

CDP's commodity management key performance indicators

A tool for assessing performance on ending
deforestation and ecosystem conversion

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Introduction

Natural forests are one of the most important terrestrial ecosystems. They underpin multiple economic sectors by playing a crucial role in services such as climate regulation, water provisioning and biodiversity maintenance. Deforestation, driven primarily by conversion of forests to produce agricultural commodities, is one of the most significant environmental challenges facing us today.

Organizations that produce or source agricultural or forestry commodities must eliminate deforestation and conversion of other ecosystems from their supply chains to meet near-term climate and nature targets as well as comply with emerging regulatory requirements. CDP's forests questionnaire has been tracking organizations' progress toward eliminating commodity driven deforestation for over a decade.

By disclosing on forests-related questions in CDP's corporate questionnaire, organizations can show the extent to which they are recognizing and responding to the dependencies, impacts, risks and opportunities (DIRO) related to the commodities produced/ sourced throughout their value chain. It also provides data to purchasing organizations, investors, policy makers and civil society groups looking to evaluate performance, drive improvement and understand their own exposure to forests-related DIRO.

CDP works closely with the Accountability Framework initiative (AFi), a practical, consensus-based guide for action on deforestation, conversion of other natural ecosystems and ecosystem protection, to align the KPIs with AFi's Principles. The KPIs also reflect developments to CDP's corporate questionnaire, which continues to expand alignment with the world's most relevant standards and frameworks. In 2024, the KPIs are also structured in alignment with the nature transition plan elements¹.

CDP's commodity management KPIs

Organizations disclosing through CDP are assessed on disclosure and performance aspects, including governance, foundations, metrics and targets, and implementation and engagement strategies over a set of commodity management KPIs. The indicators track corporate performance against essential actions needed to remove deforestation and other natural ecosystem conversion from supply chains. Evaluation against the KPIs is used for targeting engagement, delivering bespoke feedback and providing support to organizations on their journey towards deforestation- and conversion-free supply chains.

In 2024, KPI levels have been simplified to full and basic, removing the middle level to streamline assessments. KPI categories and criteria have also been broadened to reflect changes to CDP questionnaire content on topics such as DCF.

For details on each of the KPIs, their categories and which questions are used to assess them, please see the [summary table](#). Performance against each of the KPIs is assessed as:



Full

The organization reported meeting all elements of the KPI



Basic

The organization reported meeting minimum elements of the KPI



No attainment

The organization did not report meeting any elements of the KPI

¹ WWF FRANCE (2024) Catalysing Change: The Urgent Need for Nature Transition Plans.



CDP's forests score

While CDP's corporate questionnaire has been integrated in 2024, separate climate change, forests and water security scores will continue to be awarded, with separate scoring methodologies for each environmental issue area. In 2024, CDP also introduced a single forests score, to provide a more holistic picture of organizations' performance on forests-related issues and activities, while reflecting differences in companies' uses of and dependencies on scored commodities. The forests score assesses an organization's whole disclosure – the level of detail and comprehensiveness in a response as well as the organization's awareness of forests-related issues, management methods and progress towards leadership. Scores range from A (Leadership) to D (Disclosure), with an F indicating failure to respond.

A threshold score must be met at one scoring level before a responder can move to the next scoring level.

The A List criteria ensure that only those organizations meeting several specific criteria achieve A List status. Nevertheless, the threshold for the A List is reviewed during the scoring period to ensure that the distribution of responses among scoring levels is representative of the current progress level of responding organizations. This means an organization receiving an A is performing best among its peers but not necessarily implementing all the most effective actions to combat deforestation. CDP's overall approach to scoring is described in the scoring introduction and scoring methodology, available on the 'how to disclose' page of CDP's website.

CDP score feedback and scoring category levels:



How CDP scores and KPIs work together

CDP's forests scores provide an overall picture of how an organization is disclosing and performing in comparison to its peers, while CDP's commodity management-related KPIs highlight if specific essential actions are being taken by disclosing organizations and where improvement is needed. These KPIs represent recognized actions needed to eliminate deforestation and other natural ecosystem conversion from supply chains and can be used to inform good environmental stewardship and decision-making. An organization meeting all the KPIs will often have a good score, but a good score is not the end of the disclosure journey for organizations, and they may still need to take some essential actions to stay aligned with best practice.

Complementary ways data disclosed by organizations is assessed by CDP



CDP's forests score

An organization's disclosure is distilled into a single forests score that provides insight on the level of disclosure completeness, an organization's awareness of forests-related issues, management methods and progress towards leadership.



CDP's commodity management KPIs

The Key Performance Indicators (KPIs) assess performance and provide further detail about where essential actions are being taken and where improvement is needed to transition to DCF supply chains.



