

CGF Forest Positive Coalition of Action

Palm Oil Roadmap: Version 1.12

January 2026



Forest
Positive

proforest



TROPICAL FOREST ALLIANCE

Contents



Section	Content	Page
Section 1	General Introduction to the CGF Forest Positive Coalition of Action, the Coalition-wide Actions and the Coalition Roadmaps	3
Section 2	Introduction to the Palm Oil Roadmap	11
Section 3	Five Elements of the Palm Oil Roadmap: Setting out Commitments, Actions for the Next 2-3 Years, and KPIs	16
• Element 1	Own Supply Chains	17
• Element 2	Suppliers and Traders	20
• Element 3	Monitoring and Response	23
• Element 4	Landscape Engagement	26
• Element 5	Transparency and Accountability	29
Glossary of Terms		31
Tracker of Roadmap Updates		32
Annex	Annex I: Recommended guidance to implement forest positive actions in palm derivative supply chains	

A note on design: The CGF Forest Positive Coalition Roadmaps are intended to be living documents which are regularly reviewed and updated. Therefore, they remain in a ‘working format’ for the time being. As it becomes clearer in what way and how often they are updated, the design and layout will be improved.



Section 1: About the CGF Forest Positive Coalition of Action

About the CGF Forest Positive Coalition of Action



The Consumer Goods Forum (CGF) has created the Forest Positive Coalition of Action, led by 22 companies with a collective market value of around US\$2 trillion, to leverage collective action and accelerate systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains, while supporting sustainable forest management, conservation and restoration.

In 2010, the CGF Board made a resolution to mobilise resources to help its members achieve zero-net deforestation by 2020. The strategy was rooted in remediating individual company supply chains, often through certification – ensuring that the sourcing of key commodities would not deplete tropical rainforests. While progress was made by CGF members in reaching this goal, companies realised that acting individually would not accelerate progress as much as collective action.

The Forest Positive Coalition was launched to leverage the collective action of its member companies to use their collective influence to drive and accelerate efforts to remove deforestation from not only their own commodity supply chains, but across their suppliers' entire supply base.

The Coalition believes that its collective reach will enable members to make progress on four goals:

1. Accelerate efforts to remove commodity-driven deforestation from individual supply chains.
2. Set higher expectations for traders to act across their entire supply base.
3. Drive transformational change in key commodity landscapes.
4. Define measurable outcomes on which all members agree to track and report individually and collectively.

Members and Governance



Coalition Co-sponsors



Noel Wallace
Chairman and CEO



Alexandre Bompard
CEO



Coalition Co-chairs



Emily Kunen
Senior Director, Positive
Agriculture Capabilities &
Forest Risk



Mikel Hancock
Senior Director of
Sustainable Food &
Agriculture



Forest Positive Coalition members as of January 2025

Partnerships

- The Coalition is supported by the **Tropical Forest Alliance (TFA)** and **Proforest**, both of which provide key logistical and implementation support
- The Coalition also works with the CGF's **Human Rights Coalition (HRC)** to align the Coalition's Theory of Change, Roadmaps and strategies with the CGF's **Priority Industry Principles** against forced labour



Four Elements of New Strategy



Underpinning the actions of the Coalition is the new Theory of Change, based on the 7 Levers of Change (see Box). This reimagining of the strategy – based on extensive consultation – is also supported by a Coalition Charter and will help Coalition members drive more impactful collaborations.

Moving from deforestation-free to forest positive businesses: The 2020 commitment focused on deforestation, but over the last ten years companies have realised that addressing the loss of natural vegetation is complex, involving an interplay of environmental, social and economic factors all of which need to be considered. Coalition members recognise that being a forest positive business means making systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains, while supporting sustainable forest management and restoration, to ensure the business is positively impacting the world's forests, supporting the rights of workers and local communities and improving their livelihoods.

Based on 18 months of consultations, 7 Levers of Change were identified which are needed to support the transition to forest positive. Some of these can be led by supply chain companies, while others need leadership from other stakeholders.

1. **Supply Chain Management** – from producers through traders and buyers, implement policies and practices that incent conversion free production and dis-incent production linked to conversion.
2. **Jurisdictional Wins** – intense focus on the supply side levers (1, 2 and 3) in a specific geography to create success stories to protect key places and catalyze further action.
3. **Forest Positive Policies** – for producer countries, narratives about standing forests as a resource, not an obstacle to economic development that catalyzes political will. For developed countries, trade policies supportive of protection and restoration.
4. **Reduce Dependence** – identify ways to shift demand away from materials driving forest risk to those with low forest risk – avoiding other sustainability impacts.
5. **Demand Shift** – create a desire to protect forests in consumers and then wherever it exists, convert that latent desire into product choices.
6. **Capital Markets** – for financial institutions attached to supply chains, shift capital towards conversion free production and away from conversion.
7. **Carbon Markets** – expand the scope of global carbon markets (both compliance and voluntary) and recognize forest carbon in those markets –e.g. REDD+.

Four Elements of New Strategy

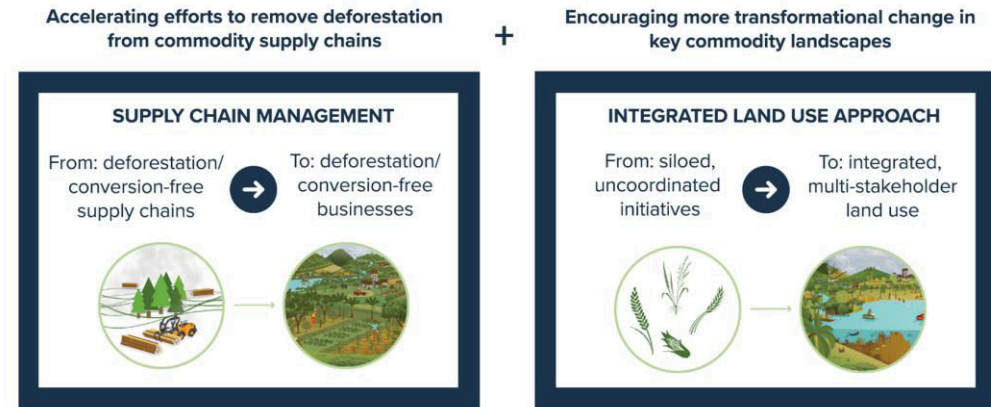


From commitments to action: The goal of the Coalition is to drive actionable change on the ground to deliver real, forest positive results. Coalition members commit to actions and to also regularly reviewing progress to adjust course when needed. This commitment being operationalised through the development and implementation of the **Commodity Roadmaps**, which set out the Coalition’s planned actions for the coming 2-3 years and will be regularly reviewed and updated.

From own supply to suppliers and landscapes: One of the most important findings from the review of the 2010 resolution was that there is a limit to the progress that can be made by focusing only on individual supply chains. Therefore, based on a review of the different levers of change needed to move to a forest positive future, the approach of the new Coalition is based on a Theory of Change that builds on:

Deforestation Theory of Change

Together, we can create a #forestpositive future



- ▶ Working with suppliers on deforestation-free businesses
- ▶ Collaborating to support progress in production landscapes

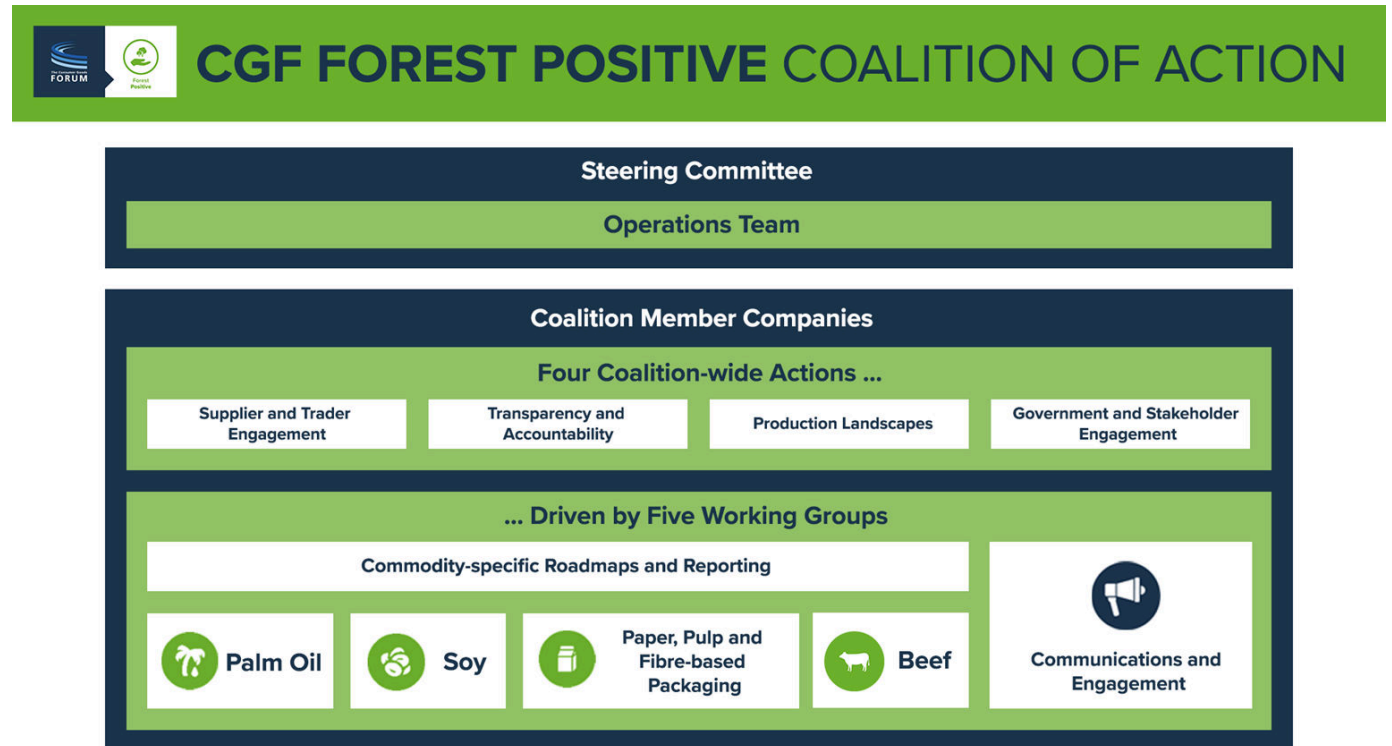
Four Elements of New Strategy



Maximising collective impact through Coalition-wide Actions: The Commodity Roadmaps will guide specific actions for each commodity, but based on inputs from stakeholders we have also developed Actions across the Coalition to make sure we maximise our collective leverage across companies and commodities. The four Coalition-wide Actions are:

- Supplier and trader engagement
- Transparency and accountability
- Production landscapes
- Government and stakeholder engagement

Further information and updates on each of these will be provided on the CGF Forest Positive Coalition [website](#) and through regular stakeholder engagement meetings.



The Commodity Roadmaps



The Coalition is creating Roadmaps for four commodities: palm oil, soy, paper, pulp and fibre-based packaging (PPP), and beef. The Roadmaps have been developed to set out in detail what these commitments and actions are for each commodity, complementing the Coalition-wide Actions and providing commodity-specific detail. Development of each Roadmap has been undertaken by working groups of member companies and has involved active participation of all the members of the group. There has also been input from stakeholders, and ongoing discussions will continue to inform updates and revisions to the Roadmaps.

The Roadmaps are designed to be living documents which member companies will discuss, review and update regularly. This will be informed both by experience of implementation and by input from stakeholders and supply chain companies. Supporting implementation of the Roadmaps will be the CGF Sourcing Guidelines for each commodity. These were created to support implementation of the 2010 resolution, but will be updated and expanded.

Each Roadmap has been developed to reflect the specific realities and challenges of the commodity. The roadmaps build on five main elements that combine action both within and beyond supply chains. Our members will:

1. **Manage their individual supply chains**, working proactively to ensure their own supply bases meet the aligned commitments of our roadmaps.
2. **Work with our suppliers**, engaging to implement the same commitments across their entire commodity operations.
3. **Monitor production bases**, actively identifying and responding to conversion as quickly and effectively as possible.
4. **Engage in landscapes**, working collaboratively with other actors to support forest conservation and restoration with positive outcomes for local communities.
5. **Promote transparency and accountability**, committing to regular reporting against agreed on indicators.

