

# AFi Webinar: Sourcing deforestation-and conversion-free commodities

## AUDIENCE QUESTIONS

### Certification

**Question:** Is there a list of certification schemes that companies can use to demonstrate the products they source are deforestation- and conversion-free (DCF)?

**Answer:** Certification can be used as a tool to verify performance regarding no-deforestation and no-conversion at the point of origin, and therefore of product volumes that originate from that point of origin. The AFi does not maintain a list of the certification schemes that can be used to demonstrate DCF, although we have heard that other organisations may be developing these lists and we may share these when and if they become available.

Key criteria for assessing whether a certification standard can be used to demonstrate DCF include:

- A production unit standard that includes the same normative requirements on no-deforestation, no-conversion and human rights as those found in the [Accountability Framework's Core Principles 1 and 2](#).
- Use of a chain of custody model that allows for physically certified volumes to be passed along the supply chain from the production unit of origin to the final product, for example segregated or identity preserved.
- Assurance mechanisms that effectively ensure that the production unit standard and the chain of custody standard are being properly implemented, including the use of third-party verification.

Note that using certification to demonstrate compliance with certain regulations, such as the EU deforestation regulation, may also require other elements specified by those regulations, such as properly mapped boundaries.

See also the AFi [web page on certification](#) and the [FAQ: What is the relationship between the Accountability Framework and certification systems?](#) These also provide information on how the Accountability Framework can complement certification as an umbrella approach to ethical supply chains.

**Question:** If a company sources commodities exclusively from certified origins that ensure DCF status, does it need to be segregated or is mass balance accepted?

**Answer:** If the company can demonstrate that all product volumes are physically certified as DCF, meaning that the material was sourced from a certified production unit, then it should be sufficient to demonstrate DCF. Typically, mass balance does not allow the non-physically certified volumes to be traced to a certified origin. See also the answer to the question above.

**Question:** If mass balance chain of custody cannot be used to demonstrate DCF, then how are companies supposed to use certification to demonstrate DCF given that most products are mass balance? Is there any benefit to sourcing mass balance products if additional due diligence will be needed?

**Answer:** It is correct that products certified using a mass balance chain of custody model typically cannot be used to demonstrate that the product is DCF. We understand that multiple certification schemes are actively working to address this. Depending on the certification scheme, sourcing mass balance products may also make it easier for companies to conduct their own due diligence because of the management systems that their suppliers have in place. More broadly, sourcing certified products supports beyond supply chain sustainability goals.

## Definitions

**Question:** Does the Accountability Framework offer common definitions of key terms?

**Answer:** Yes, definitions used in the Accountability Framework reflect consensus of the AFi Coalition and align with external norms where relevant. Access Accountability Framework's [definitions](#) here. Additionally, the Framework's [Operational Guidance on Applying Definitions Related to Deforestation and Conversion](#) explains how the definitions may be applied in different contexts.

## EU Deforestation Regulation (EUDR)

**Question:** Is the Accountability Framework aligned with the requirements in the EUDR? How can companies use the Accountability Framework to prepare for the EUDR?

**Answer:** The Accountability Framework is aligned with many of the requirements in the EUDR, including on commodity scope, deforestation scope and definitions, legality/land rights scope and definitions, and the cutoff date. The Accountability Framework also complements the expectations of the EUDR through its broader scope (eg, conversion of all natural ecosystems and human rights) and beyond supply chain due diligence.

See Section 3 of the [AFi's Operational Guidance on Applying the Definitions Related to Deforestation and Conversion](#) for additional detail on how the Framework's definitions relate to definitions in the EUDR. See [this AFi blog](#) to learn about ways companies can prepare for the EUDR.

**Question:** Is sourcing certified products enough to fulfil the requirements of the EUDR?

**Answer:** According to [this FAQ](#) from the European Commission, "supply chain members can use certification schemes to help their risk assessment to the extent the certification covers the information needed to comply with their obligations under the regulation. Operators and traders that are not SMEs will still be required to exercise due diligence, and they will be held accountable for any breach."

**Question:** Is the DCF benchmarking system important for effective implementation of the EUDR?

**Answer:** Risk benchmarking could support successful implementation of the EUDR by targeting checks on commodities produced in high-risk regions and enabling simplified due diligence on those from low-risk regions.

## Landscape and jurisdictional approaches

**Question:** How should companies balance the need to achieve 100% DCF and traceability to the farm level with the need to take action at a landscape level? While collaboration at this broader scale is important for sustainability outcomes, achieving DCF takes considerable resources.

**Answer:** During the webinar, Jeff Milder discussed the importance of taking action at a combination of three levels to achieve ethical supply chains. While companies often concentrate on action at the level of product volumes, action at the supplier- and sourcing area-levels are also essential. Key reasons for companies to engage at these levels include the below.

- Such action is typically needed to eliminate deforestation and conversion from supply chains on an enduring basis, particularly given the dynamic nature of supply chains.
- Such action will help ensure long-term protection of natural ecosystems on the ground.
- Such action may make it easier to fulfil and demonstrate product volume compliance, for instance, where an entire supplier or sourcing area can be shown to comply with DCF requirements.

