



Tackling deforestation to build resilience



Environmental risks will dominate business decision-making over the next decade. In this year's WEF Global Risks Perception Survey, extreme weather events, biodiversity loss, Earth system changes, and natural resource shortages were seen as **the most severe risks over the next ten years.**

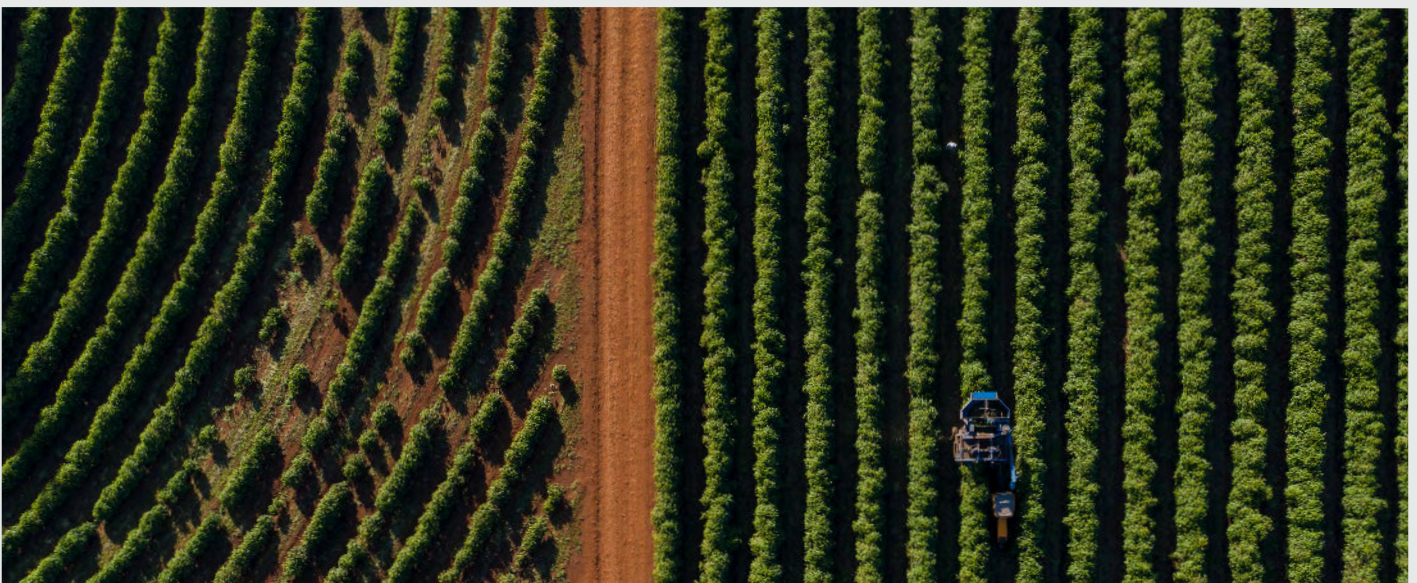
Ending deforestation and transitioning to nature-positive business models is fundamental to managing these risks. Last year, 4.3 million hectares of tropical primary forest were cut down¹ – the equivalent of more than 11 soccer fields per minute. This resulted in nearly two gigatonnes (Gt) of greenhouse gas emissions (GHG) – double Japan's annual fossil fuel emissions in 2024² – eroding Earth's ability to regulate climate and water cycles, support livelihoods, and provide essential goods and services.

Companies face significant financial risks due to deforestation. In 2025, 66% of companies disclosing through CDP identified at least one risk to their business from

deforestation (1,051 out of 1,583 organizations) with 16 companies reporting nearly US\$128 million in impact from deforestation in the reporting year, and 415 organizations anticipated an effect of over US\$104 billion in the future.

Even these figures underestimate the scale of the issue: companies are underreporting the financial risks to their businesses from deforestation, leaving a US\$279 billion blind spot in global markets – 3.6 times the risk companies have reported, and averaging US\$338 million per reporting company³. Transitioning away from business models that contribute to deforestation and conversion is fundamental to managing these risks.

Action by companies that produce and source deforestation-linked commodities, as well as by the companies that finance those activities, has never been more important. But this requires data to support decision-making and track progress towards deforestation-free targets. Since 2024, due to close collaboration with the [Accountability Framework initiative \(AFi\)](#), CDP's questionnaire has enabled detailed disclosure on and assessment of companies' progress toward establishing and maintaining deforestation-free or deforestation - and conversion-free (DF/DCF) commodity supply chains. This brief presents findings on companies' DF/DCF progress towards the end of 2024, from disclosures made through CDP in 2025.



¹ Source: World Resources Institute. [Forest Pulse - Tropical Rainforest Loss Slowed in 2025, but Fire is a Growing Threat to Forests Worldwide](#)

² Source: Global Carbon Project. [Global Carbon Atlas](#)

³ Source: CDP. [Blind Spots on the Balance Sheet - Uncovering financial implications of deforestation](#)



The transition to deforestation-free business is underway

Companies recognize that building deforestation-free supply chains makes good business sense. More organizations are reporting that they are building resilience by reducing their impacts on forests and other natural ecosystems.

