

# Public Consultation Comments and Responses

Agri-Food Deforestation and  
Conversion Free (DCF) Sourcing  
Criteria

## Feedback received during Public Consultation various topic of the Criteria

No.	Category/Topic	Feedbacks	Our Response
1	Entities in Scope (Section 2.1)	<p>I am not sure about it.</p> <p>Yes.</p> <p>Agree</p> <p>I agree with the flexible approach</p> <p>We would encourage introducing a threshold related to materiality, this reduces the likelihood of organizations reducing the scope of their targets and the likelihood of companies excluding at-risk volumes/parts of the business from scope.</p> <p>cut-off based on percentage, three year average</p> <p>Yes, I agree with this approach. Given the often diversified product mix of purchased goods, there needs to be flexibility in determining eligibility. If the criteria apply a defined percentage of revenue, this needs to be stated in the standard criteria in the published document, otherwise there is ambiguity as to which companies can qualify for certification under the criteria, and less transparency as to what the determination criteria are of Climate Bonds, should this decision sit with the organisation.</p> <p>I would recommend that a significant percentage be defined as 5% or more of annual revenue. This percentage is used in corporate Greenhouse Gas Accounting, to determine when a change in emissions resulting from a methodological or organisational change is deemed 'material' and therefore warranting further investigation or the potential for a recalculation in emissions.</p> <p>Truthfully, if we want to capture the full scope of the impact and transform the global supply chain, we need to be engaging with <i>*all*</i> players active in the sector. This includes companies that even have only minimal revenue generated from agri-food supply chains. Our recommendation is to include <i>*every*</i> company making revenue from agri-food supply chains (as otherwise defined in the relevant entities scope). Additionally noting this is a voluntary standard, all who are interested should be engaged to drive a market transition. We are open to engaging with the Climate Bonds Initiative and relevant working groups to discuss how that data can be made available to allow for ease of truthful, trusted, transparent and timely monitoring, reporting and verification. There is opportunity to also leverage the Anthro platform, which will be available in the near-future.</p>	<p>We have included some changes here based on the suggestion to use a fixed threshold. Any company that generates at least 50% of its revenue from agriculture is eligible to certify under these Criteria. We understand the importance of engaging all the supply chains and we acknowledge that every company making revenue from the agri-food supply chain should target to achieve deforestation and conversion free supply chains. However, under these Agri-Food DCF Sourcing Criteria entities will be certified as based on the check carried out for agri-food commodities that accounts for more than 1% of the agri-food procurement spend. Therefore, including companies generating a smaller amount of revenue from agricultural supply chains indicates certifying those entities as Deforestation and Conversion free sourcing without checking their association with Deforestation and Conversion in other supply chains. This is a first step in addressing emissions in the supply chains.</p>
2	Materiality of the commodities in scope (Section 2.4)	<p>I am not sure about it.</p>	<p>This is an entity certification. These Criteria are to certify the agri-food entities (except the producers) having</p>

		<p>Yes</p> <p>Not feasible. Food manufacturers often procure a wide variety of food ingredients and commodities - the 1% threshold makes it onerous as may constitute a very large number of commodities particularly for large and diversified food manufacturers. Would propose a threshold of 5%.</p> <p>I disagree</p> <p>General agreement with the materiality assessment of commodities in scope. Propose to also include agri-commodities used in non-food contexts e.g. for personal care products (which would cover a more complete scope of palm derivatives) and the inclusion of leather within scope as these complex supply chains are also key to meeting DCF goals.</p> <p>yes ok</p> <p>I partially agree with there being a specified percentage of agri-commodity spend to qualify a raw material level. However, I am unsure what the right percentage threshold should be, to ensure the scope of the assessment covers commodities that are deemed to be of material risk (financial, environmental, social, etc) to the company undergoing certification. Should a company not have prioritised risk management for a particular commodity, because under their assessment, this was deemed to be a priority or as much of a priority as perhaps another commodity or set of commodities, then there will naturally be a gap in coverage under their strategy, policies and programs to address deforestation in those commodity supply chains. Under this scenario, many companies may fail to achieve the CBI criteria benchmark for compliance and therefore fail the audit, making the criteria less aligned to how companies respond to supply chain risk.</p> <p>Given that corporate action to address deforestation tend to focus on those products and derivatives classified by global assessments (E.g. Curtis et al, CDP Forest disclosure, EUDR) as primary deforestation-linked commodities, rather than those accounting for a certain threshold of agri-food commodity spend, it might be worth considering to switch this criteria from one using spend to a defined list of commodities that must be subject to certification under the Criteria.</p> <p>Again here we are curious why we are setting limits for engagement? Is there concern regarding feasibility of including and auditing all commodities that account for even less than 1% of the procurement spend for a given eligible entity? We would like to see all included, or perhaps a plan to include all relevant agri-food commodities (as identified in the standard) to ensure we minimize data gaps accounting for deforestation. Recommend consideration for a lower threshold.</p>	<p>deforestation and conversion free supply chains. The aim is to cover all agri-food commodities and therefore non-food agri-commodities are currently excluded and no fixed list of the agri-food commodities to be covered under these Criteria is provided. All the agri-food commodities the applicant entity is dealing with will have to undergo audit (based on their contribution to procurement spend). There are mixed suggestions to increase and decrease the threshold from 1% and therefore to maintain a balance and to clearly define the boundary of the commodities to undergo audit we will go with 1%. No changes in the requirement.</p>
3	Cut-off date (Section 3.1)	<p>yes</p> <p>Yes.</p> <p>Agree.</p> <p>I agree</p>	<p>The cut-off date "31<sup>st</sup> December 2020" is in alignment with AFI and EUDR. In the background paper we have discussed cut-off dates set by different initiatives and guidelines and need to align the</p>