Subsequently, each of these five elements include:

- **Commitments** all members agree to achieve
- **Actions**, both individual and collective, that member companies will implement to deliver on the commitments
- **Key performance indicators** (KPIs) on which member companies agree to report to provide transparency and demonstration of progress



Section 2: Introduction to the Palm Oil Roadmap

Introduction to the Palm Oil Roadmap



Since the CGF Deforestation Resolution in 2010, the palm oil sector has made significant progress towards eliminating deforestation. Data from WRI Global Forest Watch confirmed a decrease in tree cover loss in Indonesia, the largest global producer, for the third year in a row in 2019¹ while deforestation inside palm oil concessions has been decreasing for several years². Many efforts have contributed to this progress, involving collaboration between the private, public and non-profit sectors. These include:

- Roundtable for Sustainable Palm Oil (RSPO) certification which now covers around 20% of global production and, in 2018, significantly strengthened its standard with input from CGF and many other stakeholders and new standards have been developed, such as the High Carbon Stock Approach
- Producer government policies to limit palm oil expansion and protect forests, such as the Indonesian government moratorium on new clearance of forest or expansion on peatlands.
- Supply chain engagement, traceability and monitoring tools and partnerships
- Satellite deforestation monitoring and risk assessment
- Development of landscape-level and jurisdiction approaches, including capacity building for smallholders
- Reporting initiatives, such as the Accountability Framework and NDPE Implementation Framework
- Multi-stakeholder engagement via forums such as the Africa Palm Oil Initiative and Indonesian National Action Plan

Despite this, the sector is still associated with deforestation, some still within concessions but also with a growing proportion occurring outside large concessions. Continuing the transformation of the sector to Forest Positive will require addressing this reality and avoiding creating a two-tier market, where customers choose between segregated 'sustainable' or conventional supplies. Our ambition is the transformation of the whole palm oil sector and the end of deforestation.

¹<https://www.wri.org/blog/2020/06/global-tree-cover-loss-data-2019>

²Austin et al (2019) Environmental Research Letters. <https://doi.org/10.1088/1748-9326/aaf6dbC>

Introduction to the Palm Oil Roadmap



From our experiences since 2010, we have learned a lot:

- Working pre-competitively in collaborative approaches makes more impact;
- We must eliminate deforestation from our own supply chains and look beyond to achieve scale and consistent approaches across the palm oil sector;
- We must work sector-wide and at landscape levels to address root causes (which also affect other sectors);
- A common knowledge base will enable all stakeholders to share the same facts, based on tools such as satellite monitoring to understand where deforestation is happening and what the drivers are;
- Large palm oil concessions remain a deforestation risk but increasingly deforestation in small concessions and in the wider landscape outside concessions is the challenge that must be addressed;
- Smallholders need support to help them to earn a living while protecting forests; and
- Governments in producing countries play a central role in land governance and CGF companies want to reinforce their policy objectives to protect forests and develop their economies.

While the focus of this document is forest protection, the palm oil sector also faces human rights issues, including forced labour and land conflicts linked to lack to Free, Prior and Informed Consent. Therefore, the Forest Positive Coalition is working closely with the CGF's Human Rights Coalition—Working to End Forced Labour which is focusing initially on forced labour. Starting with palm oil, two working groups across the Coalitions have had joint discussions and the Human Rights Roadmap is being developed in close alignment with this Forest Positive Roadmap to ensure that member companies can implement the two together, with the potential to integrate the documents once both have been developed.

Reflecting on our lessons learned since 2010, it is time for a new, positive approach based on responsible production, fair labour practices, respect for land rights, forest restoration and green, sustainable economic growth.

Integrating Social Issues into the Forest Positive Coalition



Member companies have commitments to respect human rights through the implementation of the UNGPs, including Human Rights Due Diligence or equivalent.

These commitments cover both own operations and supply chains. While much of this is addressed through the CGF Human Rights Coalition, the FPC is focusing on the human rights particularly associated with land use change including respect of Indigenous Peoples and Local Communities' (IPLC) rights, and improved livelihoods and inclusion, starting with palm oil.

For palm oil, the Coalition has already started the process to integrate these social issues into the approach. A first step has been to begin incorporating IPLC rights into the Roadmap through the previous update (v. 1.9). In 2023-24, the group will focus on further implementation and development.



For information on the CGF Human Rights Coalition, see: [About the Human Rights Coalition](#)

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For information on the CGF Human Rights Coalition



See: [About the Human Rights Coalition - Working to End Forced Labour](#)



Section 3: The 5 Elements of the Palm Oil Roadmap

1. Own Supply Chain
2. Suppliers & Traders
3. Monitoring & Response
4. Landscape Engagement
5. Transparency & Accountability



Element 1: Own Supply Chain

Commitments & Actions

Transparency & Accountability

1. Own Supply Chain: Commitments & Actions

Overview: A central pillar of the FP Coalition approach is to progress from focusing on Forest Positive supply to Forest Positive Suppliers (Section 1). Nevertheless, it is an important foundation that each member is committed to ensuring that their own supply is Forest Positive. For retailers the focus will be on the supply base for their own brands.



Coalition Members Commitments

- 1.1 Commit publicly to full implementation of the CGF Forest Positive (or NDPE) goal including timebound plan
- 1.2 Understand supply base including origins (production, mills, producer groups) and risk of deforestation or conversion and human rights impacts (in particular on the rights of Indigenous Peoples and local communities)
- 1.3 Develop and implement a timebound action plan to deliver commitments and resolve any issues

Notes: Delivering Forest Positive deforestation-free palm oil means sourcing from plantations and farms that operate legally and in addition ensure the following requirements are met:

- Comply with existing RSPO Principles & Criteria, or equivalent standards*
- Protect high conservation value (HCV) areas and high carbon stock (HCS) forests*
- Do not establish new developments on peatlands regardless of depth*
- Involve no burning in the preparation of new plantings, re-plantings or any other developments, including the management of existing plantations*
- Commit to manage and reduce greenhouse gases emissions*
- Respect human rights in line with the UN Guiding Principles on Business and Human Rights, and endorse and support the Universal Declaration of Human Rights**
- Respect the formal and customary rights of indigenous peoples and local communities including their right to grant or withhold Free, Prior, Informed Consent (FPIC) for all new or expansions of developments, acquisitions and operations that affect their rights, land, resources, territories, livelihoods, and food security*
- Include and support smallholder production where possible as well as mitigate any negative impacts on small scale farmers*
- Operate an open, transparent and consultative process to resolve complaints and conflicts*

The Coalition is working on adding landscape collaboration and restoration to the FP definition

Detailed guidance on the forest-related requirements and how to implement them can be found in the [FPC Guidance for FP Palm Oil Suppliers](#), as part of the Guidance on the FP Palm Oil Roadmap. This Guidance will be updated in 2023 to integrate IPLC rights (see Element 2).

* Implementation of respect for wider human rights beyond IPLC rights is led by the Human Rights Coalition

Proposed Coalition Actions

1. 2021 onwards: Update the *CGF Guidance on the Forest Positive Palm Oil Roadmap* (former Sourcing Guidelines) with guidance for manufactures, retailers and derivatives users focusing on delivering and reporting on CGF PO Coalition KPIs and transparency requirements. This will build on AFi and discussions with stakeholders as well as existing approaches (eg NDPE IRF) and shared platforms (eg POTC and ASD).
2. 2023: Review Guidance with particular focus on accessibility for smaller companies or companies based in more challenging regions with lower starting points

Proposed Individual Actions

In first year of joining FPC:

1. Public commitment to FP Coalition forest positive (or NDPE) goal including a cut-off date and target date consistent with AFi guidance

Annually:

2. Review current performance against the actions and KPIs using the CGF Sourcing Guidelines or equivalent
3. Commit to and take timebound action if not fully delivering, making a summary of the timebound plan publicly available
4. Report on progress using agreed KPIs at least annually

1. Own Supply Chain: Transparency & Accountability

Public Information from Members

Overview: The goal is for every member's own supply chain to be as transparent as possible, including the progress made and remaining work to be done. Many of the Coalition members have already been reporting much of this information for some years and this will continue, but with a strong focus on reporting across all the suppliers and all the mills in the supply base to show overall progress on achieving Forest Positive (or NDPE) compliance. All members are committed to annual reporting on KPIs, with the recommendation to report quarterly where information is available.

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

Publicly reported KPIs	For Manufacturers	For Retailers (and complex derivative SCs)
1.4 % of total commodity volume that is in scope of Element 1 reporting ^{1,2}	<p>1.4a: Report on the % of the total commodity volumes that is in scope of Element 1 reporting.</p> <p>1.4b: Provide a narrative explanation of the % excluded from scope.</p> <p><i>For further details on categories of scope to consider, see p.19-20 of the CGF-FPC Palm Oil DCF methodology.</i></p>	
1.5 % volume that is forest positive (or NDPE)	<p>1.5a: % in-scope volume that is deforestation and conversion free - <i>using public DCF methodology or IRF Delivering category, in alignment with the FPC DCF methodology for PO</i></p> <p>1.5b: year on year change in forest positive/NDPE volume % - including a narrative explanation</p> <p><i>Note: a KPI (1.5c) on IPLC rights requirements will be developed in 2024 (following development of sector-wide methodologies, particularly using the land rights IRF which is being trialed by origin refineries throughout 2024 – note this is only available for own operations and scheme smallholders). Members to start reporting on this metric in 2025.</i></p>	
1.6 Progress of mills toward forest positive (or NDPE) – <i>using the NDPE IRF or equivalent</i>	<p>Report for all mills in own supply base on % meeting Forest Positive (or NDPE) goal and progress for those not fully complying using the NDPE IRF or equivalent (<i>min: annually, rec: quarterly</i>). This should include:</p> <ul style="list-style-type: none"> • 1.6a: % of non-forest positive/non-NDPE compliant volumes under an action plan for improvement • 1.6b: % of non-forest positive/non-NDPE compliant volumes making progress (i.e. moved from one IRF category to the next or equivalent) <p><i>The methodology and/or tool used for categorising mills (and volumes if reported) as delivering on forest positive/NDPE goals should be clearly explained and in alignment with the CGF-FPC Palm Oil DCF methodology</i></p>	<i>Addressed through own brand manufacturers and upstream supplier engagement (see Element 2)</i>
1.7 % traceable to mill	Report % by volume and publish mill list including group linkages based on the Universal Mill List (min: annually, rec: quarterly)	<i>Addressed through own brand manufacturers and upstream supplier engagement (see Element 2.1)</i>
1.8 % traceable to FFB sources	Report % of mills in own supply base or % of volume with FFB traceable to known production including both direct and indirect sources (min: annually, rec: quar) <i>Traceability to known sources at production level should be risk-based so 'known' must be clearly defined in the CGF Sourcing Guidelines and granularity will vary from the scale of region to individual smallholder</i>	<i>Addressed through own brand manufacturers and upstream supplier engagement (see Element 2.1)</i>
1.9 % physically certified (MB/SG)	Report by volume for physical (Mass Balance or Segregated) RSPO certified or POIG verified. Credits can also be reported if used.	Report by volume or value for physical (MB/SG) RSPO or POIG certified for Own Brand products. Credits can also be reported if used.

¹To address existing inconsistencies across the scope of company reporting, the Coalition developed a common DCF methodology for Palm Oil including best practice and ambition to including full scope of volumes for DCF reporting. In acknowledgment that for many companies this is not yet possible, the proposed approach is to focus on transparency.

²It is encouraged that scope of reporting is consistent across all Element 1 KPIs. If scope of reporting differs between these KPIs (e.g. for DCF) clarification is to be provided. The value reported in the '% in-scope' KPI constitutes 100% (the total) for the remaining Element 1 KPIs. Volumes excluded from scope of reporting (out of scope) can also be considered non-DCF and are not captured in the KPI for progressing towards DCF.



