Global-Wood-Pulp-Market-Report-2022-to-2027-Featuring-Sodra-Suzano-and-UPM-Kymmene-Among-Others.html>
- 17 Agence Française de Développement (2021). Struggle to make forests sustainable: How effective are verification systems? Retrieved from <https://www.afd.fr/en/actualites/struggle-make-forests-sustainable-how-effective-are-verification-systems>



## ► List of Stakeholders Engaged Across the Coalition

- Accenture
- Accountability Framework Initiative (AFI)
- ADM
- Agropam/Frizam
- Aldi South Group
- Alliance pour la préservation des forêts
- Amazon Watch
- Amigos da Terra
- Amsterdam Declaration Partnership
- Apical
- April
- Arroba
- Barra Mansa Comercio de Carnes
- Bank Information Center
- Beauvallet
- Better Beef
- Bill and Melinda Gates Foundation
- Brazil Public Prosecutor's Office
- BRF S.A.
- Bunge Limited
- Canopy
- Cargill
- CDP
- Cerrada Manifesto Statement of Support
- CERT ID LTDA
- CGIAR
- China Meat Alliance
- Cia do boi
- Climate Focus
- COFCO
- Comercial de Alimentos Talisma Ltda
- Conservation International
- Conservation International Brazil
- COOP. DOS PRODS CARNES DERIV GURUPI
- Cooperfrigu
- CSI
- Daemeter
- Donazi Representacoes Comerciais
- Earth Innovation Institute
- Earthqualizer Foundation
- Earthworm Foundation
- EFECA
- Emerging Market Investors Alliance
- Environmental Defense Fund (EDF)
- Environmental Investigation Agency (EIA)
- EPN
- EPOA
- Etante
- European Palm Oil Alliance (EPOA)
- FAO América Latina
- FBZ COMERCIO DE CARNES LTDA
- FEDIOL
- FEFAC (European Compound Feed Manufacturers Associaton)
- Fern
- Forest 500
- Forest Peoples Programme
- Forest Trends
- ForFarmers
- Fortaleza Sta
- French Manifesto
- Frialto
- Fribal – Comércio de Carne Ltda
- Fribal Frigorífico Rio Grande Comercio de Carnes
- Fribev - Frigorífico Bela Vista
- Fribraz
- Friends of the Earth
- FRIG DE TIMON S/A
- Frigoestrela
- Frigol
- Frigorífico Boi Mix
- Frigorífico Cabra Forte
- Frigorífico Estrela
- Frigorífico Frigol
- Frigorífico Frinasa (Frinasa Derivados Ltda)
- Frigorífico Luciana
- Frigorífico Mafripar
- Frigorífico Mercúrio (Mercúrio Alimentos)
- Frigorífico Natural Carnes
- Frigorífico Natural Carnes
- Frigorífico Rio Maria
- Frigorífico São Francisco – Abatedouro de Bovinos Sampaio
- Frigorífico Silva
- Frigorífico Valencio
- Frigotil
- Frisacre
- FSC
- FSC Russia
- Fuji Oil Holdings Inc.
- Global Canopy Programme
- Global Roundtable on Sustainable Beef (GRSB)
- Global Witness
- Golden Agri-Resources Ltd.
- Gordon and Betty Moore Foundation
- Grassroots
- Greenpeace
- Greenpeace UK
- Groupe Avril
- GTPS (Brazilian Roundtable on Sustainable Livestock)
- HCSA
- High Conservation Value Resource Network (HCV RN)
- Hofer Kommanditgesellschaft

**Continued over >**





## › List of Stakeholders Engaged Across the Coalition (cont.)

- ▶ IDH
- ▶ IDH Indonesia
- ▶ Imaflora
- ▶ Industria de Racoes Patense Ltda
- ▶ Institute for a Sustainable Future
- ▶ Instituto Centro Vida (ICV)
- ▶ International Union for Conservation of Nature
- ▶ INOBU
- ▶ IOI Group
- ▶ IPAM
- ▶ ISEAL Alliance
- ▶ JBS S.A.
- ▶ KYC PROCESSADORA DE CARNES LTDA
- ▶ Landesa
- ▶ LandScale
- ▶ Leather Working Group
- ▶ Lestari Capital
- ▶ LTKL (Lingar Temu Kabupaten Lestari)
- ▶ Louis Dreyfus Company (LDC)
- ▶ Marfrig Group
- ▶ Masterboi
- ▶ Mataboi Alimentos S/A
- ▶ Mercúrio
- ▶ Meridian Institute
- ▶ Mewah Group
- ▶ Mighty Earth
- ▶ Minerva
- ▶ Monaco Foods
- ▶ MPF
- ▶ Mult Beef Comercial Ltda
- ▶ Musim Mas
- ▶ MVO - THE NETHERLANDS OILSAND FATS INDUSTRY
- ▶ MYTransform
- ▶ National Wildlife Federation (NWF)
- ▶ Naturafrig
- ▶ NRDC
- ▶ NWF
- ▶ OLAB
- ▶ OLAM International
- ▶ OP2B
- ▶ OPPUK
- ▶ Orangutan Foundation International
- ▶ Oxfam
- ▶ Palm Oil Collaboration Group
- ▶ Patense
- ▶ PEFC
- ▶ Plena Alimentos
- ▶ POTC
- ▶ Princes Food
- ▶ ProTerra
- ▶ Rainforest Alliance
- ▶ Rainforest Foundation Norway
- ▶ Rainforest Action Network
- ▶ Rights and Resources Initiative
- ▶ Roundtable on Sustainable Palm Oil
- ▶ RTRS
- ▶ Sampco LLC (JBS SA)
- ▶ Sarawak Oils Palms Berhad (SOPB)
- ▶ Satelligence
- ▶ Sime Darby Edible Products Ltd
- ▶ SBTI
- ▶ SBTN
- ▶ SEARA ALIMENTOS (JBS)
- ▶ SIM
- ▶ Soft Commodities Forum
- ▶ Solidaridad
- ▶ Solteam
- ▶ Starling
- ▶ STC
- ▶ Stockholm Environment Institute
- ▶ Sustainable Forestry Initiative (SFI)
- ▶ Supremo
- ▶ Sustainable Apparel Coalition
- ▶ Sustainable Investment Management Ltd
- ▶ Sustainable Leather Foundation
- ▶ The Collaborative Soy Initiative
- ▶ The Nature Conservancy
- ▶ The Walt Disney Co.
- ▶ Transitions
- ▶ Trase
- ▶ Tyson Foods
- ▶ UK Roundtable on Sustainable Soy
- ▶ UK Roundtable on Sustainable Palm Oil
- ▶ UNDP
- ▶ Upfield
- ▶ Vale Grande
- ▶ Verité
- ▶ Wageningen University & Research
- ▶ WBCSD
- ▶ Wilmar International
- ▶ Winrock International
- ▶ World Animal Protection
- ▶ World Resources Institute
- ▶ World Wildlife Federation (WWF)
- ▶ WWF Brazil
- ▶ WWF Chile
- ▶ WWF Colombia
- ▶ WWF Malaysia
- ▶ WWF Russia
- ▶ WWF USA
- ▶ Zimmer
- ▶ Zoological Society of London (ZSL)
- ▶ 3Keel