		<p>Agreement with AFI aligned cut-off date. Propose to include additional reference that best practice considers commodity specific sectoral aligned cut-off dates (eg. Palm RSPO is 2018 etc).</p> <p>yes ok</p> <p>Yes, alignment with the EUDR and AFI ensures that the CBI remain consistent with industry wide accepted standards. However, there might be some compliance challenges for entities pursuing certification, who are ensuring they can meet this cut-off date under EUDR for EU destined volumes, by excluding volumes from certain parts of their supply chains (e.g. smallholders, untraceable volumes). Under this scenario, a subsidiary of a group entity might comply with this cut-off date, but at group level, they cannot fully comply.</p> <p>It might be helpful to provide a buffer in this criteria, to allow for up to 5% of volumes for applicable commodities, to be derived from lands where deforestation and conversion occurred after 31st December 2020. Reasons are as follows:</p> <ol style="list-style-type: none"> <li>1. The EUDR does not currently cover the definition of conversion of other habitats (e.g. savannah, wetlands, etc). Companies working to comply with EUDR will therefore not prioritise conversion-free status, given it's exclusion at this time. Therefore, there may be a portion of volume not in compliance with this cut-off date.</li> <li>2. Since the CBI's objective is for certification to help company's obtain investments to finance deforestation and conversion-free interventions, the criteria should not exclude actors working towards this outcome and for which certification might to help accelerate their response.</li> <li>3. There is widespread concern of how the EUDR will impact on sustained smallholder inclusion in global supply chains. Complex traceability requirements for plot level location data could nudge smallholders away from sustainable commodity markets, as many don't have access to technology to report such data. For this reason, providing entities with a buffer for such volumes will avoid the potential exclusion of smallholders from supply chains in future.</li> </ol> <p>This seems as reasonable as any other cutoff date and aligning with regional regulations is wise to trend towards global standardization. Noting that the baseline forest cover is taken from 2000 and that high or low risk countries are identified based on deforestation over the 5-year period between 2018-2022, spanning the cutoff year of 2020.</p> <p>Critical question for consideration.... why is the 5-year period to assess risk spanning the cutoff date rather than directly prior (ex. 2016-2020)? Noting that 2018-2022 is heavily during the period of the COVID-19 pandemic, which may skew data.</p>	<p>global efforts. No changes in the requirement.</p>
4	Risk Classification Methodology (Section 3.2 and Appendix 1)	<p>yes</p> <p>Yes.</p> <p>Agree.</p> <p>I agree</p>	<p>The current approach used for risk classification is based on data availability and constraints of different land used models. As these Criteria covers all agri-food commodities,</p>

		<p>We propose that the risk assessment should be commodity specific to capture the regional variation in deforestation across commodities. WRI has done some work on this in addition to their GFW data. We also have some concerns in using deforestation as a proxy for conversion and degradation as there are key non-forest natural ecosystems which are impacted by conversion and not deforestation e.g. Soy and Beef expansion in the Brazilian Cerrado or the US. We also propose an approach in which risk assessments for high risk countries are then considered for a regional level assessment (e.g. working to gain more granular data). Various high deforestation countries have regional variations in rates of deforestation and conversion, with some regions having negligible levels of deforestation and conversion. A country level classification may not capture this level of variation. Resources to support this analysis include WRI's work on country assessment, which specifically links deforestation to specific commodity, and Pendrill data. Proforest would be happy to put CBI in touch with the relevant contact points.</p>	<p>therefore carrying out a commodity-specific risk classification which requires wider database and modelling cannot be done at this stage. There is lack of database on degradation and conversion and therefore, the data for deforestation is currently used as proxy for both. We acknowledge the limitation the methodology has, and we have also discussed it in detail in the background paper. These lists can be modified as more data becomes available. For the countries currently not covered under the list, the verifiers will use the similar methodology to assess the risk. Further risk assessment to be carried out but the companies under due diligence.</p>
		<p>not sufficient - risks should be classified in terms of likelihood and impact (see OECD) and be commodity-specific by country</p>	
		<p>The Global Forest Watch tool is based on research by Hansen et al. (2013), which focuses on tree cover loss, gain and change. Using tree cover as a forest proxy does not distinguish well between native forest and timber, rubber, coffee and cocoa plantations, to name a few examples. This issue is most notable for crops grown under agroforestry systems. Using tree cover loss can also lead to false positives (e.g. tree crop renewal, which is classified as tree cover loss) and false negatives (e.g. the layer won't detect tree cover loss for tree crops grown under forest canopy).</p> <p>As a result of this, the rating of high or low risk might be poorly classifying commodity-driven country risk, because the Global Forest Watch tool is not effective at discerning land use change drivers, when taken in aggregation at country level. In addition, some countries are not classified (perhaps because the focus might have just been on countries with tropical forest cover only). However, does this therefore mean that any risks from e.g. the Boreal forest biome - such as deforestation linked to timber production in Russia, are not in scope of the Criteria?</p> <p>It might be worth considering whether a few different risk classification sources would better serve this objective for ranking country risk.</p>	