Element 2: Suppliers & Traders

Commitments & Actions

Transparency & Accountability

Element 2. Suppliers & Traders: Commitments & Actions

Overview: Central to the FP Coalition ToC is that transformation of palm oil production to Forest Positive across the whole sector can only be achieved if upstream suppliers also implement Forest Positive commitments across their entire palm oil business, thereby creating the scale and momentum needed. Therefore, the Coalition members (manufacturers and retailers) are committed to doing business with upstream suppliers who in turn are committed to Forest Positive implementation across their business – the Forest Positive Suppliers Commitment. While this applies across all suppliers, it is a priority to engage the large traders and suppliers who play a very significant role in many supply chains

Coalition Members Commitments

- 2.1 Communicate and implement the ‘Forest Positive Suppliers’ Commitment with suppliers/traders
- 2.2 Collaborate with suppliers/traders to address barriers to sector-wide progress

Notes: There is a *Coalition-wide Action on Supplier/Trader Engagement* to leverage the combined influence of the Coalition and to provide alignment between different commodities. To support members in engaging their suppliers, the Coalition has developed guidance on an aligned ‘Forest Positive Approach’ for suppliers for each commodity covering 5 requirements:

1. Public commitment to ‘forest positive’ (including deforestation and conversion free and respect for IPLC rights*) across entire palm oil commodity business including a public time-bound action plan with clear milestones based on adequate assessment of risks.
2. Process for regular supplier and trader engagement including supplier due diligence/selection
3. Mechanism to identify and to respond to grievances
4. Support initiatives delivering forest positive development at landscape and/or sectoral level
5. Regular monitoring and public reporting on effectiveness of actions against key KPIs

Detailed guidance on meeting each of these five requirements can be found in the [FPC Guidance for FP Palm Oil Suppliers](#)*, as part of the *Guidance on the FP Palm Oil Roadmap*.

**This Guidance will be updated to cover human rights requirements. The updated Guidance will cover human rights more broadly beyond IPLC rights, considering members may want to engage their suppliers on all their sustainability commitments beyond the focus of the Forest Positive Coalition.*

Proposed Coalition Actions

1. 2023: Update Coalition Members’ aligned expectations of suppliers (the ‘Forest Positive Approach’) to integrate human rights requirements.
2. Q3 2020 onwards: Work with initiatives/platforms which can collect data and measure and evaluate key trader performance against the Forest Positive Approach (eg POTC)
3. Q4 2020 onwards: Identify the key suppliers/traders in Coalition members’ supply bases and engage individually (see individual actions) and as a Coalition (e.g. through POCG) to communicate the Coalition Forest Positive Supplier Commitment and Approach, discuss progress in performance and identify areas for collaboration to drive sector-wide transformation
4. 2021-2022: Share or develop guidance for members and suppliers on implementation, building on AFi, and including scorecards, training, NDPE IRF, use of shared platforms such as ASD and POTC etc. and recognising different starting points/contexts for different companies
5. 2021-2023: Identify and engage other CGF companies that are in Coalition members’ palm oil supply chains but are not yet Coalition members and encourage them to join the FPC and drive progress

Proposed Individual Actions

Ongoing (at least annually):

1. Engage with direct suppliers and major upstream suppliers/traders to communicate the FP Suppliers Commitment and detailed Coalition ‘Forest Positive Approach’ and track performance.
 - For manufacturers the main focus will be on direct suppliers
 - For retailers (and users of complex derivatives) the main focus will be on their own brand suppliers and the major upstream traders/suppliers that supply their suppliers
2. Work with procurement team to ensure there are internal systems in place that drive consequences for supplier/trader progress and performance
3. Report performance of suppliers/traders against the agreed KPIs, including progress over time (use current performance as a baseline if first report)
4. Ensure implementation of internal systems to drive consequences for supplier/trader progress and performance

2. Suppliers and Traders: Transparency & Accountability

Overview: The goal is to combine aligned Coalition member transparency with increased transparency from suppliers/traders to make it easy to track progress with sector-wide transformation, but also (and equally important) to identify areas where challenges remain or progress is slow so that the Coalition can take further action. This will require a combination of Coalition-wide KPIs and specific requirements for palm oil.


Since implementation by Coalition members' needs to be closely linked to procurement cycles which are generally annual, the recommended reporting frequency is also annual. This will be further reviewed based on experience.

Public Information from Members

2.1 Direct supplier list. *For retailers: include own brand supplier list*

2.4 List of identified major upstream suppliers/traders prioritized (where applicable)

Publicly reported KPIs	For Manufacturers	For Retailers (& complex derivative SCs)	Rec
2.2 % of direct suppliers engaged and informed of the 'Forest Positive Suppliers' Commitment and 'Forest Positive Approach'	% by volume or number of direct suppliers	% by volume or value or number of direct suppliers (showing proportion of own brand manufacturers and other suppliers)	Ann
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	<p>Performance (including changes over time) against the elements of Forest Positive Approach for all direct suppliers</p> <p>This includes:</p> <ul style="list-style-type: none"> a) % volume/procurement spend from T1 suppliers who are compliant with requirements ('FP Approach'), including change in % over time b) % volume/procurement spend from suppliers who are not yet compliant but are reporting/providing information across their whole business. <ul style="list-style-type: none"> ➤ <i>Include average score of compliance (aggregate and/or per requirement) and change over time.</i> c) % volume/procurement spend from suppliers who are not yet compliant and not yet reporting/providing information across their whole business 	Performance (including changes over time) against the Forest Positive Approach for all Own Brand suppliers	Ann
2.5 Upstream suppliers/traders prioritised and engaged (directly or via a collective approach) and informed of the Forest Positive Approach	<i>Not reported – focus on direct suppliers</i>	Volume or number of upstream suppliers/traders prioritised and % of prioritised suppliers/traders engaged	Ann
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	<i>Not reported – focus on direct suppliers</i>	Performance (including changes over time) against the elements of the Forest Positive Approach for major upstream suppliers/traders	Ann



Element 3: Monitoring & Response

Commitments & Actions

Transparency & Accountability

3. Monitoring & Response: Commitments & Actions

Overview: While the focus of the Coalition as a whole is on building a Forest Positive palm oil sector, action on monitoring and response will be focused on deforestation during the first year to make the maximum progress on meeting the original CGF 2020 deforestation commitment. However, this is likely to evolve as the Human Rights Coalition further develops its aligned Roadmap on Forced Labour, and the scope of Forest Positive is further elaborated by the Coalition.

For deforestation, rapid development of remote monitoring technology means almost real-time information on deforestation is widely available. However, alerts on their own are only a first step: in order to inform action they need to be linked to data on ownership or responsibility for the land being cleared, and verification that deforestation is real and potentially linked to oil palm. Several service providers and NGOs are now providing this type of information to Coalition members, but there is considerable variation and an initial action of the Coalition is to work on consistency.

In parallel, greater clarity and alignment on response could greatly increase the positive impact so the Coalition will also work on developing a Response Framework to guide individual company response, building on member company experience, AFi guidance and ongoing processes (eg the Sundaland initiative).

Coalition Members Commitments

3.1 Collaborate with other Coalition members to ensure high quality consistent information on deforestation linked to oil palm is available

3.2 Develop and implement effective and proactive responses to all confirmed occurrences guided by an aligned response framework

Notes: A subgroup group has been convened to lead the PO Roadmap-specific Action in 2020 including:

- Working with existing providers to develop guidance on information needed on deforestation inside and outside concessions, including group links, and evaluation of the platforms against the guidance
- Developing a Response Framework which will provide guidance on responding to alerts of:
 - ✓ Deforestation in concessions linked to groups with existing mills
 - ✓ Deforestation in concessions without known links to existing mills
 - ✓ Deforestation outside known concessions

Progress will be reviewed in Q1 2022 to see if the subgroup is still needed.

Proposed Coalition Actions

1. Q3/4 2020: Develop a set of Coalition Minimum Requirements for Deforestation Monitoring in consultation with existing providers and use them to develop guidance on effective and credible monitoring to be used by Coalition members and their suppliers.
2. Q4 2020-Q2 2021: Work with existing platforms providing monitoring information (including verification of alerts) to develop the Monitoring Minimum Requirements to support members in understanding which platforms meet Coalition needs
3. 2020-2021: Develop a Response Framework which provides a basis for an aligned and consistent approach for Coalition members (a) to respond more effectively to identified grievances both within and outside of oil palm concessions, and (b) to monitor effectiveness of actions taken including engagement, suspension and re-entry.
4. Q4 2021: Finalise KPIs for manufacturer and retailer members building on the guidance being developed on effective monitoring and response
5. 2021: Based on the work with existing platforms, develop a solution that ensures that information on deforestation linked to oil palm is as effective, consistent and as available as possible
6. 2022-2023: Review the effectiveness of the Response Framework and improve based on experience
7. 2022: Further develop ideas and guidance on restoration and compensation

Proposed Individual Actions

In first year of joining FPC:

1. Revise or develop individual internal grievance mechanisms to be aligned with the Coalition's Deforestation Monitoring and Response Framework (MRF)
2. Ongoing: Take effective individual action when a deforestation grievance is identified
3. Ongoing: Report on progress using agreed KPIs at least annually

3. Monitoring and Response: Transparency & Accountability

Overview: Building on FPC members' work in tackling grievances in their supply chain, the Monitoring and Response Framework (MRF) developed by the FPC in consultation with industry and civil society stakeholders aims to provide an even more effective and efficient approach across the entire palm oil supply chain in addressing deforestation and peat non-compliances. Members may use the MRF to the industry's ability to produce and source palm oil sustainably.

Public Information from members

- 3.1 Summary of company grievance process that aligns with FPC Deforestation Monitoring & Response Framework (MRF)
- 3.2 Summary of progress of grievance cases (e.g. in grievance log or relevant progress report(s))

Publicly reported KPIs	For Manufacturers	For Retailers (and complex derivative SCs)	Timing
<p>(A) Coverage of deforestation & peat monitoring:</p> <p>3.3 % of supply base covered by deforestation & peat monitoring (including supplier and landscape monitoring systems) aligned with Monitoring Minimum Requirements</p> <p>3.4 For coalition member companies involved, narrative summary of support provided to develop on the ground monitoring and response systems beyond own supply chains including landscape initiatives and sectoral collaborations</p>	Covers all palm volumes	<p><i>Discussion is ongoing about the most efficient way for retailers to gather and report information for Element 3. In 2024: Individual retailers to provide a short narrative summary of progress made towards reporting on Element 3 in 2025 (for own brand products).</i></p>	Ann
<p>(B) Progress towards tackling deforestation & peat grievances:</p> <p>3.5 % of supply mills with, or potentially linked to, deforestation & peat grievances*</p> <p>3.6 % of deforestation & peat grievances where action taken in line with MRF steps and requirements</p> <p><i>*Element 3 KPIs will be revised for reporting in 2025 to reflect the step-wise process and pathway members take to implement the aligned CGF-FPC DCF Palm methodology and to monitor, appropriately respond to deforestation linked to palm and support positive impacts on the ground.</i></p>			Ann
<p>(C) Collective progress in tackling palm sector deforestation & peat clearance:</p> <p>3.7 <i>Collective Coalition report to be commissioned in 2023 on progress across all known palm oil mills or by combined supply base of all Coalition members, including coverage of monitoring and changing rates of deforestation and peat clearance:</i></p> <ul style="list-style-type: none"> • % global mills covered by deforestation monitoring systems covering a) producer group concessions, b) independent concessions, and b) outside concessions • % of industry D/P grievances where action taken in line with MRF (timelines and progress) • % global mills without verified deforestation & peat grievances (#/ha) per 3 MRF scenarios 			Ann

A photograph of a tropical landscape featuring a dense grove of palm trees. The trees are vibrant green and fill most of the frame. The sky is a clear, bright blue. In the foreground, there is a patch of green grass. The overall scene is bright and sunny.

Element 4: Landscape Engagement

Commitments & Actions

Transparency & Accountability

4. Landscape Engagement: Commitments and Actions

Overview: Central to the FP Coalition ToC is that transformation of palm oil production to Forest Positive across the entire sector cannot be delivered by supply chain companies in isolation. Building Forest Positive production by addressing deforestation, respecting IPLC rights and promoting livelihoods requires collaboration between companies, producers, local communities, government and civil society organisations.

To build this collaboration in practice, Coalition members will focus on actions in production landscapes. Some members are already engaged in one or more initiatives, while others are just beginning to think about how to engage. A major focus of the Coalition approach will be real-time learning and alignment to accelerate progress. This will be coordinated by Proforest and the Tropical Forest Alliance (TFA) which was co-founded by the CGF to provide a platform for companies, governments and civil society to work together.

Coalition Members Commitments

4.1 Work collaboratively to identify and engage in priority landscapes to address deforestation and to support forest conservation and restoration efforts with respect for the rights of, and positive outcomes for Indigenous Peoples and local communities

4.2 Support development of independent credible approaches to designing, implementing and monitoring landscape initiatives

Notes: There is a Coalition-wide Action on Production Landscapes to leverage the combined influence of the Coalition and to provide alignment between different commodities. The Coalition launched its *Strategy for Collective Action in Production Landscapes (v. 1.0)* in November 2021. See the [Coalition website](#) for further details as this Action is developed.

