Financial Institution

Assessment methodology 2025

How are the 150 financial institutions in the Forest 500 Finance assessed?

Updated June 2026

About the Forest 500:
Forest 500, a Global Canopy project, identifies and ranks the most influential companies and financial institutions in the race towards a deforestation-free global economy.

Contact:

To contact the Forest 500 team please write to forest500@globalcanopy.org

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About Global Canopy:
Global Canopy is an innovative environmental organisation that targets the market forces destroying tropical forests. Since 2001, we have been testing new approaches to tackling deforestation, and guiding companies, investors and governments worldwide to think differently about our planet's forests. See:www.globalcanopy.org

INTRODUCTION

The **Forest 500 Finance financial institution assessment methodology** is used to rank the 150 financial institutions that have the greatest influence within global forest risk commodity supply chains. The financial institutions included within the Forest 500 have the power to influence the sustainability of forest risk commodity supply chains through their investments and lendings into the companies with the greatest influence on forest-risk commodity supply chains. By setting clear expectations and engaging with companies involved in agricultural commodity supply chains, financial institutions can help to accelerate the transition towards sustainable production and procurement.

Each year, the below indicators are used to track the progress of financial institution commitments towards addressing the deforestation, conversion, and associated human rights abuse risks in **palm oil, soy, beef and leather** (assessed together)**, timber and pulp and paper** (assessed together)**, cocoa, coffee, and rubber** supply chains through their financing activities.

Financial institutions are assessed solely against the information which has been made **publicly available** on their websites. In all cases, only sources published publicly by the financial institution itself are accepted. Wherever possible financial institutions are assessed in their **primary language** to allow for subjectivities in language.

The first Forest 500 methodology was created in 2014, and has been reviewed annually by Global Canopy and external experts working on these issues, to ensure that it continues to reflect best practice in financial action on deforestation, conversion, and associated human rights issues. The 2025 Forest 500 financial institution methodology is detailed in full below, and is aligned with the Finance Sector Roadmap which has been aligned with and endorsed by the Accountability Framework initiative[1].

[1] The Accountability Framework initiative (AFi) is a collaborative initiative to accelerate progress and improve accountability for ethical supply chains in agriculture and forestry. The Common Methodology is a methodology for assessment of company progress towards deforestation-free supply chains. to support common and aligned approaches to assessing corporate performance by buyers, investors, financial institutions, and civil society.
The finance sector roadmap provides high-level guidance along a clear timeline for action to enable financial institutions to contribute to tackling deforestation, conversion, and associated human rights abuses and to eliminate them from their portfolios by 2025, or within four years of beginning the Roadmap.

FINANCIAL INSTITUTION ASSESSMENTS

How are assessments conducted?

Forest 500 Finance assessments are based solely on publicly available information to encourage greater transparency from financial institutions providing finance to companies operating in forest-risk commodity supply chains. Any information publicly available on the financial institution's websites during the assessment period, which ran from **08 December 2025 to 23 February 2026**, was considered within the Forest 500 Finance assessments. Anything published after this period was **not** considered during the 2025 Forest 500 Finance assessments.

Are financial institutions asked to input into their assessment?

No, financial institutions are not asked to input into their assessment. Global Canopy completes the Forest 500 Finance assessments independently, using only publicly available information. As noted above, this year financial institutions assessed in the Forest 500 Finance are able to view their completed assessment from **1 - 20 April 2026** using a link shared with them via email on **1 April 2026**. If a financial institution wishes to provide **optional** comments on their completed assessment, or share publicly available links they felt were not correctly interpreted, they could share this with the Forest 500 team providing that these links were publicly accessible during the assessment period. These comments were then reviewed and changes made if required.

What is the Forest 500 financial institution assessment methodology based on?

The Forest 500 Finance assessment methodologies are reviewed annually to ensure they remain aligned with best practice, and that financial institution scores continue to reflect their performance against best practice. Financial institutions must continue to improve their policies and implementation if they are to maintain or improve their scores year on year.