Companies disclosing



In 2025, 1,583 organizations disclosed on their management of commodity-driven deforestation through CDP, an 80% increase since 2023 (881). Of the 1,583 companies, 647 assessed the deforestation- or deforestation- and conversion-free (DF/DCF) status of at least one commodity they produce or source and disclosed their DF/DCF commodity volume– a 45% increase on 2023 when 445 companies did so.

Companies are also increasing the credibility of their assessments and disclosure related to DF/DCF sourcing. 43% of companies disclosing on the DF/DCF status of commodity volumes (275/647) made sufficiently comprehensive and high-quality disclosure with information about their monitoring and assessment methods.

Figure 1: Breakdown of disclosures and DF/DCF status for companies disclosing on at least one commodity

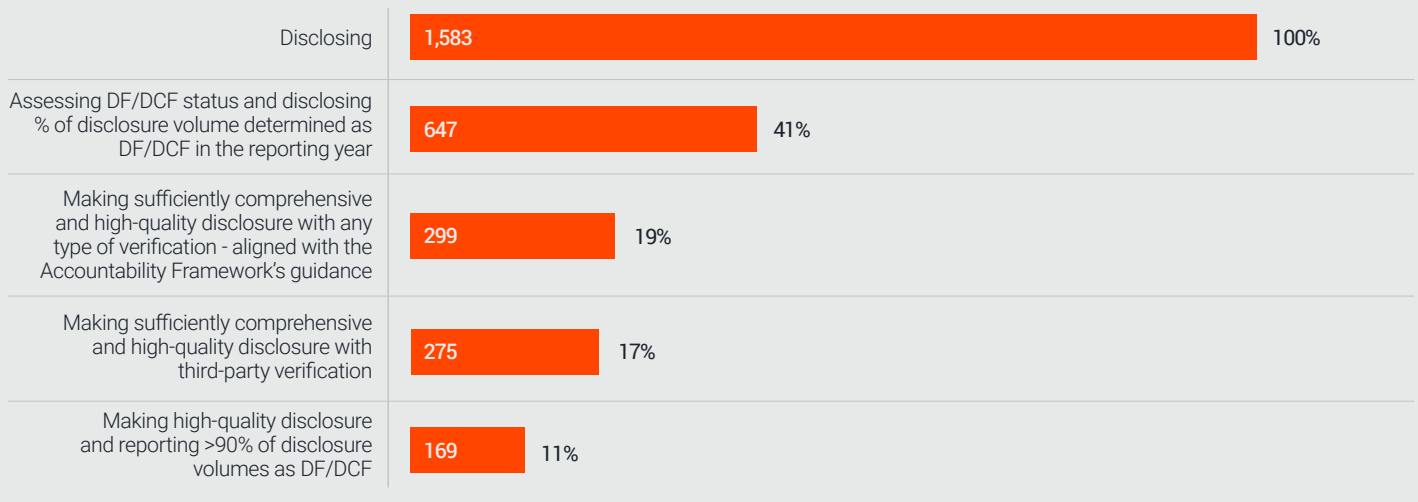
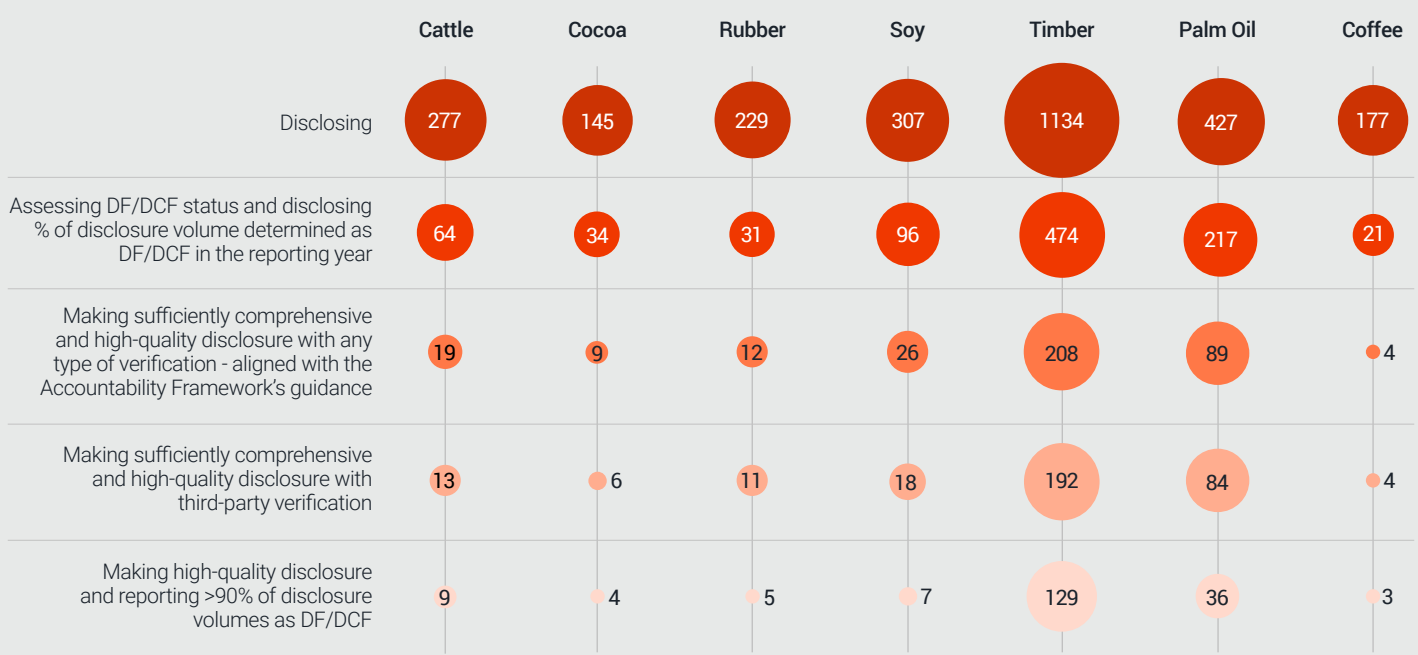