Proposed Coalition Actions

1. 2021-2023: Share learning and/or develop common approaches to smallholder capacity building, mill-level FFB management systems, government engagement, landscape planning, forest conservation and restoration, smallholder inclusion and livelihoods
2. 2022 onwards: Process to identify priority landscapes to address deforestation and peat conversion, respect for IPLC rights, and livelihoods through initiatives such as the Palm Oil Collaboration Group PPBC WG
3. 2024-2025: Develop and implement claims guidance related to the Coalition's 2030 Landscape Ambition
4. 2024-2025: Through [SourceUp](#) partnership, support landscape initiatives to communicate and report progress against 2030 target particularly for the KPI's of the Coalition's [Landscapes Reporting Framework](#)
5. 2025 onwards: Advance the maturity of landscape initiatives supported by members through a landscapes blueprint framework (aligned [ISEAL Core Criteria for Mature Landscape Initiatives](#))
6. Ongoing: Support credible platforms and processes for designing, implementing and monitoring landscape initiatives (eg LandScale, IDH SourceUp, ISEAL, GCF, LTKL, PCI)
7. Ongoing: Continued engagement in dialogue with existing and emerging initiatives and relevant sub-national governments in priority origins to evaluate impacts and identify ways to strengthen collaboration
8. Ongoing: Work to leverage co-funding to landscape initiatives in the Coalition's priority areas, including through partnerships building with peers, suppliers, donors, and investors.

Proposed Individual Actions

1. In first year of joining FPC: Develop internal plans to select and engage in landscapes (and begin engaging with at least one initiative if not already underway) and develop investment plan for landscapes
2. Second year: Build understanding and share learning within and beyond the FP Coalition, including scaling up resources for landscape engagement through partnerships with suppliers and other supply chain actors
3. Second year onwards: Discuss and agree internally on resources available to support landscape initiatives aligned with expected contributions per the FPC production base footprint.

4: Landscape Engagement: Transparency & Accountability

Overview: The goal is to provide transparency on individual and collaborative actions in production landscapes to promote engagement and learning for every member to transform commodity production areas towards forest positive.

The KPIs below have been developed for members to report on their engagements in production landscapes. The impact of this engagement will be captured in outcome reporting for natural ecosystems, farmers and communities, and multi-stakeholder partnerships across the landscape initiatives in the FPC Portfolio of Landscape Initiatives starting in 2023.

Publicly reported KPIs and public information from members	Individual members (for manufacturers, retailers, and complex derivative SCs)	Coalition (collective reporting)
4.1 Priority production landscapes identified	Summary of priority production landscapes identified	Number of aggregate priority landscapes identified by Coalition
4.2 Methodology used to identify priority production landscapes to transform to forest positive	Report on methodology for prioritisation of landscapes (either done individually or collectively).	Link to relevant identified Coalition wide priority areas
4.3 Number of landscape initiatives currently engaged in	Number of landscape initiatives company is currently engaged in	Aggregate number of landscape initiatives Coalition is currently engaged in
<p>4.4. For each landscape initiative your company is currently engaged in, information on:</p> <ul style="list-style-type: none"> a) Name, location, timeline and other partners involved b) The initiative’s goals and progress reflecting the indicators of the FPC’s Landscape Reporting Framework c) The maturity of the initiative (linked to the ISEAL Core Criteria for Mature Landscape Initiatives and the FPC’s blueprint components) <p>If the initiative reports on SourceUp, a link to the initiative profile with the KPI 4.4 (b, c) information can be added.</p> <p>If the initiative <i>does not</i> report on SourceUp, please provide a link to another publicly available source with the KPI 4.4. (b, c) information.</p>	<p>Names and information on the landscape initiatives the company is engaged in, including information on how the company engages and timeline</p> <p>Report on current support to and engagement in landscape initiatives for each element of forest positive goals (conservation, restoration, positive inclusion of farmers and communities, developing landscape-level multi-stakeholder platforms or partnerships)</p> <p>This can include specific projects within a landscape that contribute to landscape-level goals</p>	<p>Collective systemic issues being addressed and how they link to achieving impact and delivering shared goals – conservation, restoration, positive inclusion of farmers and communities (including human rights issues at a later stage), landscape-level multi-stakeholder platforms or partnerships -- for forest positive transformation</p>

A photograph of a palm tree plantation. The trees are dense and green, with their fronds reaching towards a clear blue sky. The perspective is from a low angle, looking down a path or between rows of trees.

Element 5: Transparency & Accountability

Commitments & Actions

5. Transparency & Accountability: Commitments & Actions

Overview: Accelerating progress and building credibility through ongoing transparency and accountability is an important part of the Coalition approach. This builds on the insight from the review of the implementation of the original 2020 deforestation commitment, that there are limitations to the effectiveness of relying on commitment to a long-term goal with little interim information provision, monitoring of progress or collective review of actions to make them more effective.

Coalition Members Commitments

5.1 Track, verify and report on progress with implementation of the Roadmap for own supply, suppliers (including response to grievances) and priority landscapes

Notes:

There is a Coalition-wide Action on Transparency and Accountability, to provide consistency between different commodities and leverage the combined influence of the Coalition. See the Coalition website for further details as this Action is developed.

Proposed Coalition Actions

1. Annually: Coordinated by the Transparency & Accountability WG
 - Publish an FPC Report including information on individual company reporting on the Roadmap KPIs and collective progress in transparency & accountability
 - Develop and regularly update templates to support common and consistent reporting (particularly for data for shared reporting by CGF).
 - 2021 onwards: Support increased alignment on KPIs with key reporting platforms (e.g. CDP, Forest500) and with other key stakeholders and sectors (e.g. AFi, suppliers/traders, finance sector and companies beyond FPC)
2. 2022 onwards: Support increased alignment on KPI methodologies and approaches to track and report progress through development of Guidance (see previous sections) for reporting on the Roadmap KPIs, building on existing tools and guidance (e.g. AFi)
3. 2023: Support development of guidance on independent verification (eg with the Palm Oil Collaboration Group Independent Verification Working Group)
4. Ongoing: Support provision of credible and consistent information on key issues such as rates of deforestation in the sector (drawing on existing sources such as WRI, forest alert systems etc.)

Proposed Individual Actions

In first year of joining FPC:

1. Confirm CEO-level support to proposed Coalition transparency and accountability

Annually:

2. Report publicly at least annually, and more frequently where agreed, on all the KPIs agreed by the Coalition (see Elements 1-4)
3. Support shared reporting if/when agreed by the Coalition providing agreed data in a timely way
4. Review progress in disclosure and performance against the KPIs in Elements 1-4, and plan and implement actions to ensure progress where not fully delivering

Glossary



- ▶ AFi: the Accountability Framework <https://accountability-framework.org/>
- ▶ Ann: annual
- ▶ ASD: Action for Sustainable Derivatives <https://www.bsr.org/en/collaboration/groups/action-for-sustainable-derivatives>
- ▶ CDP: Carbon Disclosure Project <https://www.cdp.net/en>
- ▶ CGF: The Consumer Goods Forum <https://www.theconsumergoodsforum.com/>
- ▶ GCF: Governors Climate and Forest Task Force <https://www.gcftf.org/>
- ▶ DoC WG: The Deforestation outside Concessions Working Group of the PO Collaboration Group (see below)
- ▶ FFB: Fresh Fruit Bunches are the fruits of the oil palm from which palm oil and palm kernel oil is extracted. FFB is harvested and delivered to mills for processing
- ▶ IPLC: Indigenous Peoples and Local Communities
- ▶ ISEAL: The global membership organisation for credible sustainability standards <https://www.isealalliance.org/>
- ▶ IV WG: The Independent Verification Working Group of the PO Collaboration Group (see below)
- ▶ Landscale: A standardized approach for assessing and communicating sustainability status and trends across landscapes <https://www.landscale.org/>
- ▶ LTKL: Lingkar Temu Kabupaten Lestari (The Indonesian Green District Association) <https://kabupatenlestari.org/en/>
- ▶ NDPE: No deforestation, no new expansion on peat, no exploitation – a most widely used commitment made by companies in the palm oil sector <https://chainreactionresearch.com/report/ndpe-policies-cover-83-of-palm-oil-refineries-implementation-at-75/>
- ▶ NDPE IRF: The NDPE Implementation Reporting Framework <https://ndpe-irf.net/>
- ▶ PCI: Produzir, Conservar, Incluir (Mato Grosso Landscape Program) <http://pci.mt.gov.br/>
- ▶ PO Collaboration Group: A group of companies from all parts of the palm oil production and supply chain that convene to discuss how to accelerate implementation of social and environmental commitments. The group has several working groups addressing specific challenges. Further information from POCollaborationGroup@proforest.net
- ▶ POTC: The Palm Oil Transparency Coalition <https://www.palmoiltransparency.org/>
- ▶ TFA: The Tropical Forest Alliance <https://www.tropicalforestalliance.org/>
- ▶ VSA: Verified Sourcing Areas <https://www.idhsustainabletrade.com/landscapes/verified-sourcing-areas/>

Tracker of Roadmap Updates (1/2)



Version of the Palm Oil Roadmap	Updated Content	Date
v.1	First publication	September 2020
v.1.1	Changes to formatting	November 2020
v.1.2	Changes to formatting, for consistency across commodity roadmaps	January 2021
v.1.3	Updated FPC membership slide in the introduction to include new member companies; updated Coalition structure slide to include new Working Group on Beef	February 2021
v.1.4	Minor changes to the five elements of the Forest Positive Ask for suppliers under Element 2	May 2021
v.1.5	Changes to timelines to align with implementation progress Updates to names of documents where needed Updates in Element 4 to reflect progress of Landscapes Coalition-wide Action	August 2021
v.1.6	Landscape (Element 4) KPIs updated	December 2021
v.1.7	Updated FPC membership slide	January 2022

Cont. Tracker of Roadmap Updates (2/2)



Version of the Palm Oil Roadmap	Updated Content	Date
v.1.8	Monitoring & Response (Element 3) KPIs incorporated; minor updates to language in Element 2 for consistency across Commodity Roadmaps	June 2022
v.1.9	Began integration of respect for the rights of Indigenous Peoples and Local Communities (IPLCs) into the Roadmap Elements Revision to KPIs including addition of a deforestation-free KPI in Element 1 and guidance for reporting on supplier performance in Element 2 Minor updates to timelines, actions and names of documents where needed	February 2023
v.1.10	Updated the Element 1 KPIs to include reporting on scope and link to the aligned FPC DCF Methodology for Palm Oil (v0)	June 2024
v.1.11	Element 4: updated actions to reflect progress and revision to KPI 4.4	May 2025
v.1.12	Addition of Annex I: Recommended guidance to implement forest positive actions in palm derivative supply chains	January 2026



Contact the
Coalition

Learn more about our commitment to build a forest positive future.



www.tcgfforestpositive.com



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CGF Social and Environmental
Sustainability

CGF Forest Positive Coalition Annex I: Recommended guidance to implement forest positive actions in palm derivative supply chains

Annex to the Palm Oil Roadmap
January 2026



proforest



Guidance contents



Content and themes	Page number
The business case for taking action on palm derivatives <ul style="list-style-type: none"> • Key challenges of derivative supply chains • Why downstream companies should be taking action on derivatives and how this fits into a wider responsible sourcing strategy • Initial steps and focal ingredients to consider when starting this journey 	<p>4-5</p> <p>6-7</p> <p>8-9</p>
Supply chain mapping for palm derivatives <ul style="list-style-type: none"> • Identification of palm derivative-based ingredients • Data collection process and traceability 	<p>11-15</p> <p>16-18</p>
Implementing actions within and beyond supply chains <ul style="list-style-type: none"> • Utilising traceability data to take action on DCF for Palm derivatives • Non-DCF volumes: Tools to mitigate deforestation risk and address barriers to achieving DCF 	<p>20-23</p> <p>24</p>
Annex <ul style="list-style-type: none"> • ASD Classification of palm and palm kernel oil derivatives • Example process for a downstream company to implement the derivative guidance steps 	<p>26</p> <p>27</p>

A note on design: As with the Palm Oil Roadmap, the derivative guidance is intended to be a living document which is regularly reviewed and updated. The following recommended guidance on palm derivatives is expected to develop further as FPC companies trial the guidance and engage suppliers.