The 2025 Forest 500 financial institution methodology is aligned with the Finance Sector Roadmap, which defines the best practice approach for financial institutions working to eliminate deforestation, conversion, and associated human rights abuses from their portfolios. The Finance Sector Roadmap is aligned with and endorsed by the the Accountability Framework Initiative, which outlines the fundamental best practice for companies operating in forest-risk supply chains.

What are financial institutions assessed on?

Financial institutions are assessed against five categories; **Overall Approach**, **Policy Strength**, **Associated Human Rights Abuses** (previously called social considerations), **Implementation**, and **Reporting and Verification**. The Overall Approach is assessed once per financial institution, with the four remaining policy areas assessed once for each forest-risk commodity. Scores are automatically calculated according to how answers are categorised by the assessor as per the methodology in this document. Financial institutions are scored out of 100 points, with the following point breakdown forming each financial institution's total score:

COMMITMENT AREA		WHAT IS ASSESSED?	INDICATORS	MAX. POINTS	TOTAL SCORE
Overall approach (assessed once per financial institution)	Overall approach	The financial institution's high-level approach on deforestation across the entire organisation.	1.01-1.08	6	6
Commodity score (assessed per commodity)	Policy strength	The ambition and scope of financial institution's policies on deforestation are assessed for each commodity.	2.01, 3.01, 3.02	9.75	94
	Associated human rights abuses	The strength of commitments on human rights abuses associated with deforestation, including labour rights, and customary rights to land, resources, and territory.	4.01-4.07, 3.01	18.5	
	Implementation	The financial institution's approach to implementing their commitments on deforestation and associated human rights abuses.	5.01-5.15	50.75	
	Reporting and verification	The transparency and disclosure of reporting on progress, and the verification of that reporting of deforestation and human rights commitments.	6.01-6.03	15	
Total score	Total			**100**	**100**

How are financial institution scores calculated?

Financial institutions receive both a **Total Score** and a **Commodity Score** for the commodities they are assessed for. The **Commodity score** is made up of the answers to **2.01 - 6.03** for a specific commodity and these indicators are repeated once for each commodity. In addition to the answers to the indicators themselves, which produce the scores for each financial institution , we also collect additional information, noted as 'Essential Details' for each indicator which does **not** impact the financial institution's scores.

To calculate the **Total score** for a financial institution, a financial institution's **Commodity Scores** (for sections 2-6) are averaged across all commodities - allowing us to gauge the level of ambition and progress across a financial institution's entire portfolio. For further explanation as to how financial institutions are selected, please see the Forest 500 Selection Methodology.

How does Forest 500 assess different branches of financial institutions?

Forest 500 Finance always assesses financial institutions at the parent level first, as we expect these large institutions to have deforestation, conversion, and associated human rights policies which they apply to all of their financing activities. If we find the parent financial institution does not have any publicly available policies, we will then look to the subsidiaries/branches of the financial institution. The financial institution will lose points for the scope of policies relevant to indicators **2.01, 5.02** and **4.01-4.07** if the policy is only applicable to a subsidiary or branch of the financial institution.

What are the score bands used to translate scores out of 100 to out of 5?

Financial institutions are given scores out of 100, which are translated into a scoreband out of 5. 0% is equivalent to 0/5, 1-19% is equivalent to 1/5, 20-39% is equivalent to 2/5, 40-59% is equivalent to 3/5, 60-79% is equivalent to 4/5, 80-100% is equivalent to 5/5. These are published annually when the assessment data is published on the Forest 500 website.

How are certification schemes considered?

Indicator 2.01 refers to the use of 'credible' certification schemes. Commitment to credible certification schemes that protect one of more of the priority forest types. Institutions can score for commitments referencing certification schemes listed below for the corresponding commodities listed alongside these.