		<p>In addition to our own public and private sources, we cross-reference our own satellite data capabilities with Global Forest Watch data as a high-quality data source and see higher caliber results in the combined output.</p> <p>The countries included in the list of 58 they are currently monitoring do include the geographic regions (and ecosystems) most relevant for the target commodities listed: palm oil, soy, cattle, cocoa, coffee, rubber and wood; however it should be noted that this will not give a full picture. For example, Canada is not included, and they are a critical player in the timber industry, which includes pulp &amp; paper manufacturing that is used for food packaging (noted as a focus of this standard).</p> <p>What will be the approach for a country not included in this list? We recommend we consider that they are classified as a “high-risk” country in that case. We could work with your network of approved verifiers to gather the needed impact reporting information.</p>	
5	Risk Classification Methodology (Section 3.2 and Appendix 1)2	<p>no</p> <p>May be not.</p> <p>Agree.</p> <p>I accept cover density greater than 10%</p> <p>No comment</p> <p>don't know</p> <p>Yes, a lower density will ensure a larger area of assessment and detection of tree cover loss.</p> <p>We disagree and recommend the use of the 30% canopy density assessment for risk classification. Not only is this more rigorous and results in an inclusion of more “high-risk” countries (critically including the United States, which is a *major* driver of deforestation for cattle and feed in particular and needs to be held under tight scrutiny and accountability), but this brings the focus to regions that would be more widely considered to be a “forest” rather than a mixed-use region and keep closer to to the intention of the standard.</p> <p>The only tradeoff is that this doesn’t align directly with the upcoming EUDR, so trends away from global harmonization... that said, this would make Climate Bonds’ standard more aggressive and risk-averse, which is only an improvement and positive driver for</p>	<p>The definition of forest states "Land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 %, or trees able to reach those thresholds in situ, excluding land that is predominantly under agricultural or urban land use." based on it the data was collected for more than 10% canopy cover.</p>

		<p>behavior change in this sector. We recommend collaborating with the EUDR so as to make improvements that can fully harmonize to the best efforts of the parties involved.</p>	
6	Traceability (Section 3.3)	<p>I am not sure</p> <hr/> <p>Yes.</p> <hr/> <p>Strongly disagree. Polygon geo-referencing requirements under EUDR is often too challenging to implement especially for companies with complex supply chains. Significant amount of human resources are required to manually map production units and such mapping is also not easily accessible for non-producer entities which is in-scope of this criteria. EUDR compliance should be recommended as a matter of best practice, but flexibility should be afforded for entities that have administrative challenges in complying with EUDR's traceability requirements.</p> <hr/> <p>I agree single-point georeferencing</p> <hr/> <p>While companies are currently working to ensure their EU volumes are EUDR compliant, this rarely comprises a company's full sourcing/supply. This means that companies don't have systems in place to meet this geolocation criteria for their non-EU volumes, as a result, in reality this criteria will not be achievable for the vast majority of companies.</p> <p>Approaches which incentivize companies to shift sourcing away high-risk areas to avoid risk areas or green-picking suppliers, does not lead to sectoral progress for not yet DCF volumes (in high risk areas), as companies lose their commercial leverage to drive positive change in these areas. These high-risk regions will continue to supply unsustainable volumes to leakage markets with less stringent sustainability requirements.</p> <p>We would also like to point out unintended consequences such as excluding independent smallholders from supply chains as a result of the stringent geolocation requirements of the EUDR. For further details, please refer to the discussion paper published by IDH and Proforest in 2022 (<a href="https://www.proforest.net/fileadmin/uploads/proforest/Photos/Publications/IDH_Forest_Positive_Options_Policypaper.pdf">https://www.proforest.net/fileadmin/uploads/proforest/Photos/Publications/IDH_Forest_Positive_Options_Policypaper.pdf</a>)</p> <p>For a proposed alternative approach please find our comments under section 4.</p> <hr/> <p>yes</p>	<p>This is a voluntary certification scheme for the entities that want to reflect they are sourcing deforestation and conversion free agri-food commodities. Considering the priority to address the deforestation in the agricultural supply chains and need for full traceability, the Criteria sets the requirement for the commodities covered in EUDR and commodities originating from the high-risk region to be traceable to geolocation of the original production unit (polygon for more than 4 ha and single-point georeferencing for less than 4 ha). For commodities originating from low-risk traceability a bandwidth till 1st of Jan 2030 is provided after which full traceability is required, till then traceability to the country of origin or primary processing facility is required. No changes in the requirement</p>