**The business case
for taking action on
palm derivatives**

Key challenges of derivative supply chains (1/2)



Palm-based derivatives are in demand as a result of their versatility and varied applications, including cleaning and personal care products, as well as emulsifiers in food. The five basic oleochemicals (palm derivatives produced through chemical processes) are fatty acids, fatty alcohols, fatty methyl ester, fatty amines, and glycerine. Figure 1a and b, demonstrates these chemical groupings and illustrates the stages within the supply chain.

Several barriers exist in the sector which can lead to challenges in guaranteeing responsibly sourced palm derivative volumes. These include:

Lack of industry alignment on defining derivatives: The palm industry lacks common agreement and alignment on defining and identifying derivatives. Additionally, the relative 'norms' of data sharing on transparency of supply chains that exist from CPO/PKO, are not observed to the same level within the Palm derivative sector. As a result of the specialization of some derivative manufacturers, suppliers may also see data sharing on traceability as an issue of competition, contributing to this barrier in data sharing.

Limited traceability through processing steps: Palm derivatives and fractions exhibit complex supply chains as a result of the many intermediary players and processing transformation steps from the source: Palm oil (CPO) or Palm kernel oil (PKO). The complexity limits traceability through long mill lists (averaging 1800-2000 mills) and limited TTP data.

Lack of clarity on feedstock: The base of ingredients such as glycerine can vary and be replaced by other oleochemicals such as soy or by petrochemicals, depending on the market. Feedstocks are often not tracked internally or consistently among supply chain actors.

*For more information see [Efeca's 2018 briefing](#) on Palm Oil in the Oleochemical Sector

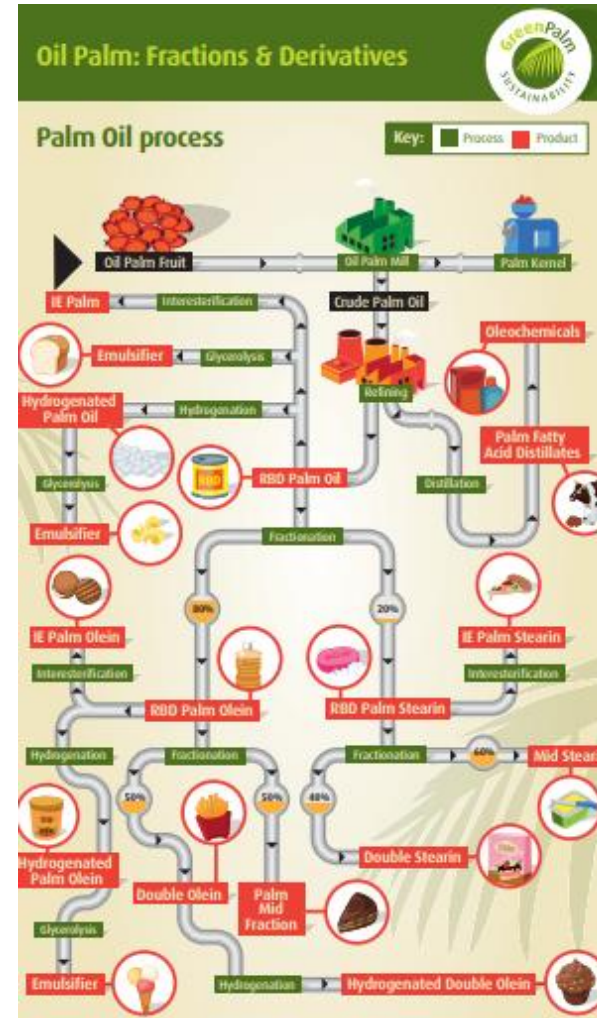


Figure 1a. Green Palm visual of fraction & derivatives from Oil Palm

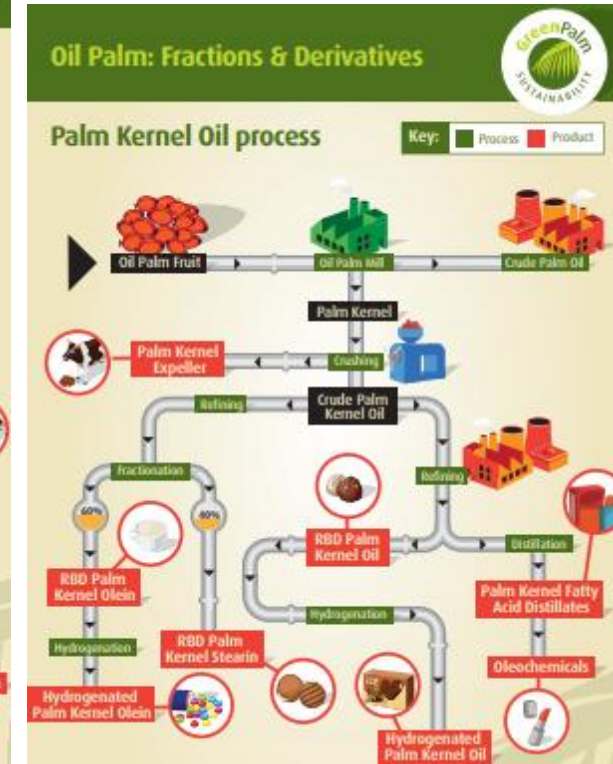


Figure 1b. Green Palm visual of fraction & derivatives from Palm Kernel Oil

Key challenges of derivative supply chains (2/2)



Limited availability of certified material: A significant proportion of palm derivatives are produced from Palm kernel oil, which has lower availability of RSPO certified material. This is partly because a lower percentage of oil can be extracted from Palm kernels as opposed to the fresh fruit from the same certified fresh fruit bunch*. The large number of intermediary players in the supply chain also provides challenges in maintaining the chain of custody as each of these facilities needs to be RSPO certified. There are also additional infrastructural challenges in moving the derivative products between each intermediary to keep certified material physically separate, which leads to limited availability of segregated materials available, and heavily on mass balance.

Limited supplier accountability or history of engagement: The range of intermediary players (see Figure 2) within the supply chain can limit exposure to the types of sustainable sourcing demands faced by downstream players. The long tail of smaller suppliers can also result in lower rates of engagement between suppliers and buyers as limited capacity can lead to focused engagement on prioritized suppliers comprising a larger proportion of procurement spend.

**For more information see:*

[Dialogue Earth 2022 article](#)

[Efeca's 2018 briefing on Palm Oil in the Oleochemical Sector](#)

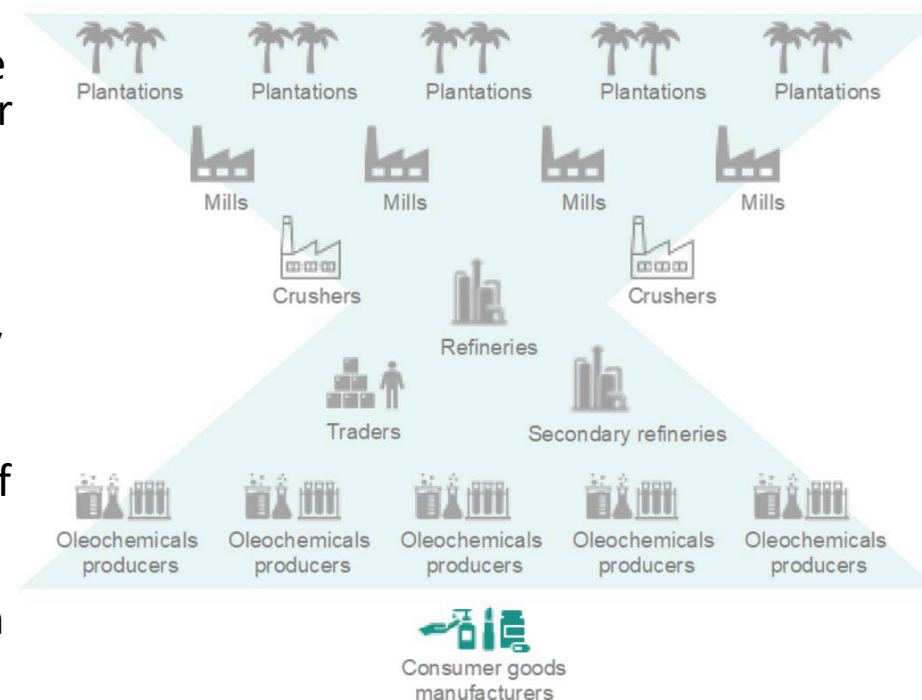


Figure 2. ASD "Hourglass" Palm Derivative Supply Chain

Why downstream companies are recommended to take action on palm derivatives and how this fits into a wider responsible sourcing strategy



Significant derivative volumes

- Palm derivatives comprise a key proportion of the **Palm footprint**
- Nearly **60-65%** of the palm oil consumed globally is in the form of derivatives*

Interlinked grievances in supply chains

- Only tackling grievances in the CPO/PKO supply chain leaves a **critical gap**
- **Suppliers likely to span** across both CPO/PKO and derivative supply chain
- Grievances will be addressed through ongoing integration of human rights into the FPC Roadmaps

FPC commitments to scope and addressing complex supply chains

- FPC members have **committed to transparency & accountability** including reporting across **full scope**
- The FPC commitment includes supporting progress on DCF for **complex supply chains**, in which Palm derivatives fall

Regulatory compliance & associated costs

- Derivative supply chain visibility is relevant not just for addressing deforestation under EUDR, but also for addressing human rights risks under CSDDD and the EU Forced Labour Regulation
- Regulatory compliance has been a major focus for non-derivative volumes, however **focus should be on the whole supply**, including derivatives
- EUDR compliance for derivatives likely to lead to **increased cost** by narrowed supply base
- Costs can only be reduced by **tackling the route cause** – achieving better traceability & transparency across the supply chain

*[Palm Oil Derivatives Market Size, Share & Forecast 2032 \(fortunebusinessinsights.com\)](https://fortunebusinessinsights.com)

[Other resources: Breaking down palm oil \(dialogue.earth\)](https://dialogue.earth)

FPC reporting: Palm derivatives commitment



- FPC members currently report on the following **KPI's** included in the [Palm Oil roadmap](#) for Palm derivatives where material for their business
- Many FPC members also annually report on palm derivatives to [CDP](#) and [WWF PO scorecards](#). The FPC collaborates with CDP and [AFi](#) increase alignment of reporting requirements
- Companies who are also **RSPO members**, may also be reporting their Palm derivative volumes through [ACOP](#)

ELEMENT 1: OWN SUPPLY CHAIN

Public information requirements

- 1.1 Policy commitments to the forest positive (NDPE) goals
- 1.2 Timebound action plan summary

KPIs

- 1.4 % of total commodity volume that is in scope of Element 1 reporting
- 1.5 % volume that is forest positive (or NDPE). In 2025, report on 1.5a and 1.5b only: % volume that is deforestation and conversion free (*in alignment with the [CGF-FPC DCF Palm Oil methodology](#)*) and year on year change in % DCF volumes – *updated guidance for reporting*
- 1.9 % physically certified (MB/SG)

ELEMENT 2: SUPPLIER & TRADER ENGAGEMENT

Public information requirements

- 2.1 Direct supplier list. For retailers, this is the own brand supplier list
- 2.4. List of identified major upstream suppliers/traders prioritized

KPIs

- 2.2 % Direct suppliers engaged and informed of 'Forest Positive Supplier' Commitment and 'Forest Positive Approach'
- 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
- 2.5. Upstream suppliers/traders prioritised and engaged (directly or via a collective approach) and informed of Forest Positive Approach
- 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

Initial steps and focal ingredients to consider when starting this journey

- ▶ Palm derivatives are used in a diverse range of consumer products. To determine whether a supply chain may be at risk, it may be useful to begin with broad categories. The following non-exhaustive list of products may be produced using the palm derivatives listed below:



Cleaning products and personal care

e.g. fatty acids, fatty alcohols, glycerin, soap noodles



Cosmetics

e.g. glycerin, fatty acids & alcohols, lecithin, stearates



Pharmaceuticals

e.g. glycerin, fatty acids



Chocolate products

e.g. mono- and diglycerides



Bakery goods

e.g. hydrogenated palm oil, mono- and diglycerides



Dairy and dairy replacers

e.g. mono- and diglycerides

Initial steps and focal ingredients to consider when starting this journey



A useful starting resource to identify derivatives in supply chains is the excerpt from the [EUDR legislation](#), which includes the palm ingredients in scope under EUDR. For a more extensive classification of derivatives, please refer to the [Annex I](#) within this guidance. For further guidance on shared derivative products between soy and palm oil, please refer to [Annex I](#).