- Palm: RSPO, MSPO, ISCC EU, ISCC PLUS
- Soy: RTRS, ISCC EU, ISCC PLUS
- Timber: ISCC Solid Biomass NL, FSC, PEFC
- Pulp & Paper: FSC, PEFC
- Cocoa: Rainforest Alliance (farm requirements)
- Coffee: 4C Certification, Rainforest Alliance (farm requirements)
- Rubber: FSC, PEFC

CHANGES TO THE METHODOLOGY SINCE LAST YEAR

Changes in score

The combined scores for the **Implementation** and the **Reporting and Verification** sections have increased in 2025, and together now make up 65.75% of the **Total Score** for the financial institution. This change reflects the importance of effective implementation and transparent reporting in achieving deforestation-free commodity supply chains.

New indicators

This year, the Forest 500 financial institution methodology has added **1** new indicator, which continue to align with the Accountability Framework Initiative's Common Methodology and Operational Guidance. The indicator **added** this year is summarised below:

2025 INDICATOR NUMBER	INDICATOR TEXT	INDICATOR GUIDANCE	SCORE
4.07	Does the financial institution commit to respect the right of Indigenous peoples to self-determination?	To score, the company must clearly commit to respect the right of Indigenous peoples to self-determination. This could include committing to alignment with ILO Convention 169 or the UN Declaration on the Rights of Indigenous Peoples.	2

Changed Indicators

This year, the Forest 500 Finance methodology has significantly changed **XX** indicators, which continue to align with the Accountability Framework Initiative's Common Methodology and Operational Guidance. The indicators significantly **changed** this year are noted in the table below - please do take a closer look at these indicators in the methodology document.

2025 INDICATOR NUMBER	INDICATOR TEXT	CHANGES
1.01	Does the financial institution have an organisation-wide commitment to achieve DCF (deforestation and/or conversion-free) within its financing activities for all high risk commodity supply chains?	Methodology change: Removed answer option - Region/biome-specific DCF commitment - this is now not considered for scoring but collected as an essential detail. Removed - Illegal deforestation commitment
2.01	Does the financial institution have a commodity-specific policy to eliminate deforestation and/or conversion of natural ecosystems from its financing activities,or state that its overarching policy applies to specific commodities?	Added answer option: Protects priority forests (including High Conservation Value, High Carbon Stock, and peatlands)
6.03	Does the financial institution have a publicly accessible grievance mechanism through which grievances relating to the financial institution or its clients/holdings can be reported?	Changed answer options: -DCF policy, and reports all three criteria -DCF policy and reports two criteria -DCF policy and reports one criteria -Non-DCF policy, and reports all three criteria -Non-DCF policy, and reports two criteria -Non-DCF policy, and reports one criteria -Does not meet scoring criteria -No reporting The above scoring is additive and dependent on the score in indiactor 2.01

Please see the full 2025 Financial Institution Assessment methodology below.

OVERALL APPROACH

Overall Approach assesses companies on their high-level approach on deforestation, conversion, and associated human rights abuses across the entire financial institution. This is assessed in indicators 1.01 to 1.08.