Figure 2: Breakdown of disclosures and DF/DCF status of reporting companies per commodity



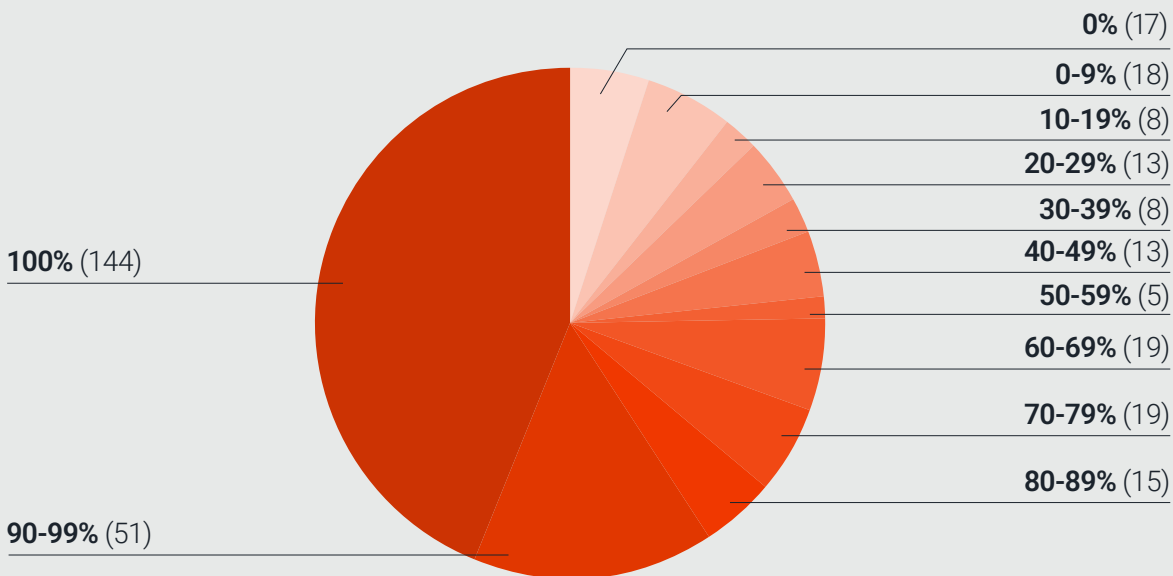


High-quality DCF disclosures that are aligned with the Accountability Framework's guidance include:

- Total commodity volume sourced, purchased, or used by the company
- Percentage of commodity volumes determined as DCF
- Description of methods used to monitor and verify compliance, and percentage of sourcing associated with each type of approach:
 - monitoring of production units
 - monitoring of sourcing areas
 - use of certification systems capable of demonstrating DCF compliance

To validate the DCF reporting, CDP's assessment also requires third-party verification.

Figure 3: Percentage of commodity volume determined to be DF/DCF for 330 high-quality commodity supply chain disclosures made by 275 companies





High-quality DF/DCF disclosure goes hand in hand with lower prevalence of deforestation and conversion in supply chains. Nearly two-thirds (62%) of the 275 companies with high-quality disclosures for at least one commodity supply chain reported a high proportion (>90%) of their commodity volume as DF/DCF. Similarly, 59% of the 330 individual commodity supply chains with high-quality DF/DCF disclosure were reported to be more than 90% DF/DCF, while around a tenth (13%) of these were less than 20% DF/DCF.

11% of all disclosing companies (169) reported a high proportion (>90%) of DF/DCF commodities for at least one commodity supply chain. Nearly three-quarters (71%) of these organizations report the same status across all of the

commodity supply chains they are disclosing on (120/169). This signals that a meaningful transition to deforestation-free business models is underway.