HS Code	Palm ingredients in scope under EUDR Annex I
1207 10	Palm nuts and kernels
1511	Palm oil and its fractions, whether or not refined, but not chemically modified
1513 21	Crude palm kernel and babassu oil and fractions thereof, whether or not refined, but not chemically modified
1513 29	Palm kernel and babassu oil and their fractions, whether or not refined, but not chemically modified (excluding crude oil)
2306 60	Oilcake and other solid residues of palm nuts or kernels, whether or not ground or in the form of pellets, resulting from the extraction of palm nut or kernel fats or oils
Ex 2905 45	Glycerol, with a purity of 95% or more (calculated on the weight of the dry product)
2915 70	Palmitic acid, stearic acid, their salts and esters
2915 90	Saturated acyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives (excluding formic acid, acetic acid, mono-, di- or trichloroacetic acids, propionic acid, butanoic acids, pentanoic acids, palmitic acid, stearic acid, their salts and esters, and acetic anhydride)
3823 11	Stearic acid, industrial
3823 12	Oleic acid, industrial
3823 19	Industrial monocarboxylic fatty acids; acid oils from refining (excluding stearic acid, oleic acid, and tall oil fatty acids)
3823 70	Industrial fatty alcohols

Palm derivatives



Supply chain mapping for palm derivatives

Introduction to supply chain mapping for derivatives



- ▶ FPC companies are recommended to use data from supplier engagement in the process of mapping their supply chains for derivatives. However, derivative volumes can be small compared to CPO/PKO volumes, reducing supplier incentive for action and increasing the burden on suppliers to trace relatively small volumes.
- ▶ Therefore, the FPC recommends **collective action** on to engage palm derivative suppliers and is working to develop collaborative approaches to engage derivative suppliers.
- ▶ This living guidance is to be socialised with suppliers and will be regularly reviewed for effectiveness.

A note on design: As with the Palm Oil Roadmap, the derivative guidance is intended to be a living document which is regularly reviewed and updated. The recommended guidance on palm derivatives is expected to develop further as FPC companies trial the guidance and engage suppliers.

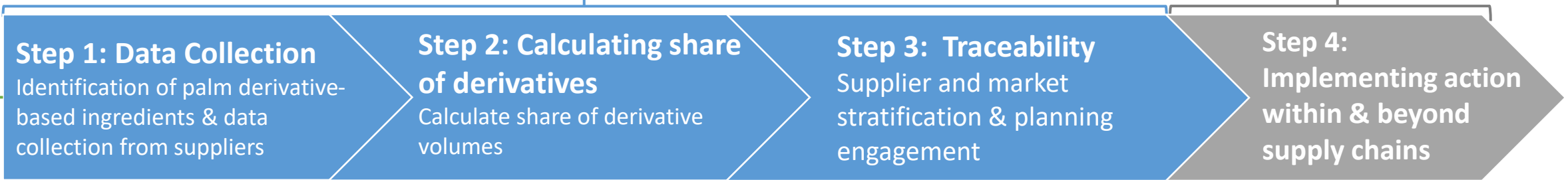
Key areas of focus in supply chain mapping for palm derivatives



Recommended step-wise approach to understanding the palm derivative supply chain and implementing tailored actions.

Understanding the supply chain

Company-specific actions



Step 1: Data Collection

Identification of palm derivative-based ingredients & data collection from suppliers

Step 2: Calculating share of derivatives

Calculate share of derivative volumes

Step 3: Traceability

Supplier and market stratification & planning engagement

Step 4: Implementing action within & beyond supply chains

What type of data should companies collect (from suppliers and internally) to identify products and volumes that may contain palm derivatives?

- Direct purchases of derivatives
- Purchases of palm derivative-based products
- Purchases of finished products that contain derivatives

*Note: Due to the complexity of derivative supply chains, the data collection process can be lengthy and may require **additional supplier engagement** to understand the feedstock of derivative ingredients. Varying **company-specific internal data collection methods** may likewise affect time needed for data collection.*

What information is needed to calculate the share of derivatives?

Feedstock identification/calculation factors

[RSPO Factsheet on Home and Personal Care Sector](#): process for estimation of palm derivative-based ingredients in supply base:

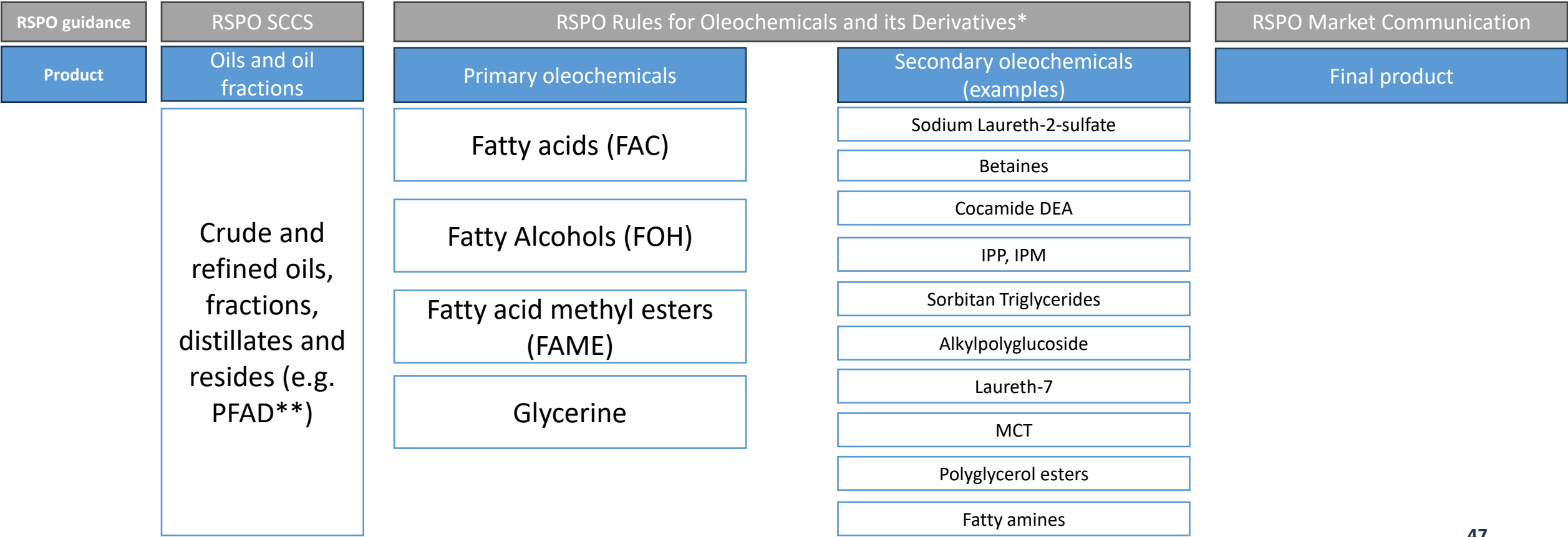
- 1) Is a palm derivative present or not?
- 2) If yes, in which quantity (% of the given ingredient)
- 3) Ingredient weight to be multiplied by annual purchase to determine annual consumption of the given ingredient

Step 1. Identification of palm derivative-based ingredients & data collection



Several tools are available which list common derivatives which may be in your supply chain, including the [RSPO Rules for Oleochemicals and its Derivatives](#), [RSPO SCCS 2020](#), and the [NASPON derivative list](#). In the diagram below, you can see examples of common primary and secondary oleochemicals identified in the RSPO Rules for Oleochemicals and its Derivatives.

Scope of RSPO Rules for Oleochemicals and its Derivatives & RSPO SCCS:

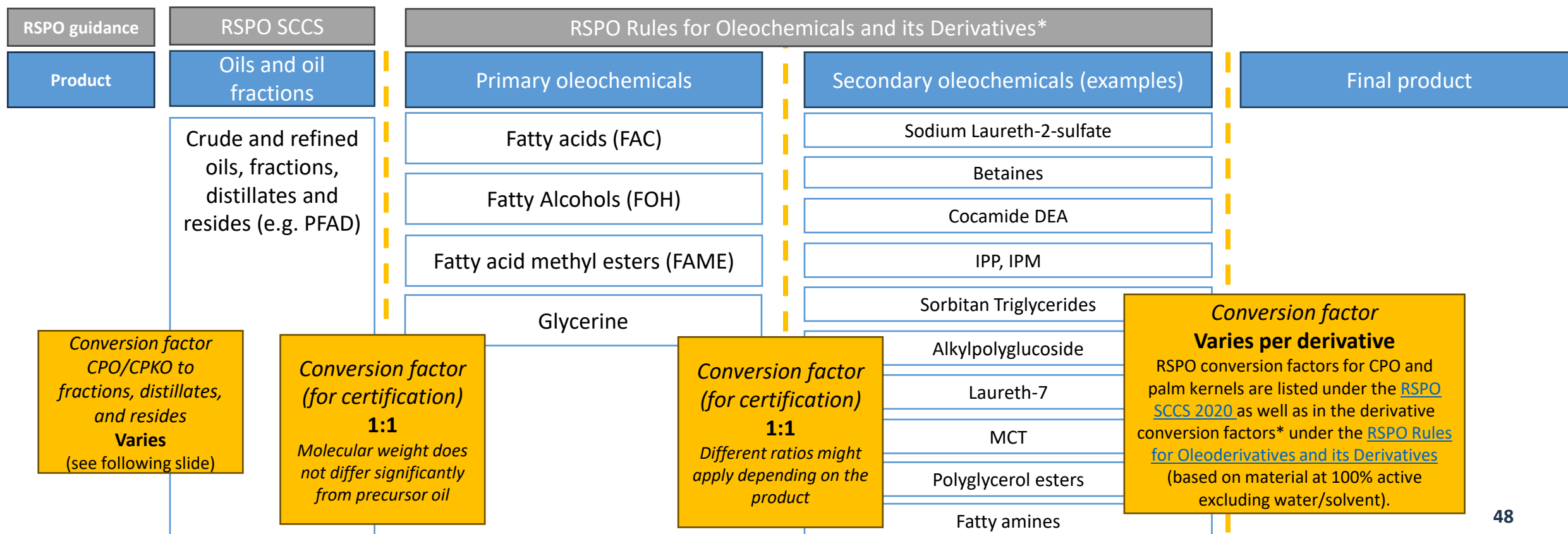


*The RSPO Rules for Oleochemicals and its Derivatives was published in 2016 and has not since been updated. Therefore, scope of derivatives should follow more recent guidance from ASD and other sources.

**Note that PFAD is considered a derivative of palm under the ASD classification.

Step 2. Calculate share of derivatives (1/2)

- After identification of derivatives within your supply chain, **conversion factors** can be utilized to determine how much palm oil is present within a given derivative product within your supply chain. The conversion factor of a product indicates the amount of PO/PKO which is present in the final product independent from processed amount of material.
- Under the 2020 RSPO SCCS, organisations may determine and set their own conversion rates for certified volumes, to be documented and applied consistently. Additional guidance on transparently reporting conversion factors is outlined in the [FAQ on Annex 6 of the RSPO SCCS 2020](#).
- With the conversion factor, the ingredient weight can be multiplied by annual purchase to determine annual consumption of the given ingredient for certification purposes ([RSPO Factsheet on Home and Personal Care Sector](#)).



Conversion factors where feedstocks vary (2/2)



There are certain oleochemical ingredients where the **feedstock may vary between several oils** including Palm Oil, Soy, Coconut and Rapeseed, all of which are common for glycerides. It can be challenging to identify the percentage of Palm Oil content within these ingredients, and the conversion factors may vary between suppliers and across derivative ingredients.

[RSPO states](#) that the company purchasing the feedstock should **undertake reasonable effort to determine the origin** of the feedstock, note ‘apart from checking the ‘Standard’ information already provided in delivery notes or shipping documents, this may include inquiring with the supplier of the feedstock’. This value can then be multiplied by annual purchase to determine annual consumption of the given ingredient.