		<p>Yes, although this might be challenging for companies to comply with for commodities not considered under a company's deforestation free policy but selected under this Criteria's commodity eligibility requirement.</p> <p>We acknowledge that this makes sense and have been developing our own tools for georeferencing. We are adopting a polygon approach in all cases, that said, a single point for a small-scale operation would allow for a focused analysis of satellite data and other external signals during the MRV process. It will be important to allow for ease of inclusion of small-scale farmers who do play a critical role in this sector.</p> <p>Consider ground truth observations for sub 4ha measurement needs.</p>	
7	Due Diligence (Section 3.4)	<p>No, all countries should bare the same costs of certification and due diligence.</p> <p>Yes, absolutely.</p> <p>Agree.</p> <p>I agree demonstrate the traceability of commodities to the relevant point of origin</p> <p>Please see our comments on section 3.3. for high-risk country traceability criteria. For low risk countries, alternative language could be used, 'traceability to production area at scale needed to confirm to deforestation or conversion since cut-off date' as this will vary dependent on commodity or region. We are supportive of approaches that do not prioritize resources for granular traceability in low risk areas, as this diverts resources away from where they may be most impactful (e.g. in high risk areas).</p> <p>yes</p> <p>This requirement will require a wholesale change in supply chain governance and practice. It is logical, but maybe not feasible in all cases if companies are any now beginning to prepare themselves for such a requirement.</p> <p>We agree and are extremely supportive of using this standard as a mechanism (alongside the EUDR regulations) to drive a transition towards an industry in which these due diligence systems are the norm. One note we are cautious of is the reference to considering all commodities from high-risk countries that are not placed on the EU market as low-risk. We understand the intention to align with EUDR regulations in the interest of global harmonization; however, this is a global issue and global markets are at play here. We need to maintain a global mindset.</p>	Further due diligence is required is for the commodities originating from high-risk regions to ensure the status of deforestation and conversion free. We have included the suggested changes in the wording, but the requirements remain unchanged.
8	Monitoring (Section 3.5)	<p>yes</p> <p>Yes.</p> <p>Disagree. Such available monitoring systems in the market are currently not set up for EUDR-type traceability all the way to point of origin especially for entities with complex supply chains.</p> <p>I agree</p> <p>Please see our comments on section 3.3. for high-risk country traceability criteria.</p>	For high-risk regions entities are required to demonstrate that there is a monitoring system in place to monitor the geolocated production land plots for deforestation and conversion. The tools and methods for monitoring system varies based on their availability, the commodity to be monitored, scale and type of production therefore entities can adopt based on their



		<p>yes, though there should be distinctions be made by firm type (see criteria for SMEs by OECD/ FAO 2023)</p> <p>The EUDR does not provide adequate detail on what parameters such a monitoring system must cover, in order to comply. Further clarity would be given if the EU were to publish a tool containing all required parameters for monitoring. I would recommend that CBI include more details on what a monitoring system could cover as an annex. For example, defining common indicators that companies should document and track, types of data controls to put in place to ensure data are robust and trustworthy, etc.</p> <p>Yes, at this point as there is no true global standard for these monitoring systems, it is important to be inclusive of a wider range of approaches. That said, it will be the responsibility of the approved verifiers to closely review and approve these systems. Gathering data from external signals through Anthro’s environmental intelligence can be supportive here to cross-reference this monitoring effort.</p>	<p>requirements. It is beyond the mandate of the Climate Bonds to prescribe a monitoring system. As long as the outcome (no deforestation and conversion) is clear and verifiers can assess the methodology used, it should be left to companies. No change in the requirement, however, some changes have been included in the wording of Criteria.</p>
9	Reporting (Section 3.6)	<p>yes</p> <p>Yes.</p> <p>Agree, however flexibility should be given on masking supplier information for data protection and if the information is commercially sensitive.</p> <p>Estoy de acuerdo</p> <p>Agreement with annual basis of disclosing to provide reports + tier 1 supplier lists. Also important that scope is part of the disclosure, e.g. is it for all volumes (including complex supply like embedded soy, derivatives, smallholders etc.)</p> <p>yes</p> <p>Yes, I agree with this requirement</p> <p>We agree this is feasible and disagree that this is robust. We feel that annual reports are far too infrequent to share the granularity needed to truly track these impacts. At Anthro, we are adopting real-time reporting protocols for full visibility. We know this is not yet feasible to require from a system of individual approved verifiers. In that case, we would ask if there could be a streamlined process such that quarterly or even biannual (twice a year) reports could be made? We’re willing and able to help support more frequent and verifiable reporting practices.</p>	<p>The Climate Bonds requires annual reporting for all the certified entities. Maintaining consistency, the Criteria set the requirement for annual reporting and therefore no changes were included. The applicant entities are required to share the information listed in the verification section of the Criteria to the verifiers which also consists of revealing data calculation for scoping of the commodities based of their share in procurement spend.</p>
10	Verification – Requirement (Section 3.7)	<p>yes</p> <p>Yes.</p> <p>Agree.</p> <p>absolutely I agree</p> <p>Please see our comments on section 3.3. for high-risk country traceability criteria (e.g. avoid only cleaning supply chains, instead driving pro-active engagement to stop deforestation in high risk areas).</p> <p>yes - vi. should specifically ask for choke points, likelihood and impact of risks</p> <p>Yes, I agree with these requirements</p>	<p>The requirements of the verification are stated in the Criteria. As this is a past looking Criteria and any entity that can reflect that all the agri-food commodities (given the requirement of materiality) that are sourced are free from deforestation and conversion after 31st dec 2020 are eligible to certify. we acknowledge the importance of pro-active engagement to stop deforestation, and these can be included in the long-term plan for the entities.</p>