## › Abbreviations

<b>ADP</b>	Amsterdam Declarations Partnership	<b>HCV</b>	High Conservation Value	<b>RCF</b>	Responsible Commodities Facility
<b>AFi</b>	Accountability Framework Initiative	<b>HRC</b>	Human Rights Coalition – Working to End Forced Labour	<b>RSPO</b>	Roundtable for Sustainable Palm Oil
<b>ASD</b>	Action for Sustainable Derivatives	<b>HRDD</b>	Human Rights Due Diligence	<b>SG</b>	Segregated (palm oil)
<b>CGF</b>	The Consumer Goods Forum	<b>IRF</b>	Implementation Reporting Framework	<b>SCF</b>	Soft Commodities Forum
<b>CICSL</b>	Conservation International Coalition for Sustainable Livelihoods	<b>IP/LC</b>	Indigenous Peoples and Local Communities	<b>SFI</b>	Sustainable Forestry Initiative
<b>CPO</b>	Crude Palm Oil	<b>ISPO</b>	Indonesia Sustainable Palm Oil	<b>SIM</b>	Sustainable Investment Management Sustainable Trade Initiative (IDH)
<b>CPO</b>	Chief Procurement Officer	<b>KPI</b>	Key Performance Indicator	<b>SNDI</b>	French National Platform for Combating Imported Deforestation
<b>CSL</b>	Coalition for Sustainable Livelihoods	<b>MB</b>	Mass Balance (palm oil)	<b>SPPL</b>	Statements of ability to manage the environment (under ISPO certification)
<b>CSO</b>	Civil Society Organisation	<b>MRF</b>	Monitoring & Response Framework	<b>SSCI</b>	Sustainable Supply Chain Initiative
<b>DCF</b>	Deforestation- and conversion-free	<b>NGO</b>	Non-governmental organisation	<b>STDB</b>	Cultivation Registration Certificate (under ISPO certification)
<b>EU</b>	European Union	<b>NDPE</b>	No deforestation, peat, or expansion	<b>TFA</b>	Tropical Forest Alliance
<b>EUDR</b>	European Union Deforestation-Free Regulation	<b>NWF</b>	National Wildlife Federation	<b>TNC</b>	The Nature Conservancy
<b>FACT</b>	Forests, Agriculture and Commodity Trade Dialogue	<b>PEFC</b>	Programme for the Endorsement of Forest Certification	<b>UNEP</b>	UN Environmental Programme
<b>FEFAC</b>	The European Feed Manufacturers' Federation	<b>POCG</b>	Palm Oil Collaboration Group	<b>USD</b>	US Dollars
<b>FFB</b>	Fresh fruit bunches	<b>POTC</b>	Palm Oil Transparency Coalition	<b>WRI</b>	World Resources Institute
<b>FPC</b>	Forest Positive Coalition	<b>PKO</b>	Palm Kernel Oil	<b>WWF</b>	World Wildlife Federation
<b>FSC</b>	Forest Stewardship Council	<b>PPP</b>	Paper, pulp, and fibre-based packaging		
		<b>PIP</b>	Priority Industry Principle		



FOREST  
POSITIVE

“Let’s embrace  
this opportunity  
to create positive  
change and  
build a better  
future for all.”

## CONTACT US:

### > France – International HQ

(33) 1 82 00 95 95

[forestpositive@theconsumergoodsforum.com](mailto:forestpositive@theconsumergoodsforum.com)

### > Asia-Pacific Office

(81) 3 6457 9870

[tokyo@theconsumergoodsforum.com](mailto:tokyo@theconsumergoodsforum.com)

### > The Americas Office

[washington@theconsumergoodsforum.com](mailto:washington@theconsumergoodsforum.com)

### > Latin America Office

[bogota@theconsumergoodsforum.com](mailto:bogota@theconsumergoodsforum.com)

### > China Office

[shanghai@theconsumergoodsforum.com](mailto:shanghai@theconsumergoodsforum.com)