Shared derivatives of PO/PKO and soy include:

- Fatty acids
- Glycerin (Glycerol)
- Lecithin
- Mono- & Diglycerides
- Fatty alcohols
- Esters
- Hydrogenated Oils
- Soap noodles

Step 3. Traceability process (1/2)



Data points and metrics for reporting

- The [CGF FPC Palm Oil Roadmap](#) outlines the Palm derivative KPIs which members have a commitment to report on and provides guidance for the types of metrics companies can use to track progress.
- In alignment with the coalition's theory of change, companies aim to make this information publicly available and engage with suppliers to do the same.
- For more general guidance on adopting a systematic approach to operationalising traceability data from suppliers, see the Palm Oil Toolkit [Element 2B](#)

Engaging suppliers to access traceability information

- Traceability information can be collected as part of a wider supplier engagement process
- Companies are to achieve traceability to a level which adequately allows them to implement their NDPE commitments and take actions to manage and mitigate risk. Dependent on the derivative ingredient and where a company sits within the supply chain, access to traceability data can vary. The diagram below demonstrates the different levels of traceability which a company may be aiming to achieve.
- Following Steps 1 and 2 (identifying ingredients & calculating the share of derivatives), specific ingredients or **suppliers may be prioritised for engagement** to access traceability data, considering:
 1. Volumes purchased,
 2. High palm derivative content or level of derivative complexity (focusing first on less complex volumes)
 3. Market significance or supply chain integration (where companies fulfil multiple roles within the supply chain)
- To simplify supplier tracking, palm sources can be categorised as PO or PKO based on which is simpler as opposed to by individual ingredient
- To calculate supplier contributions, combine volumes for the chosen reporting period, determine the % of PO/PKO volumes from each supplier and calculate weighted averages for traceability



Setting expectations for suppliers (2/2)



Within the coalition's Theory of Change, members have made a commitment to cascade the FPC commitments up the supply chains and **engage suppliers to also uptake the Theory of Change across their business**. To facilitate this process, companies can **set clear expectations with their suppliers on establishing goals** related to improved traceability, DCF and public reporting. Further webinar guidance* on supplier engagement is available for palm derivatives.

Example goals and targets to establish:

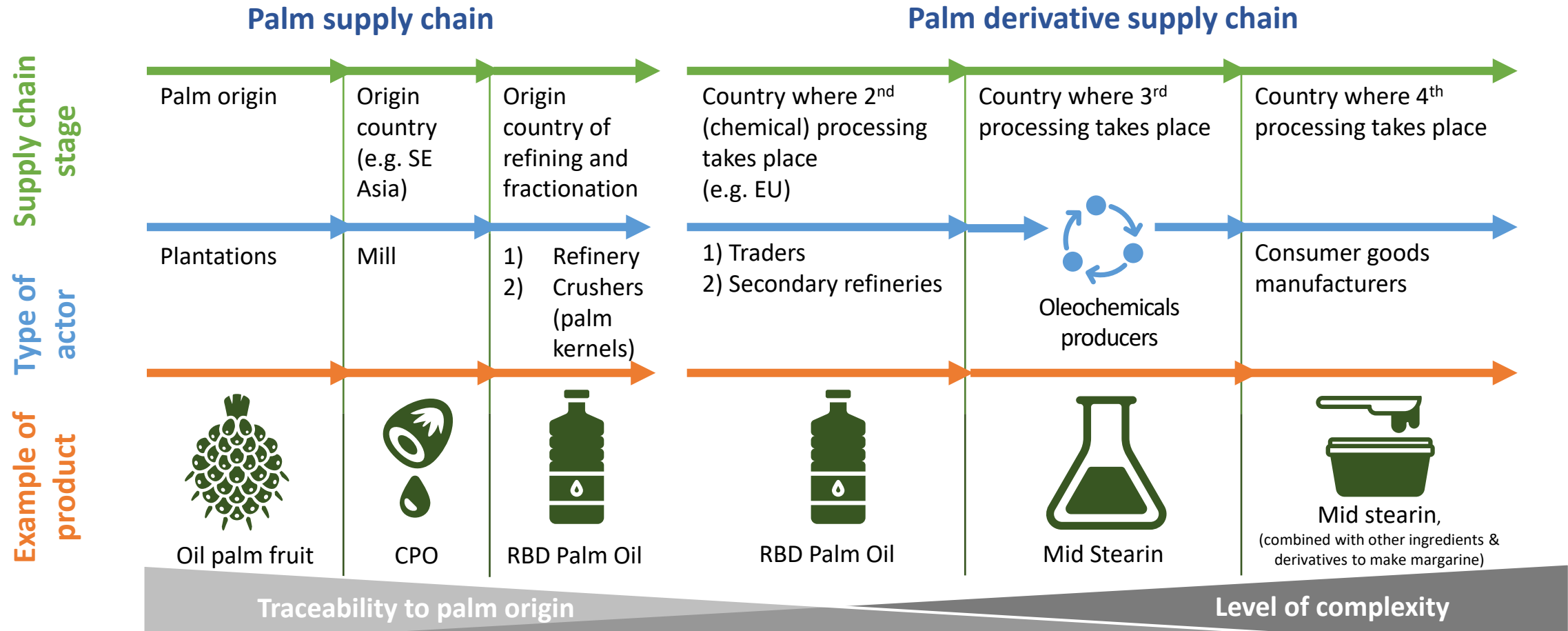
- Public NDPE commitment and timebound action plan to achieve this
- Public mill list
- Provide connections to identify NDPE origin
- Public reporting on % Traceability to Mill (TTM) and to Plantation (TTP) – *Due to the complexity of derivative supply chains and maturity of the derivative industry, **extended timelines** are recommended for goal-setting on TTP.*
- Breakdown of %DCF volumes across the supplier's business


*Recording of webinar series for Palm derivative suppliers facilitated by Earthworm Foundation, Colgate-Palmolive and CGF-FPC: [Policy](#), [Traceability](#), [Grievance](#).

Step 3. Palm derivative supply chain mapping



- **Supply chain mapping** is the process of identifying actors in a company's supply chain and the relationships between them. Companies that lack traceability data conduct this type of analysis when countries of processing can be strongly assumed.
- The below represents *one example* of supply chain mapping for mid stearin, a type of palm derivative. It is important to note that there may be many variations of palm derivative supply chain mapping, and the number of stages can vary significantly depending on the derivative.





**Implementing
actions within and
beyond supply
chains**

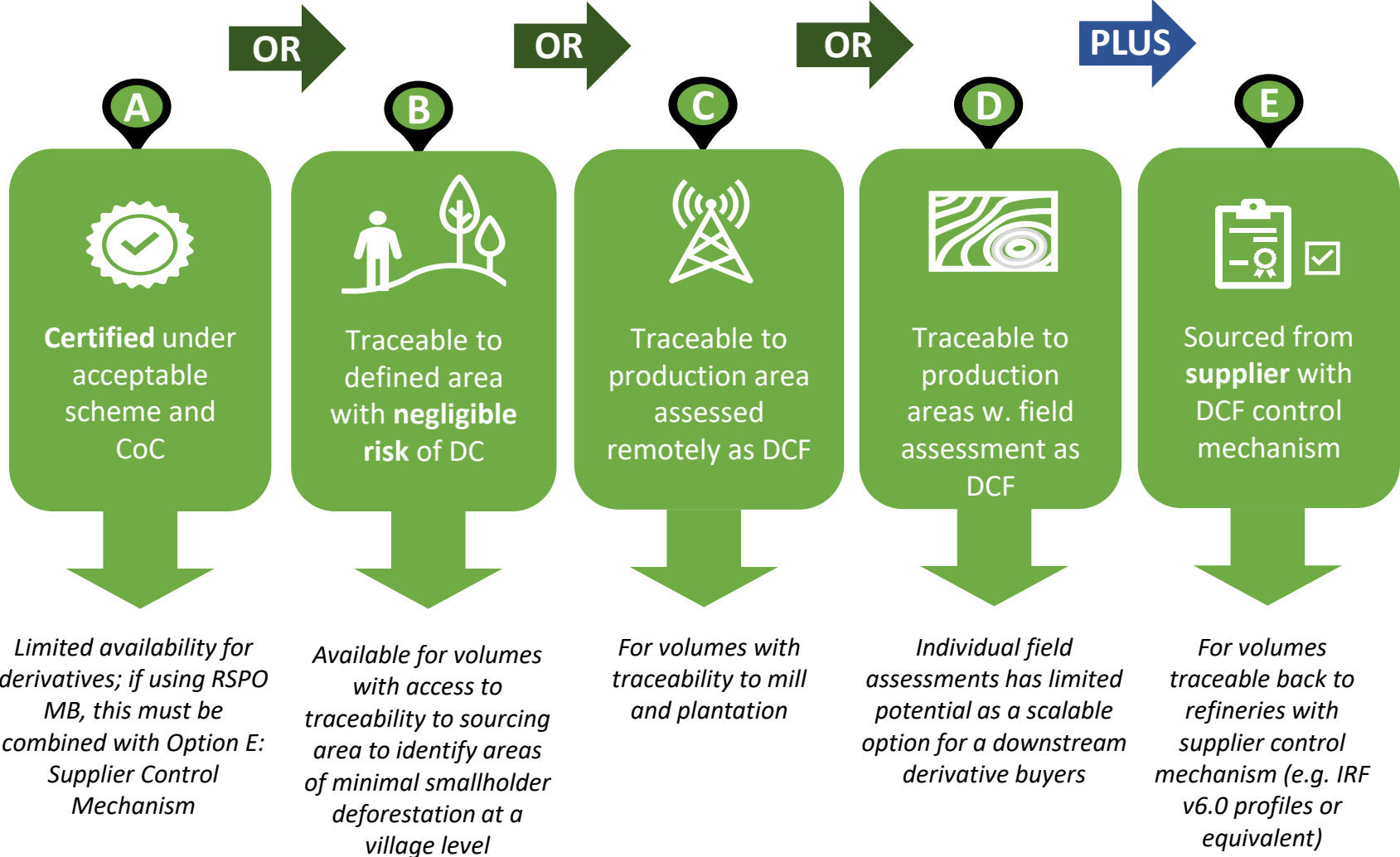
Taking action within and beyond supply chains



While the coalition's **DCF Supply** pillar is focused on ensuring members **own supply chains** are forest positive, the **DCF Suppliers** and **Forest Positive Landscape** pillars support progression of forest positive **beyond company's own supply chains**, through cascading commitments up to suppliers and scaling landscape initiatives that address systemic issues.

Step 4. DCF claims for Palm derivatives

The [CGF-FPC Palm Oil DCF methodology](#) includes a range of available implementation options (A-E). **Options A, C, and E are currently the best suited DCF implementation options for palm derivatives**, however recommended approaches may be updated in the future as the sector progresses.



Step 4. DCF claims for Palm derivatives: Choosing between implementation options



The [CGF-FPC Palm Oil DCF methodology](#) includes a range of available implementation options (A-E). Downstream companies often face difficulty in achieving visibility of the derivative supply base, thus may need to use several pathways across their derivative volumes. The below guidance **may be updated in the future** as the sector progresses.



Certification (Option A): There is limited access to certified volumes for derivatives and those that are certified are RSPO MB which alone does not currently deliver on DCF (if using RSPO MB, this must be combined with Option E: Supplier Control Mechanism).

- *Full guidance on oleochemical derivative claims are available in the [RSPO Rules for Oleochemicals and its Derivatives](#) and [FAQ on Annex 6 of the RSPO SCCS 2020](#)*



Negligible risk of DCF (Option B): For Palm Oil it is not possible to identify areas of negligible risk at national/large regional scales, however, village level approaches are available to identify areas of minimal smallholder deforestation for volumes with access to traceability to sourcing area (e.g. [Minimal Smallholder Deforestation layer identifies villages in Indonesia & Malaysia with minimal risk of smallholder deforestation](#)). An MSD layer for Thailand is under development.



Remote monitoring (Option C): Approach available for companies with access to traceability data to mill and plantation. This option can be costly and inefficient as depends on several companies monitoring the same palm origins, however opportunities for industry-wide collaboration exist to monitor shared origins.