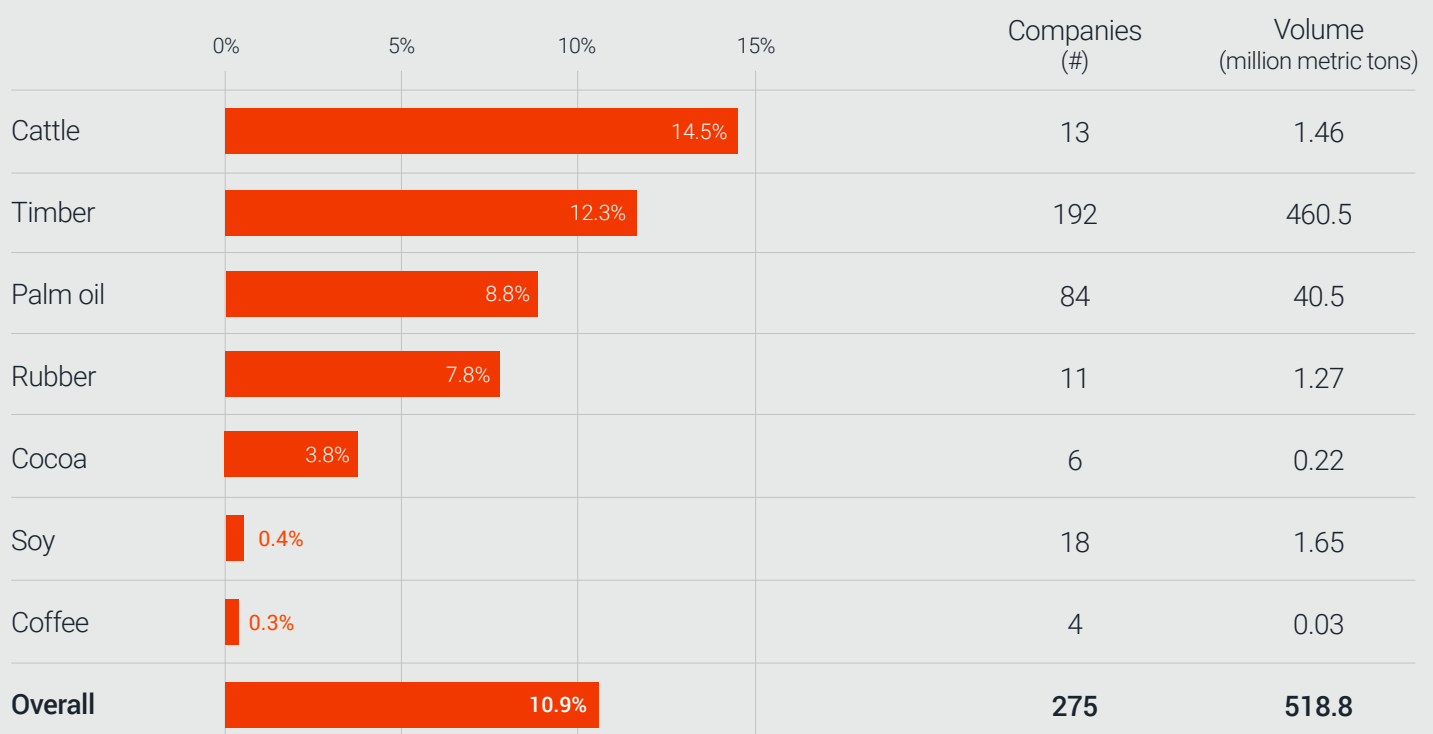
Disclosure rates - and the quality of information disclosed - vary across commodities. Companies that produce or source palm oil have the highest rates of robust high-quality reporting on their DF/DCF status, with 20% of disclosing companies making sufficiently comprehensive and high-quality disclosure. Timber product supply chains see the highest rates of DF/DCF sourcing, with 11% of companies disclosing on timber supply chains reporting >90% of their commodity volume as DF/DCF via high-quality disclosures.

Soy, cattle products, cocoa, coffee and rubber supply chains see lower

rates of disclosure on deforestation and conversion, as well as lower proportions of their supply chains being reported as deforestation- or conversion-free. Among the companies disclosing on these commodities, only a small number report at least 90% of their supply as DF/DCF: nine for cattle products, four for cocoa, three for coffee, five for rubber and seven for soy.

The companies that made high-quality DF/DCF disclosures (17%) reported on the status of 519 million metric tons of materials, giving an indication of the DF/DCF status of around 11% of global production in 2024. Within these disclosures, cattle and timber are well represented, whilst there is a clear gap in high-quality DCF reporting for soy and coffee volumes.