<table>
<tr><th>SECTION</th><th>NUMBER</th><th colspan="2">INDICATOR</th></tr>
<tr><td rowspan="8">Overall Approach / financial institution wide DCF commitment</td><td>1.01</td><td colspan="2">Does the financial institution have an organisation-wide commitment to achieve DCF (deforestation and/or conversion-free) within its financing activities for all high risk commodity supply chains?</td></tr>
<tr><td>Guidance</td><td colspan="2">Overarching commitments must be financial institution-wide (i.e. must apply to all financing and activities). Conversion-free is understood as no conversion of natural ecosystems anywhere (also referred to as zero/zero gross conversion), deforestation-free is understood as no loss of natural forests anywhere (also referred to as zero/zero gross deforestation), while zero net deforestation and zero net conversion is understood as commitments which offset forest loss/conversion through forest restoration. Commitments through certification alone do not score for this indicator, nor do commitments which are not institution-wide or refer to one or two commodities only. Commitments which are specific to biomes/regions and those that refer to "Illegal deforestation" which is in contravention of legislation/regulation only are recorded here but do not score any points. The commitment must apply to at least all high risk commodities that a company produces and/or procures, namely; soy, palm oil, beef, leather, timber, pulp and paper, rubber, coffee and cocoa. To score points the financial institution must commit to one of these approaches and cannot aim to 'reduce deforestation' through these means. Some interpretation has been required where financial institutions have not used the terms 'zero' or 'zero net' in their commitments; for example, commitments to 'eliminate' deforestation are interpreted as deforestation-free.</td></tr>
<tr><td rowspan="5">Answer options</td><td colspan="2">Conversion-free/zero-gross conversion commitment</td></tr>
<tr><td colspan="2">Zero deforestation/Deforestation-free commitment</td></tr>
<tr><td colspan="2">Zero net deforestation/zero net conversion</td></tr>
<tr><td colspan="2">Does not meet scoring criteria</td></tr>
<tr><td colspan="2">No publicly available evidence of an overarching deforestation commitment</td></tr>
<tr><td>Essential details</td><td>a</td><td>Do they exclude any commodities from the scope of their commitment?</td></tr>
</table>

		b	Does the FI have a target date to meet their commitment?

SECTION	NUMBER		INDICATOR
Overall Approach / financial institution wide DCF commitment	**1.02**		**Is the financial institution involved in any collaborative finance sector initiatives or advocacy for legislation focused on deforestation and/or conversion?**
	Guidance		*The financial institutions must be involved in advocacy for legislation focused on deforestation and/or conversion, and associated human rights abuses, and be involved in a collaborative finance-sector initiative focused on these topics. Financial institutions which are only involved in either legislative advocacy or a collaborative initiative will be recorded as meeting the requirements for only one of the two answer options.* *This can be across all of the financial institution's activities or specific to a specific country or region.*
	Answer options		Yes, involved in/member of a voluntary initiative focused on deforestation and/or conversion
			Yes, involved in advocacy for legislation focused on deforestation and/or conversion
			Does not meet scoring criteria
			No publicly available evidence
	Essential details	a	List of initiatives: PRI Practitioners working group IPDD Collaborative engagement with clients/holdings 2025 target date encouraged within these collaborative initiatives? Other
		b	In which location? e.g. EU, UK, Brazil, Indonesia, US, etc.
		c	Does the financial institution engage ESG data providers on the need for better data on deforestation?
		d	Does the financial institution advocate for due diligence legislation focused on deforestation and/or conversion in forest-risk commodity supply chains, such as those currently in the EU, UK?
		e	Has the financial institution published a statement relating to the leaving any collaborative initiatives, e.g. GFANZ?

SECTION	NUMBER	INDICATOR	
Overall Approach / financial institution wide DCF commitment	**1.03**	**Does the financial institution identify deforestation and/or conversion, and associated human rights abuses as a business risk?**	
	Guidance	*The financial institution recognises that deforestation and/or conversion and associated human rights abuses pose a risk to the financial institution and/or industry itself.* *Business risk can be recognised in multiple ways, including but not limited to; physical/operational, liability, transitional, market access, policy, regulatory, reputational or systemic risk. This risk can be identified using terms including 'risk', 'threat', and 'impact', as well as through language acknowledging the potential future impact of deforestation/conversion/associated human rights abuses on the financial institution, including those suggesting that the financial institution is adapting its financing activities to respond to environmental issues caused by deforestation, or the recognition of these issues as a risk to the reputation of the institution.* *This can be across all of the financial institution's activities or specific to a specific country or region.*	
	Answer options	Yes, identifies deforestation and/or conversion as a business risk	
		Yes, identifies associated human rights abuses as a business risk	
		Does not meet scoring criteria	
		No publicly available evidence	
	Essential details	a	Is the financial risk recognised by the financial institution as: Physical/operational Liability Financial Transitional Market access Policy Regulatory Reputational Systemic Other

		a	If others please detail.
		b	What revenue comes from industries relevant to each forest risk commodity?
		c	Does the financial institution report the method used to assess its revenue dependency'?
		d	What proportion of the financial institution's annual revenue depends on each forest risk commodity?
		e	What proportion of revenue that comes from relevant industries is exposed to each forest risk commodity?
		f	Was this recognition of risk linked to an impacts and dependencies assessment?