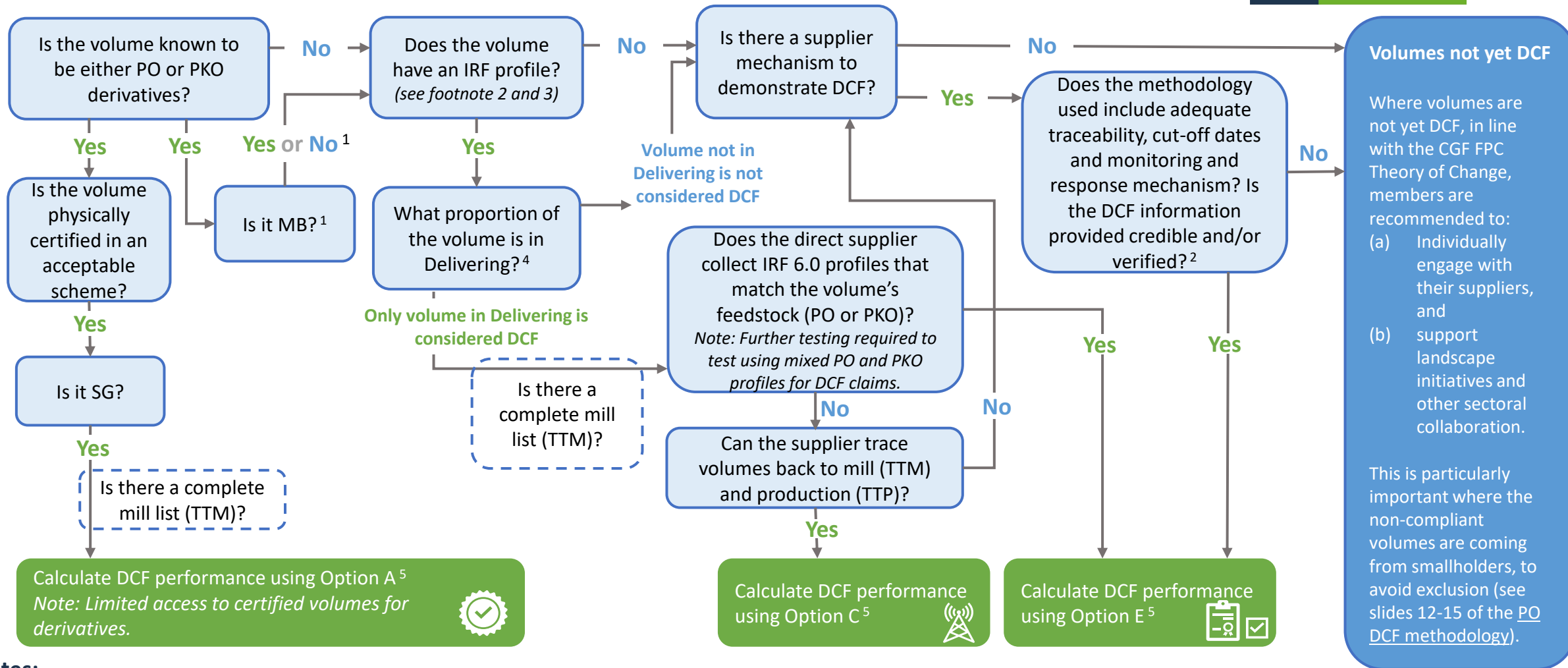


Field assessment (Option D): Individual field assessments has limited potential as a scalable option for a downstream derivative buyers.



Supplier with DCF control mechanism (Option E): Confirmation that suppliers are implementing an adequate combination of Options A to D (see [Afi's common methodology](#)). One available approach is if derivative volumes are traceable back to refineries with an [NDPE IRF v6.0](#) profile (a tool to systematically monitor and report progress across the full supply base of companies throughout the supply chain) or other available supplier control mechanisms. Note that there is limited availability to NDPE IRF profiles for PKO based volumes which limits the coverage of profiles for derivatives.

DCF Process Flow for Palm Derivatives



Notes:

¹ As RSPO does not yet include controlled MB – carry out further monitoring through e.g. IRF profiles, remote monitoring, supplier control mechanisms.

² Companies to state if reporting data is self-declared or verified—with aim to progress to an increasing level of verification. If self-reported, additional verification is needed for a vDCF claim (see slide 22 of the [PO DCF methodology](#)).

³ The NDPE IRF methodology is currently being revised based on the generic DCF approach being used by the CGF-FPC.

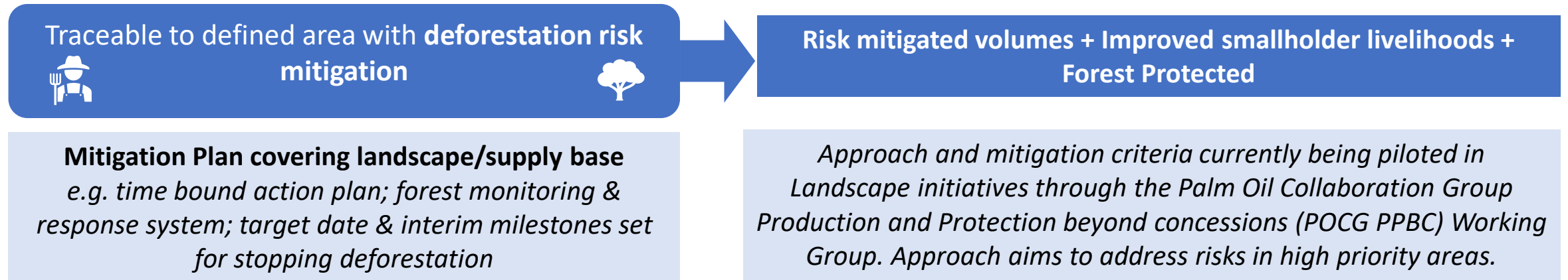
⁴ The NDPE IRF methodology provides separate deforestation and peat profiles. The deforestation profile captures all the information required for DCF reporting as it includes any deforestation on peatland.

⁵ For guidance on %DCF KPI reporting and claims using this methodology, see slides 16-22 of the [PO DCF methodology](#).

Step 4. Non-DCF volumes: Tools to mitigate deforestation risk and address barriers to achieving DCF



Companies are encouraged to **engage in high priority regions in parallel to improving their level of traceability**, to support the mitigation of deforestation risk particularly for volumes from independent smallholder production. This is especially salient for volumes where it is not yet possible to access traceability data (e.g. to mill or further upstream) and where volumes are not yet able to be covered by DCF implementation options. These actions aim to address root causes and support transformation of the sector which can contribute to building more resilient sourcing areas.



For derivative volumes where it is not yet possible to determine DCF status as a result of limited access to traceability data (particularly complex derivatives), alongside **investment in Landscape initiatives**, additional mechanisms may include buying RSPO smallholder credits and farm-level actions on Palm Oil and conservation. At-scale actions, even if not a full-fledged landscape initiative, can contribute to preventing and/or remediating deforestation and conversion, as well as delivering on wider sustainability criteria. Although some companies will find the first stage of traceability easier to achieve, for others like those purchasing by-products, it will already be challenging because of the many intermediaries separating them, so the speed in moving through the stages will vary across companies and products.



Annex

Annex I. ASD Classification of palm and palm kernel oil derivatives

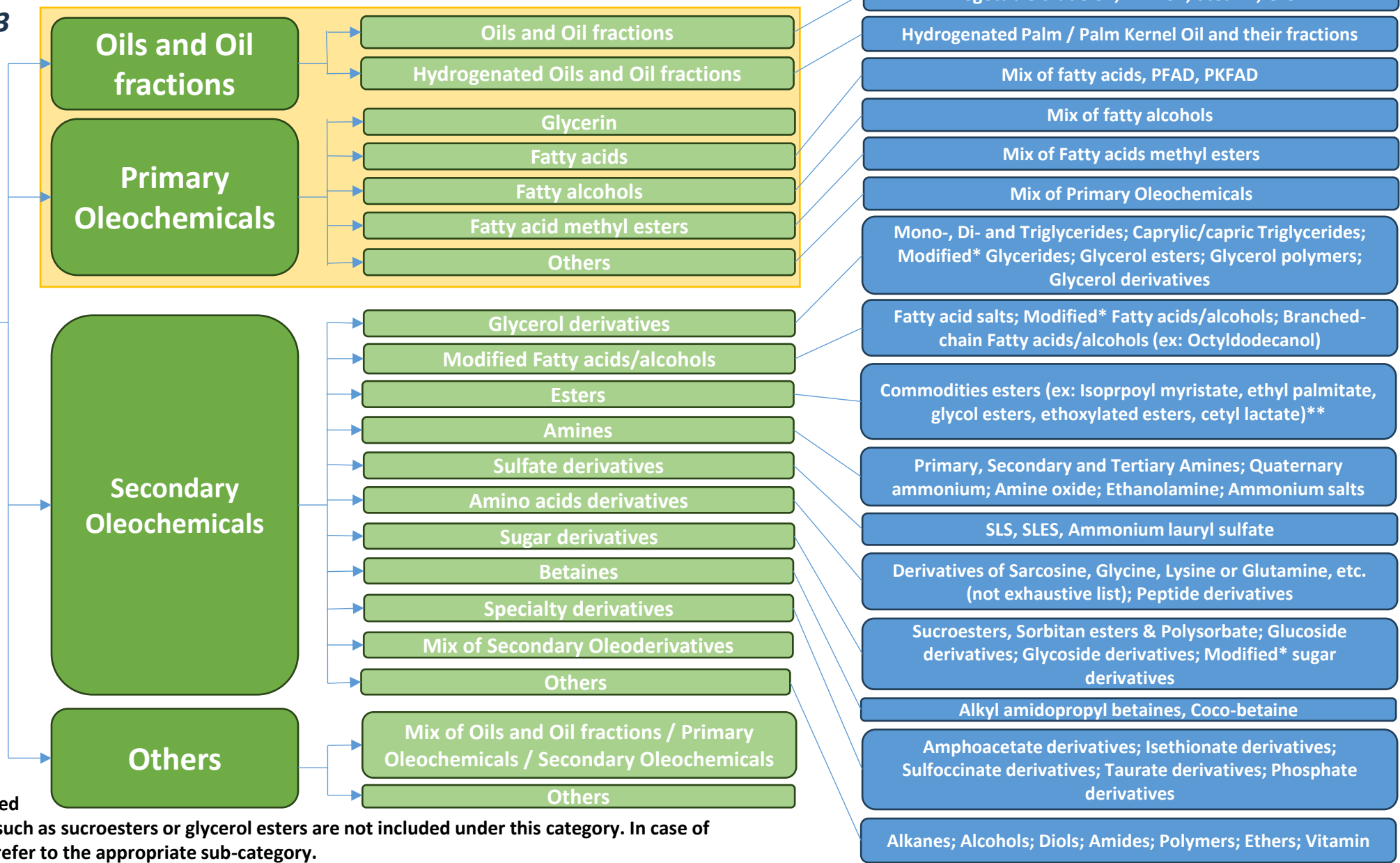
ASD Classification 2023

Yellow box = in scope of EUDR
 Please see [slide 9](#) for exact names of ingredients in scope under EUDR.

Palm and palm kernel oil derivatives

Legend

- Classification RSPO rules for Oleochemicals and its Derivatives
- Classification Chemical compounds family
- Examples



*Modified: Ethoxylated, Propoxylated

**Please note that specialty esters such as sucroesters or glycerol esters are not included under this category. In case of specialty esters derivatives, please refer to the appropriate sub-category.

Annex II. Example process for a downstream company to implement the recommended derivative guidance steps



Step 1: Data Collection

Company collects data internally on direct purchases of derivatives, purchases of palm derivative-based products, and purchases of finished products that contain derivatives.

Company prioritizes derivative ingredients by comparing purchase data with the [EUDR Annex¹](#).

Step 2: Calculating share of derivatives

Company estimates share of prioritized derivative volumes in supply base using [RSPO guidance](#).

Step 4: Implementing action within & beyond supply chains

Company explores DCF implementation options for prioritized ingredients ([slides 21-22](#)), considering traceability info gathered and supply chain mapping exercise results. For volumes that can not yet be covered by DCF implementation options, company considers landscape investment.

Step 3: Traceability

Company conducts supply chain mapping exercise ([slide 17](#)) for prioritized ingredients where traceability is not available from suppliers or other traceability sources.

Company prioritizes derivative suppliers to engage² ([slides 15-16](#)) in order to gain access to traceability information for prioritized ingredients.

Recommended for companies to consider in parallel to traceability and other actions

Company engages in high priority regions to support smallholders (i.e. through landscape investment, smallholder credits, farm-level actions) for **all derivative volumes**, especially where it is not yet possible to access traceability data.

¹ Companies can use a variety of resources to prioritize ingredients, including the EUDR Annex 1, the [ASD classification of derivatives](#), [RSPO Rules for Oleochemicals and its Derivatives](#), [RSPO SCCS 2020](#), and the [NASPON derivative list](#).

² The FPC is exploring collaborative action on supplier engagement for derivatives to reduce supplier burden where volumes are relatively small.