Figure 4: Volume of DF/DCF commodities represented in high-quality disclosures and indicative share of global production in 2024





Linking deforestation and emissions reductions in land-intensive sectors

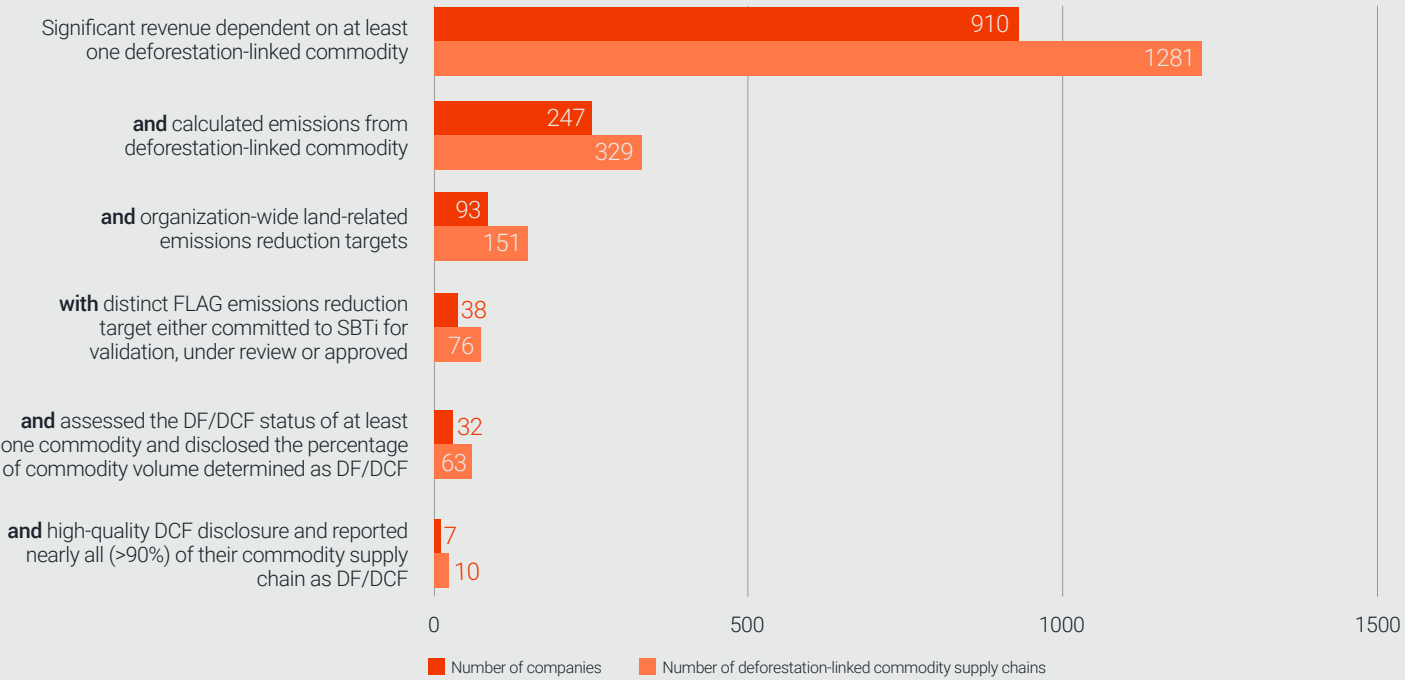
To effectively mitigate climate impacts associated with their business, the Forest, Land and Agriculture (FLAG) guidance from the Science Based Targets initiative (SBTi) requires organizations in land-intensive sectors or those with significant land-related emissions to set emissions targets that include elimination of land use change.

Achieving deforestation-free supply chains is a key component of reducing emissions and managing climate risk. However, not enough companies that depend on deforestation-linked commodities are reducing emissions by tackling deforestation.

- In 2025, 62% of organizations disclosing through CDP⁴ identified at least one deforestation-linked commodity supply chain as material to their revenue (910 companies). Of these, a relatively small proportion reported land-related emissions targets or emissions arising from commodity production:
- A quarter (27%) of these organizations calculated emissions for 329 deforestation-linked commodity supply chains.
 - 10% reported setting organization-wide land-related emissions reduction targets⁵, of which 40% reported a distinct FLAG emissions reduction target either committed to SBTi validation, under review or approved.

For organizations with these distinct FLAG emissions reduction targets, 32 of 38 assessed the DF/DCF status of at least one commodity and disclosed the overall percentage of their DF/DCF commodity volume. Of those 32 organizations, seven made a high-quality DCF disclosure and reported nearly all (>90%) of their commodity supply chain as DF/DCF, demonstrating how businesses can manage deforestation to meet emissions targets.

Figure 5: Breakdown of emissions disclosure, targets and DF/DCF status of companies with significant revenue dependent on deforestation-linked commodities



⁴ Analysis excludes companies disclosing on rubber
⁵ Covering scope 3 category 1 emissions from purchased goods and services if organization sources commodities and does not just produce them



Becoming a DCF business

Transition to deforestation-free business models involves having the right processes and systems in place to assess and manage deforestation. Companies now have access to data, tools and guidance to identify and reduce deforestation and conversion associated with their commodity supply chains. This allows them to avoid the risks and costs of inaction and capitalize on the opportunities the data provides.

The Accountability Framework is a practical roadmap for addressing deforestation, conversion, and human

rights violations in agricultural and forestry supply chains. It represents the consensus of a diverse coalition of environmental and human rights NGOs, as well as expectations from leading companies, financial institutions, and international norms. Companies and other stakeholders can use the Framework to set goals, take action, monitor, and report on progress towards achieving responsible commodity supply chains.