<table>
<tr><th>SECTION</th><th>NUMBER</th><th colspan="2">INDICATOR</th></tr>
<tr><td rowspan="13">Overall Approach / financial institution wide DCF commitment</td><td>1.04</td><td colspan="2">Does the financial institution’s board have a committee, working group, or a high-level management position that is formally focused on deforestation and/or conversion and associated human rights abuse-related issues?</td></tr>
<tr><td>Guidance</td><td colspan="2">The financial institution's governance should ensure there is an understanding, oversight and accountability for financial risks arising from deforestation and/or conversion, and associated human rights abuses at all levels of the institution. Strong board-level oversight and ownership is critical for institutions to take a long-term, strategic and firm-wide approach to deforestation risk. Commitments that state that there is intention to have a dedicated team focused on these topics within the next year are recorded here but do not score any points. To score for this indicator, the financial institution must explicitly state that the board, committee, working group, or a high-level management position has oversight of issues on forests or deforestation and/or conversion and associated human rights abuses. Financial institutions whose governance covers both deforestation and/or conversion, and associated human rights abuses can score full points.</td></tr>
<tr><td rowspan="5">Answer options</td><td colspan="2">Yes covers deforestation and/or conversion</td></tr>
<tr><td colspan="2">Yes covers associated human rights abuses</td></tr>
<tr><td colspan="2">No, but intends to within the next year</td></tr>
<tr><td colspan="2">Does not meet scoring criteria</td></tr>
<tr><td colspan="2">No publicly available evidence</td></tr>
<tr><td rowspan="4">Essential details</td><td>a</td><td>Does the financial institution have integrated deforestation and/or conversion objectives in its governance structure?</td></tr>
<tr><td>b</td><td>Does the financial institution have integrated human rights objectives in its governance structure?</td></tr>
<tr><td>c</td><td>Does the financial institution disclose a procurement standard which includes deforestation and/or conversion, or human rights?</td></tr>
<tr><td>d</td><td>How often does the board's committee committee, working group, or a high-level management position meet to assess the financial institution's progress on either/both deforestation and/or conversion and associated human rights abuses in its portfolios?</td></tr>
</table>

<table>
<tr><th>SECTION</th><th>NUMBER</th><th colspan="2">INDICATOR</th></tr>
<tr><td rowspan="9">Overall Approach / financial institution wide DCF commitment</td><td>1.05</td><td colspan="2">Does the financial institution have a climate target which includes at least the scope 1 and 2 emissions of the clients/holdings in their financial portfolios?</td></tr>
<tr><td>Guidance</td><td colspan="2">This is a non-scoring indicator.. To be recorded as 'yes', the financial institution must have a target to reduce their impact on the climate, through greenhouse gas emissions, which explicitly includes at least the scope 1 and scope 2 emissions, and ideally scope 3 emissions, of the clients/holdings in their financial portfolios. To be considered a target, the commitment must have a numerical element, e.g. a measurable target or deadline.</td></tr>
<tr><td rowspan="3">Answer options</td><td colspan="2">Yes</td></tr>
<tr><td colspan="2">Does not meet scoring criteria</td></tr>
<tr><td colspan="2">No publicly available evidence</td></tr>
<tr><td rowspan="4">Essential details</td><td>a</td><td>Is this climate target:
- Absolute zero emissions
- Net-zero emissions
- Other or unclear</td></tr>
<tr><td>b</td><td>Does the target also include the scope 3 emissions of clients/holdings?</td></tr>
<tr><td>c</td><td>What is the target date for the financial institution to achieve their climate target?</td></tr>
<tr><td>d</td><td>Is the financial institution's climate target aligned with SBTi?</td></tr>
</table>