Category	KPI	Rationale	Question Number	KPI level	Criteria to achieve level
Foundations	Dependencies, impacts, risks, and opportunities (DIRO) assessment	<p>Comprehensive dependencies, impacts, risks, and opportunities assessments help organizations identify environmental risks across the value chain which have had or are anticipated to have substantive effects on the organization.</p> <p>In the context of commodity value chains, organizations should consider all parts of the value chain, future availability, and quality of commodities as well as impacts on markets, nature and people to ensure risks to and from the operations are adequately considered.</p>	1.22, 1.24, 2.2, 2.2.1, 2.2.2, 2.3, 2.2.7	Basic	Organization maps its value chain, has a process for identifying, assessing, and managing forests-related risks and opportunities, and identifies priority locations across its value chain.
				Full	Organization maps its value chain and has a comprehensive process for identifying, assessing, and managing forests-related dependencies, impacts risks and opportunities and identifies priority locations across its value chain.
	Risks and opportunities	<p>Providing information about the risks and opportunities which have had a substantive effect on the organization in the reporting year or are anticipated to in the future helps key stakeholders assess the organization's environmental exposure, alignment with opportunities, and preparedness for future challenges. This transparency is essential for guiding investments and shaping corporate actions to improve business resilience and environmental stewardship.</p>	3.1, 3.1.1, 3.6, 3.6.1	Basic	Organization discloses details of forest-related risks and opportunities including magnitude and likelihood if substantive ones are identified.
Full				Organization discloses details of forests-related risks and opportunities including magnitude, likelihood and quantitative details if substantive ones are identified.	
	Scenario analysis	Scenario analysis is a valuable tool to inform an organization's business strategy as part of transitioning to a sustainable economy. Organizations are recommended to use scenario analysis to identify environment-related outcomes to prepare for possible futures.	5.1	Full	Organization uses scenario analysis to consider forests-related outcomes.
Governance	Board oversight /management responsibility, competence and incentives	<p>Oversight of forests-related issues by one or more designated members of the board demonstrates accountability at the most senior level. While it is most important for a member of the board to have accountability over environmental issues, assigning management-level responsibility indicates that the organization is committed to implementing its environmental policy.</p> <p>A top-down approach supports escalated integration of environmental issues into organization-wide practices, enabling a comprehensive response to environmental risk.</p>	4.1, 4.1.1, 4.1.2, 4.2, 4.3, 4.3.1 4.4, 4.5, 4.5.1	Basic	Organization has board-level oversight (where applicable) and management-level responsibility of forests-related issues with at least annual management reporting to the board on forests-related issues.
				Full	Organization has competent board-level oversight (where applicable) and management-level responsibility of forests-related issues by key positions/committees and has established governance mechanisms and incentive plans to support action on deforestation and conversion of other natural ecosystems.
	Policies	<p>A robust and comprehensive no-deforestation/no-conversion policy demonstrates the importance of forests-related issues to the business and sets clear goals and guidelines to direct action. Policies with strong social, remediation and restoration elements clarify corporate expectations for suppliers, support accountability, enable the tracking of progress towards set goals, and support constructive engagement with a range of stakeholders.</p>	4.6, 4.6.1	Basic	Organization has an organization-wide publicly available no-deforestation / no-conversion policy that applies to direct operations if producer only otherwise direct operations and upstream value chain.
				Full	Organization has an organization-wide, publicly available no-deforestation/ no-conversion policy with a 2025 (or earlier) target date, that applies to direct operations if producer only, otherwise direct operations and upstream value chain and includes FPIC and ILO commitments.
Metrics and targets	Coverage	An organization's disclosure is comprehensive, ensuring the information reported is representative of the business' activities. Organizations are encouraged to report on any exclusions of forests-related data from their direct operations and/or upstream value chain.	8.2, 1.22, 8.1, 8.1.1	Full	Organization discloses on at least 95% of its total commodity volume (no more than 5% is excluded unless there is a suitable reason for exclusion e.g., a recent acquisition or merger, divestiture, national brand/own brand only products, embedded soy, or recycled volumes).
	Accounting	Key information needed to assess impact and performance is accurately disclosed including volumes disclosed as DCF that are key to understanding environmental performance.	1.22, 8.2, 8.3, 8.5, 8.1, 8.1.1, 8.9	Basic	Organization discloses commodity volumes and origins.
				Full	Organization discloses commodity volumes, origins, DF/DCF data and full commodity information (disclosing on all produced/sourced commodities unless there is a suitable reason for exclusion).
	Verification	Impact and performance data are verified to ensure reported methods used and outcomes are accurate. It ensures the quality of the data and processes disclosed.	1.22, 8.1, 8.1.1, 8.2, 8.3, 8.5, 8.9, 8.9.1, 8.9.3, 8.9.4, 13.1.1	Basic	Organization has third-party verification of disclosed commodity volumes and origins.
				Full	Organization has third-party verification of disclosed commodity volumes, origins and DF/DCF data.
	No deforestation/ no-conversion targets	Effective implementation of policies and commitments requires specific targets to be set. Regular reporting of progress against set targets is used by the organization, customers, investors and other data users to track progress in addressing dependencies, impacts, risks and opportunities in the disclosing organization's value chain.	8.2, 8.7, 8.7.1	Basic	Organization has a no-deforestation or no-conversion target.
				Full	Organization has a no-deforestation or no-conversion target that is organization-wide with a cutoff date of at least 2020 and target date of 2025 (or earlier).
Deforestation-free (DF)/ deforestation and conversion-free (DCF) status	Organizations must have systems in place to control, monitor or verify compliance with no-deforestation and no-conversion policies and commitments throughout operations and supply chains. Robust monitoring and verification systems are essential components of an organization's operations, supply chain management, and accountability. Establishing compliance mechanisms can also inform corrective actions when engaging with suppliers not in-line with deforestation and conversion policies and requirements.	1.22, 8.1, 8.1.1, 8.2, 8.9, 8.9.1, 8.9.3, 8.9.4	Basic	Organization assesses DF/DCF status and provides the percentage of their disclosure volume determined as DCF.	
			Full	Organization has over 90% of its disclosure volume determined as DF/DCF in a robust way in the reporting year (no more than 5% is excluded unless a suitable exclusion).	