The Framework's guidance lays out how companies can monitor and control deforestation and conversion

in their supply chains by monitoring production units or sourcing areas, as well as sourcing products through third-party certification schemes that provide full DF/DCF assurance and physical chain of custody mechanisms. Depending on the commodity, companies will often use a combination of these methods to assess deforestation in their supply chains. For example, certification schemes are commonly used for timber products, while cattle product supply chains rely more on sourcing area monitoring.

Figure 6: Percentage of companies reporting use of third-party certification schemes providing full DF/DCF assurance, monitoring of production units or monitoring of sourcing areas to determine DF/DCF status

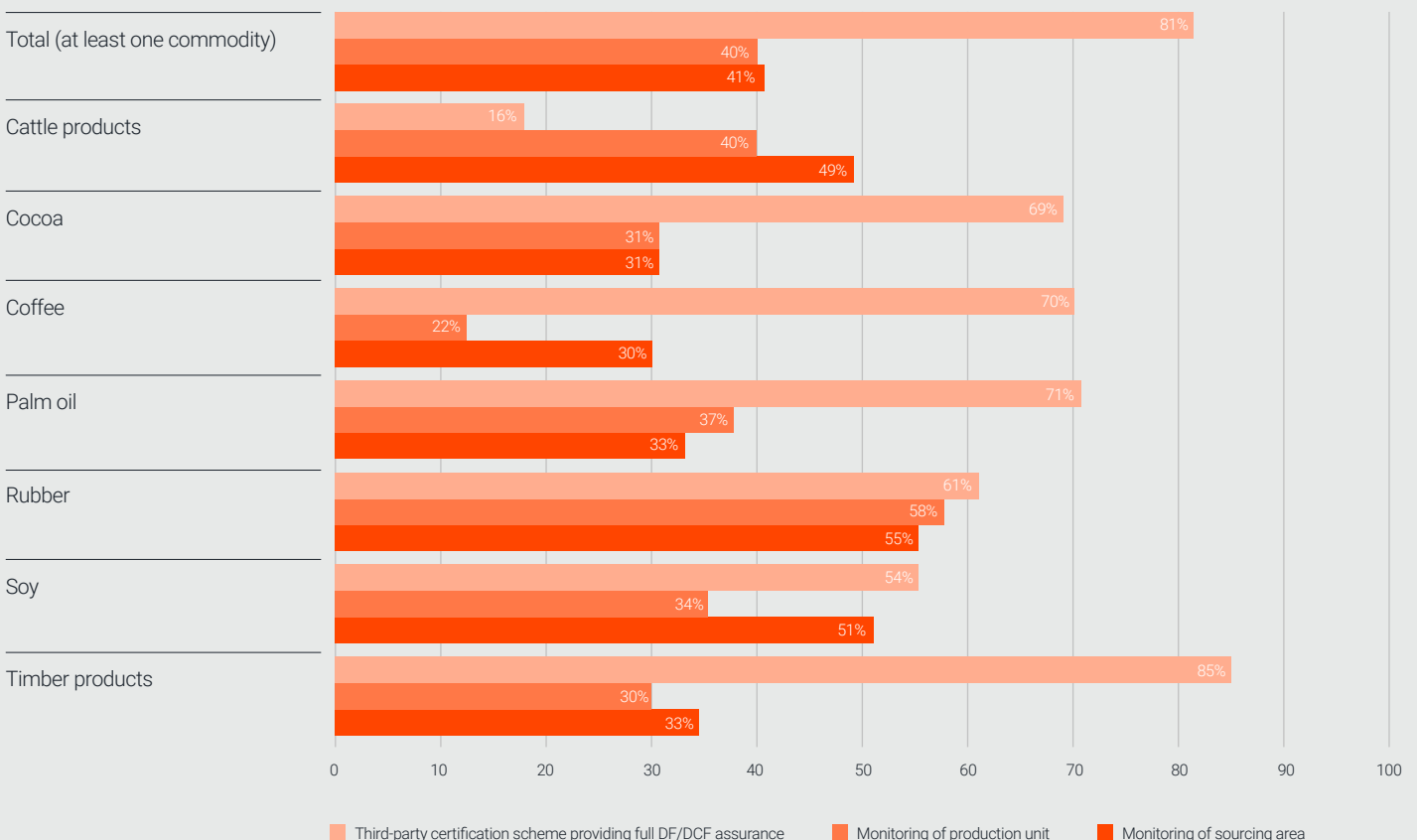
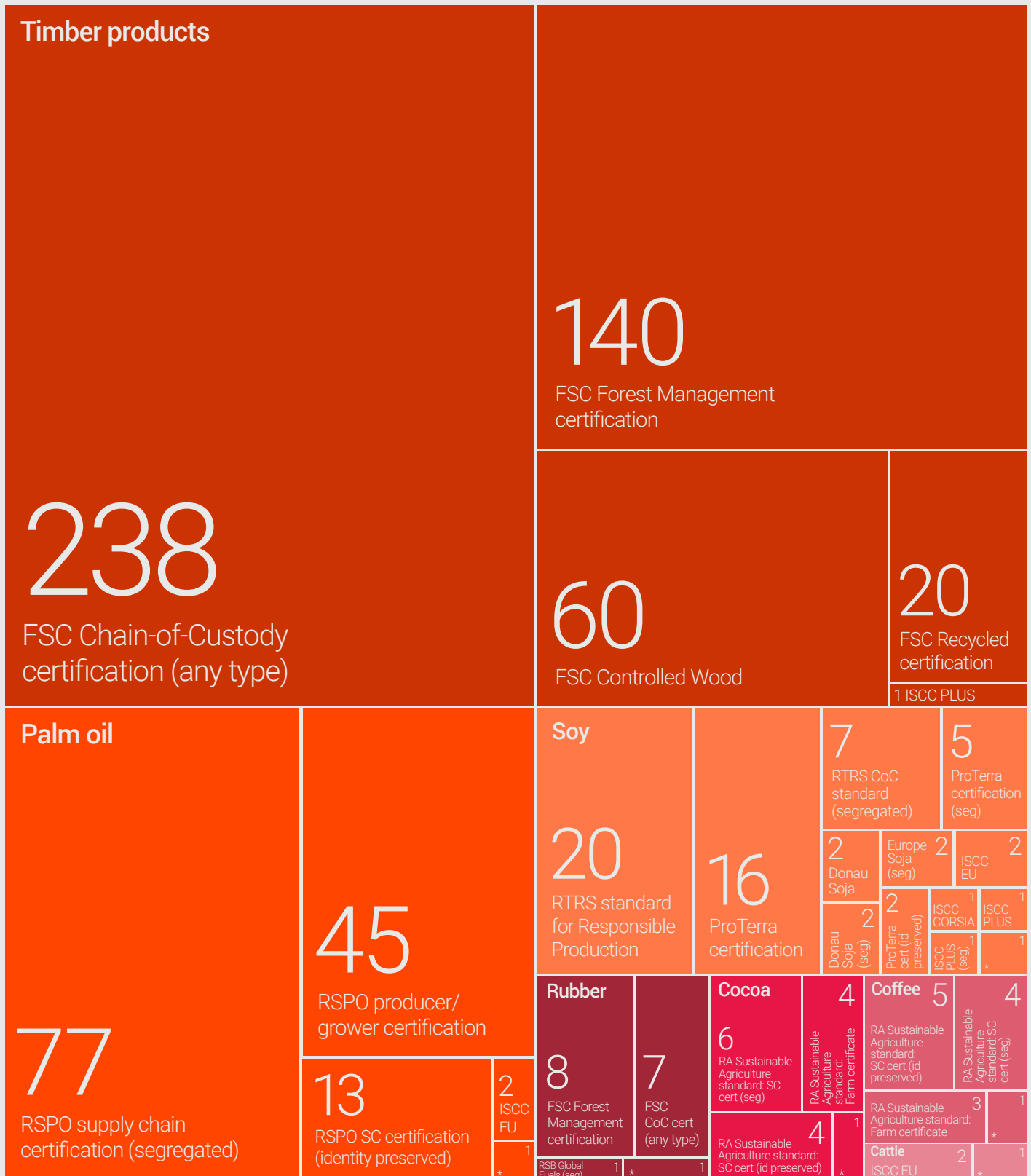