<table>
<tr><th>SECTION</th><th>NUMBER</th><th colspan="2">INDICATOR</th></tr>
<tr><td rowspan="10">Overall Approach / financial institution wide DCF commitment</td><td>1.06</td><td colspan="2">Does the financial institution disclose a transition plan to mitigate financed greenhouse gas emissions from Agriculture, Forestry and Land Use across its portfolio?</td></tr>
<tr><td>Guidance</td><td colspan="2">To be recorded as 'yes', the financial institution must have a transition plan (sometimes referred to as an 'action plan') to mitigate financed greenhouse gas emissions from agriculture, forestry, and land use from across its portfolio. This should explicitly include at least the scope 1 and scope 2 emissions, and ideally scope 3 emissions, of the clients/holdings in their financial portfolios. They should also specifically reference deforestation/conversion/land use change in order to be recorded as 'yes'.</td></tr>
<tr><td rowspan="4">Answer options</td><td colspan="2">Yes</td></tr>
<tr><td colspan="2">Financial institution has a climate transition plan, but it does not include land use change/nature</td></tr>
<tr><td colspan="2">Financial institution does not have a climate transition plan</td></tr>
<tr><td colspan="2">No publicly available evidence</td></tr>
<tr><td rowspan="3">Essential details</td><td>a</td><td>What information is included in the transition plan?</td></tr>
<tr><td>b</td><td>Is the transition plan aligned with/modelled on any other existing frameworks/organisations?</td></tr>
<tr><td>c</td><td>Does the transition plan also explicitly include the scope 3 emissions of clients/holdings?</td></tr>
</table>

SECTION	NUMBER	INDICATOR
Overall Approach / financial institution wide DCF commitment	**1.07**	**Does the financial institution require the clients/holdings to have policies which prohibit bribery and corruption within its own operations and/or its forest risk commodity supply chains?**
	Guidance	*To be recorded as yes for this indicator, the financial institution must require that clients/holdings in their portfolios have an anti-corruption policy, as well as a policy prohibiting abusive tax arrangements. Commitments which 'prohibit', or have a 'zero-tolerance for' anti-corruption and abusive tax arrangements can be recognised for this indicator. Requiring only one of these policies is recorded as such.*
	Answer options	Yes, requires both an anti-corruption policy and a policy on prohibiting abusive tax arrangements
		Yes, requires either an anti-corruption policy or a policy on prohibiting abusive tax arrangements
		Does not meet scoring criteria
		No publicly available evidence

<table>
<tr><th>SECTION</th><th>NUMBER</th><th colspan="2">INDICATOR</th></tr>
<tr><td rowspan="10">Overall Approach / financial institution wide DCF commitment</td><td>1.08</td><td colspan="2">Does the financial institution disclose a commitment/strategy to increase nature- and people- positive investment?</td></tr>
<tr><td>Guidance</td><td colspan="2">To be recorded as 'Yes' for this indicator, the financial institution must commit to increasing nature- and people- positive financing as part of a just transition.
In the Finance Sector Roadmap, nature- and people-positive financing is defined as finance that makes progress towards halting and reversing nature loss while respecting and protecting the rights of humans who are dependent on or inhabit the land in question. It is a vital part of the path towards a just transition.
As defined, nature- and people-positive investments do not include offsetting carbon, biodiversity, or forests.</td></tr>
<tr><td rowspan="4">Answer options</td><td colspan="2">Yes, has a commitment/strategy to become nature and people positive</td></tr>
<tr><td colspan="2">Yes, has a commitment/strategy to become nature positive</td></tr>
<tr><td colspan="2">Does not meet scoring criteria</td></tr>
<tr><td colspan="2">No publicly available evidence</td></tr>
<tr><td rowspan="3">Essential details</td><td>a</td><td>Is due diligence conducted on these nature- and people- positive activities to ensure they respect the customary rights of Indigenous peoples and local communities?</td></tr>
<tr><td>b</td><td>Does the financial institution disclose a timeline for its business to become nature- and people-positive?</td></tr>
<tr><td>c</td><td>Does the financial institution use/commit to use the TNFD and/or the LEAP process?</td></tr>
</table>