While action at these levels should generally be pursued simultaneously, the importance of each may differ depending on the nature of a company's supply chains, the relationship the company has (or could have) with its suppliers, and how far it has already progressed. The AFi is currently developing guidance to support companies in their assessment of the appropriate balance for each of these elements.

## Managing for supplier compliance

In November 2024, the AFi will host a webinar on managing for supplier compliance. A recording will be available in our [resource centre here](#) following the event. [Sign up to our mailing list](#) to be notified about upcoming webinars.

## Monitoring

**Question:** Following the approach of 'monitoring at the sourcing area' to demonstrate DCF volumes, can a geospatial risk assessment at the state or county level be used?

**Answer:** When geospatial risk assessment for deforestation or ecosystem conversion is able to demonstrate that there is negligible or insignificant risk that material produced in or sourced from a given sourcing area is non-compliant with DCF commitments, then companies may assume that supplies from that area fulfil that commitment. This analysis can be done at any scale (eg, country, state, or municipality) as long as the entire area is found to have no or negligible risk.

When an area-level risk assessment shows an area to be of low risk relative to other sourcing areas, but to still have some level of deforestation or conversion risk, that risk assessment cannot be used to make claims about DCF compliance.

**Question:** What can companies that don't have access to satellite monitoring do to access their supply chains? Is a tier 1 supplier assessment/survey that asks where forest risk commodities are sourced from sufficient for geographical monitoring?

**Answer:** Supplier assessment surveys can be used to monitor deforestation/conversion associated with purchased products only when:

1. Those suppliers can trace supplies to the production or processing units of origin, or to sourcing areas with no or negligible conversion risk; and
2. Can demonstrate compliance to the buyer based on adequate monitoring and verification.

## Traceability

**Question:** Does the AFI consider avoiding extremely risky origins to be sufficient to demonstrate verified DCF sourcing?

**Answer:** No. Credible claims of DCF sourcing can be demonstrated in four ways:

1. Full traceability: when materials can be traced back to the production or processing units of origin this allows companies to monitor and assess compliance directly.
2. Supplier control mechanisms: when suppliers can trace supplies to the production or processing units of origin, or to sourcing areas with no or negligible conversion risk and can demonstrate compliance to the buyer based on adequate monitoring and verification.
3. Credible assurance systems (eg, certification schemes) can be used to demonstrate compliance when materials are certified using systems that address deforestation and conversion requirements with sufficient rigor and link product volumes to production units that are verified to meet these requirements.
4. Traceability to a sourcing area with no or negligible risk: when assessment for deforestation or conversion of other ecosystems is able to demonstrate that there is negligible or insignificant risk that material produced in or sourced from a given sourcing area is non-compliant with DCF commitments, then companies may assume that supplies from that area fulfil that commitment.

## Alignment with Nature and Climate targets and initiatives

**Question:** SBTi FLAG says companies need to commit no-deforestation for primary deforestation-linked commodities, and it lists a few commodities but does not include coffee as one of them. If my company sources coffee, do I not need to set a target for coffee?

**Answer:** SBTi FLAG and AFI are in the process of developing a list of commodities that will require no-deforestation commitments. It is likely that coffee will be included in this list, but it has not yet been finalised.

**Question:** In the webinar it was noted that the AFI does not recommend analysis at a finer spatial resolution than a farm level due to farmers decisions to switch production. Doesn't this conflict with the new GHG Protocol Land Sector Guidance, in which a harvested area is recommended for emissions and removals calculations?

**Answer:** The GHG Protocol Land Sector Guidance offers companies the option to use either the land management unit or harvested area as the unit of analysis, with the desire to give companies and producers flexibility within their particular context. The AFI's position is that the land management unit (also called production unit) is the more appropriate choice to assess and quantify land use change, as deforestation/conversion will by definition happen outside of current harvested areas, and thus assessment at the level of current harvested areas will 'miss' ongoing land use change elsewhere on the production unit. Therefore, it is recommended to use the land management unit as the level of analysis in land sector emissions accounting as well, in order to allow for consistent and interoperable monitoring and assessment.

**Question:** How do DCF commitments align with and satisfy SBTN Land and SBTi FLAG target setting requirements?

**Answer:** Accountability Framework-aligned DCF commitments for commodities produced or sourced by companies that have deforestation/conversion risk will satisfy requirements related to deforestation and ecosystem conversion for both SBTi FLAG and SBTN Land targets.

## Efeca

**Question:** Does Efeca provide support to companies on verified DCF pulp, paper, and packaging?

**Answer:** Yes. Efeca's work on pulp, paper and packaging has focused on supporting clients with policy compliance and evidence verification. Efeca ran the UK Central Point of Expertise on Timber (CPET) service between 2012 and 2016, providing technical support to the private sector in meeting the requirements of UK Timber Procurement Policy. It has also supported a number of companies by providing policy training and due diligence assessment services on packaging products focused on the EU and UK Timber Regulations. For more information, please feel free to contact Efeca directly: [conal.juddenglish@efeca.com](mailto:conal.juddenglish@efeca.com)

## Nestlé

Visit [Nestlé's website](#) for additional information about the company's Forest Positive strategy and [progress](#) towards achieving deforestation-free supply chains by 2025.