Figure 7: Number of companies using each third-party certification scheme that provides full DF/DCF assurance by commodity



* Preferred by Nature Sustainability Framework



01

Examples of determining DF/DCF through monitoring of production unit



Intercontinental Specialty Fats Sdn Bhd (ISF)

Palm oil: Geospatial monitoring or remote sensing tool

CDP forests score: A

ISF monitors suppliers' production units using "Traceability to Plantation" information and polygon boundary maps from certification audit reports using Global Forest Watch (GFW), GeoRSPO, Google Earth and national-standard map-monitoring applications for active sourcing areas in Malaysia. A third-party (Control Union) verified the validity of all information from mills with IP/SG certification while the remaining mills together with the supply base were verified for No Deforestation and No Peat according to the NDPE IRF form (version 5.8.1) using a sampling approach in line with a limited assurance approach.

Ferrero International S.A.

Cocoa: Geospatial monitoring or remote sensing tool | Ground-based monitoring system | Data collection and audits

CDP forests score: B

Ferrero's cocoa originates from Côte d'Ivoire, Nigeria, Ecuador, Ghana and Colombia and is DCF verified at least annually through on-ground farmer registration and mapping, satellite monitoring, and on-ground data collection/audits – with both Ferrero and their cocoa supplier applying various tools. Ferrero can trace 97.5% of their cocoa supply chain to the farm gate. Ferrero also requires its suppliers to maintain traceability to the farm level and to provide updated farm maps and polygon data, enabling monitoring of land use.

Ferrero conducts annual risk assessments and verification exercises with its suppliers to ensure alignment with its Cocoa Charter and the Cocoa & Forests Initiative (CFI). Certification and verification schemes, on-ground and satellite monitoring are used to verify DF/DCF status as well as direct supplier engagement, regular reporting, and third-party audits. Suppliers are incentivized to achieve and maintain deforestation- and conversion-free supply chains through long-term sourcing contracts, preferential procurement, and collaborative investment in community-level forest protection projects. Ferrero also publicly discloses its supplier list and traceability metrics.