		<p>We agree this is feasible and disagree that this is robust. We feel that annual reports are far too infrequent to share the granularity needed to truly track these impacts. At Anthro, we are adopting real-time reporting protocols for full visibility. We know this is not yet feasible to require from a system of individual approved verifiers. In that case, we would ask if there could be a streamlined process such that quarterly or even biannual (twice a year) reports could be made? We're willing and able to help support more frequent and verifiable reporting practices.</p>	
11	Verification – Sampling (Section 3.7)	<p>yes</p> <p>Yes.</p> <p>Agree.</p> <p>I agree</p> <p>Please see our comments on section 3.3. for high-risk country traceability criteria.</p> <p>yes, adequate to differentiate high low risks; improve by following handbook: <a href="https://www.fao.org/3/cc6595en/cc6595en.pdf">https://www.fao.org/3/cc6595en/cc6595en.pdf</a></p> <p>If the lower threshold is 10%, what is the upper threshold? I anticipate that companies would want to know whether they would be subject to an audit for 15% or 20% of purchased volume and suppliers, and on what grounds this requirement would be higher for their specific case.</p> <p>When an auditor is randomly selecting 10% of purchased volume and suppliers from a database, how will the volume selection be conducted? Would any volume listed (e.g. 15%) be subject to selection (at least in part) no matter the absolute value and materiality within the commodity group? For example, a supplier might account for 15% of the total purchased volume for a commodity, and the sampling could select 33% of their volume to form part of the 10% coverage needed. I would just like to ensure that the sampling approach does not exclude large volume suppliers, because their total contributions exceeds the 10% coverage.</p> <p>As noted above, we recommend more frequent verification at least at the quarterly level or the biannual (twice a year) cadence also considering seasonal impacts. We recognize how the low-risk origin countries are being identified, and especially if the 10% canopy cover risk assessment is adopted, we guide towards increased traceability. Given that this verification process will be established for the high-risk countries, it is absolutely feasible for the low-risk countries and simply offers greater accountability for all.</p> <p>Considering that the risk assessment is taken during 2018-2022, which is directly amidst the COVID-19 pandemic, it may also be a variable landscape in which countries would soon fall from the low-risk ranking to the high-risk ranking and as such it will be important to capture the fine-tuned data. Why not use the same verification process for all countries? This also streamlines the development of verification tools (even though we would be asking for more data). If it is</p>	<p>The verifiers adopts sampling technique during the verification process and it varies case by case. For the Agri-Food DCF Sourcing Criteria, it was important that the selected sample reflects the true representation of the livestock (if present) and nature of the supply chain. Therefore, these requirements were set. The verification process is for all same countries however, for high-risk regions verifiers may want to increase the sample size and therefore no upper threshold is included. No changes in the requirement.</p>