Category	KPI	Rationale	Question Number	KPI level	Criteria to achieve level
Implementation strategy	Strategy and financial planning	Integration of forests-related issues within all core business units, financial investments, and procurement decisions provides an opportunity for organizations to innovate and respond to changing market and regulatory conditions. It can affect the future performance of an organization and how resilient its strategy is to environmental risks and opportunities.	5.3, 5.3.1, 5.3.2	Basic	Forests-related risks and opportunities affected the organization's strategy and/or financial planning.
				Full	Forest-related risks and opportunities affected the organization's strategy and financial planning with financial planning elements affected.
	Traceability	Tracing the origins of forests risk commodities helps demonstrate that production and processing comply with the organization's policies and commitments and determines the extent and nature of any issues to be addressed.	1.22, 8.1, 8.1.1, 8.8, 8.2, 8.8.1, 8.2	Basic	Organization has a traceability system to determine the origins of its sourced volumes.
				Full	Organization can trace at least 90% of its sourced volume to the production unit or sourcing area (no more than 5% is excluded unless there is a suitable reason for exclusion).
	Ecosystem protection and restoration	Good practice extends beyond stopping deforestation and conversion in operations and supply chains. Organizations can proactively protect and restore degraded land and forests within or beyond their operations. Ecosystem restoration, conservation, and/or reforestation projects should be monitored to demonstrate the environmental and social impact being delivered.	8.17, 8.17.1	Basic	Organization is supporting or implementing projects focused on ecosystem restoration and long-term protection.
				Full	Organization is supporting or implementing projects focused on ecosystem restoration and long-term protection with specified benefits monitored at least every two years and discloses project location.
Engagement strategy	Value chain engagement	Deforestation is a complex problem that requires collaboration along the value chain. Engagement with direct suppliers can reduce data gaps and can be used as a tool to initiate corrective action with suppliers that are not compliant with environmental and social policies and commitments. Capacity building beyond direct suppliers can influence and increase practices aligned with no-deforestation / no-conversion policies and commitments. Smallholders often play an important role in sourcing forests risk commodities but they may lack the capacity to implement sustainable production practices. Organizations can provide smallholders with technical and/or financial support to reduce deforestation and conversion as well as financial incentives for certified production.	1.22, 5.11, 5.11.5, 5.11.6, 5.11.7, 5.11.8	Basic	Organization engages with suppliers (if applicable) and smallholders on deforestation and conversion of other natural ecosystems; includes forest-related requirements in supplier contracts and has a non-compliance policy.
				Full	Organization has robust forests-related supplier requirements for tier 1 suppliers, a process in place for addressing non-compliance, and technical support or financial incentives for at least 50% of tier 1 suppliers (if applicable) and smallholders to assist them with compliance.
	Landscape engagement	Organization's participation in collective efforts is necessary to mitigate commodity-driven deforestation. Working collaboratively with multiple actors at landscape and jurisdictional scale is increasingly accepted as a best practice approach to driving conservation and restoration impacts at scale, tackling deforestation and conversion commitments through a value chain and achieving sustainability goals, especially where there are systemic challenges in production landscapes.	8.15, 8.15.2	Basic	Organization engages in landscape/jurisdictional initiatives.
Full				Organization engages in landscape/jurisdictional initiatives that have multiple goals and multiple partners, of which progress is collectively monitored using a shared external framework and the initiative area is disclosed.	
Policy engagement	It is important that organizations maintain a consistent approach to environmental issues between its commitments, actions and policy engagement as well as ensure direct engagement with policy makers is aligned with global environmental treaties or goals.	4.11, 4.11.1, 4.11.2	Basic	Organization assesses or conducts external engagement activities that could directly or indirectly influence policy, law or regulation that may impact the environment.	
			Full	Organization assesses or conducts external engagement activities that could directly or indirectly influence policy, law or regulation that may impact the environment, has a public commitment to conduct engagement activities in line with Kunming-Montreal Global Biodiversity Framework and aligns direct and indirect engagement if it occurs.	