02

Examples of determining DF/DCF through monitoring of sourcing area



Cranswick

Cattle products: Remote sensing or other geospatial data

CDP forests score: B

Cranswick uses risk classification in the decision-making process when it comes to sourcing beef products, classifying sourcing areas into risk categories based on the likelihood of deforestation or land conversion, with high-risk areas receiving more focused monitoring and scrutiny.

Cranswick sources beef products from Brazil and its suppliers guarantee traceability from their suppliers' farms and managed land and closely monitor these sourcing areas using Prodes & Deter to ensure there is no risk of deforestation or land conversion.

The supplier system is periodically audited and verified by an independent third-party organization. This third-party verification includes checks on the integrity of the satellite and geospatial data, field assessments where necessary, assessing whether the sourcing areas comply with Cranswick's DF/DCF policies and validation of traceability claims provided by the suppliers. In contrast, sourcing from the UK is considered to have a negligible deforestation risk, based on the regulatory frameworks and lower deforestation rates in these areas.

Croda International

Palm oil: Collaborating with other organizations to develop and share risk profiles | Remote sensing or other geospatial data | Information gathered through grievance mechanisms | Third-party assessment tool | Ground-based monitoring | Pre-existing current and credible risk profiles/indexes | Landscape or jurisdictional approaches

CDP forests score: B

Croda sources palm oil derivatives from Indonesia, Malaysia, and Thailand. To determine DCF and guide procurement decisions and avoid high-deforestation risk supply areas, Croda engages annually with ASD's Palm Transparency Investigation to trace and map purchased palm-based raw materials to the plantation, mill and refinery.

ASD assesses Croda's supply chain annually using geolocation information against five criteria: biodiversity, GHG emissions, deforestation, water, and external assessment highlighting high, medium and low environmental risk sourcing provinces and countries in Croda's supply chain.

In 2024, Croda participated in a Deforestation Monitoring pilot from ASD with annual deforestation within each mill supply area first analyzed by Nusantara Atlas followed by the ASD methodology, which is reviewed and updated annually to meet CDP requirements and alignment with the AFi and Consumer Goods Forum Forest Positive Coalition.

Croda also follows the SBTN guidance for Nature and ranked palm sourcing areas according to impacts and the jurisdictional-level state of nature and biodiversity risk – using the WWF Water and Biodiversity risk filter suite on ecosystem connectivity, function and intactness. This generates a pressure index that ranks sourcing locations per environmental pressure: land use, land use change, resource (water) use, and water pollution.



Deforestation-free commodity supply chains are fundamental to building resilient businesses and managing imminent environmental risks.

In 2025, 66% of companies disclosing through CDP identified at least one risk to their business from deforestation. These risks are already materializing. Within this group, 16 companies reported over US\$127.8 million in impact from deforestation in the reporting year alone— averaging US\$7.9 million per company.

The insights in this report show more companies are managing and disclosing their impacts on forests through improved DF/ DCF status reporting. A tenth of disclosing companies in 2025 reported at least one commodity supply chain was free or close to free from deforestation. A handful of companies with significant revenue tied to deforestation-linked commodities are formalizing emissions reduction targets, including those from land use change, through SBTi.

However, resilient growth cannot be achieved without more companies addressing deforestation and climate risks across all commodity supply chains.

To help improve visibility and allow organizations to take decisive action across their supply chains, CDP's questionnaire enables detailed disclosure on DF/ DCF status and the processes companies have in place to manage deforestation. Performance on cocoa, coffee, and rubber will be scored from 2026, raising the importance of disclosure on these commodities.

With 2025 targets to eliminate deforestation now due, much attention will be on corporate disclosures this year. Every disclosure brings us closer to the transparent, accountable supply chains that forests — and the businesses that depend on them — urgently need.





About the Accountability Framework initiative

The Accountability Framework initiative (AFi) is a collaborative programme to protect forests, other natural ecosystems, and human rights in agricultural and forestry commodity supply chains. The AFi works with companies, civil society, and other key stakeholders to promote and support the implementation of the Accountability Framework. The Framework is a detailed roadmap for setting goals, taking action, and reporting progress towards responsible supply chains. The initiative is led by the AFi Coalition: a diverse group of environmental and human rights organisations from around the world.

Visit accountability-framework.org or email contact@accountability-framework.org to find out more.

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About CDP

CDP is a global non-profit that runs the world's only independent environmental disclosure system. As the founder of environmental reporting, we believe in transparency and the power of data to drive change. Partnering with leaders in enterprise, capital, policy and science, we surface the information needed to enable Earth-positive decisions. We helped more than 22,100 companies and over 1,000 cities, states and regions disclose their environmental impacts in 2025. Financial institutions with more than a quarter of the world's institutional assets use CDP data to help inform investment and lending decisions. Aligned with the ISSB's climate standard, IFRS S2, as its foundational baseline, CDP integrates best practice reporting standards and frameworks in one place. Our team is truly global, united by our shared desire to build a world where people, planet and profit are truly balanced.

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