		deemed not possible to begin in this way, this could be considered as an expansion for the standard in the next version.	
12	Third-party certification (Section 3.8)	yes	The mass balance approach monitors the certified total amount of the commodity and ensures the selling of that certified amount. But it allows mixing of the non-certified and certified products, making it difficult for the purchasers to identify what proportion of the product they bought is certified. It also poses challenges in identifying the original source of the commodities and doesn't ensure physical traceability to a specific land management unit and the geolocation information is lost in mixing. Therefore, is not allowed under these Criteria. Companies can use a third-party verification as a substitute for this certification if it meets all the requirements set under these Criteria.
		Yes	
		Should also consider flexibility to accept mass balance supply chains.	
		I agree	
		We are supportive of an approach in which companies can choose between a variety of implementation options to demonstrate DCF (e.g. negligible, 3rd party certification, remote/field monitoring) – more details can be found in Proforest's generic DCF methodology ( <a href="https://www.proforest.net/resources/publications/deforestation-and-conversion-free-methodology/">https://www.proforest.net/resources/publications/deforestation-and-conversion-free-methodology/</a> ). For example, if the company's volumes are Certified under an acceptable scheme and Chain of Custody (the certification scheme has an appropriate mechanism to confirm no deforestation/conversion post cut-off date and to monitor remaining natural vegetation), we would not request the additional requirement to also remotely monitor these volumes (as the monitoring is already covered through the certification scheme).	
		yes, this proxy seems ok for transition period	
		Given it's widespread usage in agricultural and forestry value chains, I would say this is an appropriate mechanism and substitute.	
		Yes, we encourage engaging third-party certifications to also boost and expand that network, which will overall catalyze the transition of the global sector. That said, we agree that all equivalent due diligence, risk assessment, and MRV criteria as outlined above (and in the standard) are met. Approved verifiers will need to review these reports in detail and from there could also identify approved third-party certifiers that deliver sufficient, high veracity data.	
13	Human Rights (Section 3.9)	yes	Included provision for smallholders
		Yes	
		Agree.	
		I agree	

		<p>Please find below, some relevant resources linked to Proforest’s Human Rights risk approach work</p> <ul style="list-style-type: none"> <li>• Human Rights Policy Commitments Guide (<a href="https://www.proforest.net/resources/publications/human-rights-policy-commitments-guide-14946/">https://www.proforest.net/resources/publications/human-rights-policy-commitments-guide-14946/</a>)</li> <li>• Grievance management guidance (<a href="https://www.proforest.net/fileadmin/uploads/proforest/Photos/Publications/HR_Grievances_Guidance_for_Buyers.pdf">https://www.proforest.net/fileadmin/uploads/proforest/Photos/Publications/HR_Grievances_Guidance_for_Buyers.pdf</a>)</li> <li>• Human rights due diligence library of tools - The Palm Oil Collaboration Group (<a href="https://palmoilcollaborationgroup.net/hrdd-library-of-tools">https://palmoilcollaborationgroup.net/hrdd-library-of-tools</a>)</li> </ul> <p>seems encompassing, yet not sure this is feasible (note distinction of type of enterprise by OECD)</p> <p>Yes</p> <p>Yes, this is critical to include and a major consideration for intersectionality. Human rights and conservation are inextricably linked. This list of principles and conventions is a great starting point. Our team has been referencing this list compiled in reference to the UN SDGs: <a href="https://sdg.humanrights.dk/en/goals-and-targets">https://sdg.humanrights.dk/en/goals-and-targets</a></p>	
14	Enabling Activities (Section 4)	<p>blockchain</p> <p>Inclusion in the local regulation.</p> <p>I agree</p> <p>The AFi common DCF methodology, is an aligned approach across the sector (<a href="https://accountability-framework.org/news-events/news/afi-releases-updated-common-methodology-for-corporate-reporting-and-assessment/">https://accountability-framework.org/news-events/news/afi-releases-updated-common-methodology-for-corporate-reporting-and-assessment/</a>). It offers a set of recommended metrics that can be used to assess company policies, actions, performance and progress towards DCF supply chains. This standardized approach also recognizes the need to track progress on volumes which are not yet-DCF (or volumes with unconfirmed status) to progress towards DCF. Our recommendation is to incentivize actions that drive progress towards DCF, particularly for complex supply chains (e.g. smallholder volumes, derivatives and embedded soy) which face additional challenges to achieving DCF. One of these approaches to drive progress includes investing in risk mitigation strategies through landscapes approaches, please see here for more details (<a href="https://www.proforest.net/fileadmin/uploads/proforest/Photos/Publications/ClimateNaturePeople_Global_Study.pdf">https://www.proforest.net/fileadmin/uploads/proforest/Photos/Publications/ClimateNaturePeople_Global_Study.pdf</a>). It is critical to incentivize approaches with mechanisms to support companies in demonstrating these actions that drive on-the-ground positive impacts.</p> <p>Listed below are additional actions which support non-DCF volumes to progress towards DCF:</p> <ul style="list-style-type: none"> <li>• Supplier engagement to work with non-compliant suppliers</li> <li>• Working with smallholders</li> <li>• Working collaboratively in production landscapes and sectoral initiatives</li> <li>• Increasing traceability, physical certification, monitoring</li> </ul> <p><a href="https://www.fao.org/3/cc6595en/cc6595en.pdf">https://www.fao.org/3/cc6595en/cc6595en.pdf</a></p>	Not applicable

		<p>Industry coalitions with commodity-specific roadmaps and investments in collective action programs.</p>	
15	Overall Framing for DCF Sourcing	<p>Congratulations, Excellence. !</p> <p>For more details on commodity specific approaches, please find below the CGF-FPC DCF methodologies for:</p> <ul style="list-style-type: none"> <li>• Soy – annex 2 (<a href="https://www.theconsumergoodsforum.com/wp-content/uploads/2023/02/CGF-FPC-Soy-Roadmap-Guidance.pdf">https://www.theconsumergoodsforum.com/wp-content/uploads/2023/02/CGF-FPC-Soy-Roadmap-Guidance.pdf</a>)</li> <li>• Palm Oil - (<a href="https://www.theconsumergoodsforum.com/wp-content/uploads/2023/10/CGF-FPC-Palm-Oil-DCF-Methodology-v0.pdf">https://www.theconsumergoodsforum.com/wp-content/uploads/2023/10/CGF-FPC-Palm-Oil-DCF-Methodology-v0.pdf</a>)</li> <li>• PPP – annex 4 (<a href="https://www.theconsumergoodsforum.com/wp-content/uploads/2023/02/CGF-FPC-PPP-Roadmap-Guidance.pdf">https://www.theconsumergoodsforum.com/wp-content/uploads/2023/02/CGF-FPC-PPP-Roadmap-Guidance.pdf</a>)</li> </ul> <p>stronger focus on risk-based due diligence, integration of GRI criteria in line with OECD handbook: <a href="https://www.fao.org/3/cc6595en/cc6595en.pdf">https://www.fao.org/3/cc6595en/cc6595en.pdf</a></p> <p>We appreciate that you went a step further than EUDR to call out conversion-free in addition to deforestation-free sourcing, and actually really appreciate your definitions for the scope of land-use conversion and deforestation considered here. That said, the title does come across as quite confusing because you lead with the solo term “deforestation”. A more positive title would be “Forest Cover &amp; Land-Use Sourcing Criteria” → which transforms the focus to be positive. It is clearly related to any deforestation-free standard given the focus on forest cover. This is more explanatory of what is being audited.</p>	<p>The title of the Criteria is 'Agri-Food Deforestation and Conversion Free Sourcing' reflecting that deforestation (and degradation) and conversion of other natural ecosystem are covered under these Criteria.</p>

### Summary table for public consultation feedback

No.	Topic	Feedback Received	Response
1	Entities in Scope (Section 2.1)	Participants have mixed opinion around selection of the entities that falls under the scope of these Criteria, 50% of the participants agreed with the flexible approach however suggestions include having a fixed threshold or to include every company generating revenue from agriculture.	We have included some changes here based on the suggestion to use a fixed threshold. Any agri-food entity that generates at least 50% of its revenue from agriculture is eligible to certify under these Criteria. We understand the importance of engaging all the supply chains and we acknowledge that every company making revenue from the agri-food supply chain should target to achieve deforestation and conversion free supply chains. However, under these Agri-Food DCF Sourcing Criteria entities will be certified as based on the check carried out for agri-food commodities that accounts for more than 1% of the agri-food procurement spend. Therefore, including entities generating a smaller amount of revenue from agricultural supply chains indicates certifying those entities as Deforestation and Conversion free sourcing without checking their association with deforestation and conversion in other supply chains. This is a first step in addressing emissions in the supply chains.
2	Materiality of the commodities in scope (Section 2.4)	Suggestions from participants includes increasing the threshold from 1% to 5%, decreasing the threshold from 1%, include agri-commodities in non-food items and having a defined list of commodities to cover under these Criteria.	This is an Entity Certification. These Criteria are to certify the agri-food entities (except the producers) having deforestation and conversion free supply chains. The aim is to cover all agri-food commodities and therefore non-food agri-commodities are currently excluded and no fixed list of the agri-food commodities to be covered under these Criteria is provided. All the agri-food commodities the applicant entity is dealing with will have to undergo audit (based on their contribution to procurement spend). There are mixed suggestions to increase and decrease the threshold from 1% and therefore to maintain a balance and to clearly define the boundary of the commodities to undergo audit we will go with 1%. No changes in the requirement.
3	Cut-off date (Section 3.1)	Participants agree with the selected cut-off date	The cut-off date "31 December 2020" is in alignment with AFi and EUDR. In the background paper we have discussed cut-off dates set by different initiatives and guidelines and need to align the global efforts. No changes in the requirement.

4	Risk Classification Methodology (Section 3.2 and Appendix 1)	50% participants are in agreement with the risk classification methodology. Suggestions includes using a commodity specific approach. Few participants shows their concern around the effectiveness of the Global Forest Watch (GFW) database and use of deforestation data as a proxy for conversion and degradation.	The current approach used for risk classification is based on data availability and constraints of different land used models. As these Criteria covers all agri-food commodities, therefore carrying out a commodity-specific risk classification which requires wider database and modelling cannot be done at this stage. There is lack of database on degradation and conversion and therefore, the data for deforestation is currently used as proxy for both. We acknowledge the limitation the methodology has, and we have also discussed it in detail in the background paper. These lists can be modified as more data becomes available. For the countries currently not covered under the list, the verifiers will use the similar methodology to assess the risk. Further risk assessment to be carried out but the companies under due diligence.
5	Risk Classification Methodology (Section 3.2 and Appendix 1)2	Participant who is not in agreement suggested to use 30% rather than 10% canopy density but also agrees that using 30% will be a diversion from global harmonization.	The definition of forest states "Land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10 %, or trees able to reach those thresholds in situ, excluding land that is predominantly under agricultural or urban land use." based on it the data was collected for more than 10% canopy cover.
6	Traceability (Section 3.3)	More than 50% participant are in agreement with the traceability requirement. The concern for non-agreement is that geolocation is not feasible for the companies and it might result in exclusion of smallholders.	This is a voluntary Certification scheme for the entities that want to reflect they are sourcing deforestation and conversion free agri-food commodities. Considering the priority to address the deforestation in the agricultural supply chains and need for full traceability, the Criteria sets the requirement for the commodities covered in EUDR and commodities originating from the high-risk region to be traceable to geolocation of the original production unit (polygon for more than 4 ha and single- point georeferencing for less that 4 ha). For commodities originating from low-risk traceability a bandwidth till 1 January 2030 is provided after which full traceability is required, till then traceability to the country of origin or primary processing facility is required. No changes in the requirement
7	Due Diligence (Section 3.4)	More than 50% participants are in agreement with the due diligence requirement. One suggestion to add/change the wording for low-risk countries: 'traceability to production area at scale needed to confirm to deforestation or conversion since cut-off date'. Another suggestion is for countries to bare the cost of the due diligence system.	Further due diligence is required is for the commodities originating from high-risk regions to ensure the status of deforestation and conversion free. We have included the suggested changes in the wording, but the requirements remain unchanged.

8	Monitoring (Section 3.5)	More than 50% participants are in agreement with the requirement of monitoring system. Concern is around the availability of such system and non-clarity for the system to be used under EUDR.	For high-risk regions entities are required to demonstrate that there is a monitoring system in place to monitor the geolocated production land plots for deforestation and conversion. The tools and methods for monitoring system varies based on their availability, the commodity to be monitored, scale and type of production therefore entities can adopt based on their requirements. It is beyond the mandate of the Climate Bonds to prescribe a monitoring system. As long as the outcome (no deforestation and conversion) is clear and verifiers can assess the methodology used, it should be left to companies. No change in the requirement, however, some changes have been included in the wording of Criteria.
9	Reporting (Section 3.6)	All participants agreed to the reporting requirement. However, suggestion includes to increase the frequency and have Scope as a part of the disclosure, e.g. is it for all volumes (including complex supply like embedded soy, derivatives, smallholders etc.)	The Climate Bonds requires annual reporting for all the certified entities. Maintaining consistency, the Criteria set the requirement for annual reporting and therefore no changes were included. The applicant entities are required to share the information listed in the verification section of the Criteria to the verifiers which also consists of revealing data calculation for scoping of the commodities based of their share in procurement spend.
10	Verification – Requirement (Section 3.7)	Participants are in agreement and one suggestion to include pro-active engagement to stop deforestation.	The requirements of the verification are stated in the Criteria. As this is a past looking Criteria and any entity that can reflect that all the agri-food commodities (given the requirement of materiality) that are sourced are free from deforestation and conversion after 31 dec 2020 are eligible to certify. we acknowledge the importance of pro-active engagement to stop deforestation, and these can be included in the long-term plan for the entities.
11	Verification – Sampling (Section 3.7)	Participants are in agreement with the sampling technique to be used for verification. Suggestions includes setting an upper threshold, increase the frequency of the verification and to follow same verification process for all the countries.	The verifiers adopts sampling technique during the verification process and it varies case by case. For the Agri-Food DCF Sourcing Criteria, it was important that the selected sample reflects the true representation of the livestock (if present) and nature of the supply chain. Therefore, these requirements were set. The verification process is for all same countries however, for high-risk regions verifiers may want to increase the sample size and therefore no upper threshold is included. No changes in the requirement.



12	Third-party certification (Section 3.8)	Participants are in agreement. Suggestion to include the mass balance, allow companies to choose between a variety of implementation options to demonstrate DCF.	The mass balance approach monitors the certified total amount of the commodity and ensures the selling of that certified amount. But it allows mixing of the non-certified and certified products, making it difficult for the purchasers to identify what proportion of the product they bought is certified. It also poses challenges in identifying the original source of the commodities and doesn't ensure physical traceability to a specific land management unit and the geolocation information is lost in mixing. Therefore, is not allowed under these Criteria. Companies can use a third-party verification as a substitute for this certification if it meets all the requirements set under these Criteria.
13	Human Rights (Section 3.9)	Around 90% participants are in agreement.	Included provision for smallholders
14	Enabling Activities (Section 4)	No agreement was required, this question was only for suggestion	Not applicable
15	Overall Framing for DCF Sourcing	One participant raised the concern that "the title come across as quite confusing because you lead with the solo term "deforestation"".	The title of the Criteria is 'Agri-Food Deforestation and Conversion Free Sourcing' reflecting that deforestation (and degradation) and conversion of other natural ecosystem are covered under these Criteria.