POLICY STRENGTH, SCOPE

The ambition and scope of financial institution policies on deforestation and ecosystem conversion are assessed for once for each commodity. In the financial institution methodology, beef and leather are combined and assessed as “cattle products”, timber and pulp and paper are combined and assessed as “forest products”.

SECTION	NUMBER	INDICATOR
Commitment strength	**2.01**	Does the financial institution have a commodity-specific policy/commitment to eliminate deforestation and/or conversion of natural ecosystems from its financing activities,or state that its overarching policy applies to specific commodities?
	Guidance	*The policy must state that the financial institution will either not finance, invest in, or lend to clients/holdings involved in the unsustainable sourcing of the commodity, or have a commitment to achieve deforestation and/or conversion-free financing. Policies under this indicator are classified under these categories to enable differentiation among financial institutions on the level of ambition of commitments falling under this indicator. Policies are categorised into:* *-Conversion-free commitment/Zero conversion/no-conversion: policy that prevents clearing or conversion of all natural ecosystems.* *-Deforestation-free commitment/Zero deforestation/no-deforestation: policy that prevents production or sourcing that causes or contributes to deforestation* *-Zero net conversion: policy which allows for the difference in natural ecosystem area between two points in time, taking into account both losses from conversion and gains from ecosystem regeneration and restoration* *-Zero net deforestation: policy which allows for the difference in forest area between two points in time, taking into account both losses from deforestation and gains from forest regeneration and restoration* *-Policy that requires the protection of priority forest types (primary/natural/intact/ancient/priority forests or high conservation value forests)* *-Policy that requires credible certification schemes that protect one of more of the priority forest types* *-Protects globally important landscapes (including UNESCO World Heritage Sites, RAMSAR wetlands, IUCN category 1-4 areas, protected areas)* *-Sustainability commitment: policy that requires the production or procurement of ‘sustainably’ or ‘responsibly’ produced commodities, or a commitment to a certification scheme that is not listed as credible under this methodology* *-Illegal deforestation: policy that requires commodity production or sourcing that does not cause or contribute to deforestation which is in contravention of legislation/regulation only. Illegal deforestation is defined as legal or illegal under local laws and regulations.* *Policies are classified under these categories to enable differentiation among financial institutions on the level of ambition of policies falling under this indicator. If a financial institution has multiple policies under this indicator, only the strongest policy is scored. The financial institution must state the specific commodity by name. General statements will not score for this indicator. This policy/commitment does not have to be in a formal policy document to score for this indicator.*

	Answer options	Conversion-free/zero-gross conversion commitment	
		Zero deforestation/Deforestation-free commitment	
		Zero net conversion	
		Zero net deforestation	
		Protects priority forests (including High Conservation Value, High Carbon Stock, and peatlands)	
		Credible certification scheme	
		Protects globally important landscapes (including UNESCO World Heritage Sites, RAMSAR wetlands, IUCN category 1-4 areas, protected areas)	
		Sustainability commitment/other	
		Illegal deforestation	
		Does not meet scoring criteria	
		No commitment	
	Essential details	a	Does the policy have specific requirements/expectations of clients/holdings in line with the policy?
		b	Which certification schemes are required? RSPO RTRS FSC PEFC RA

			ISCC Other None
		c	When was this policy set?
		d	Does commitment require the protection of other specific named ecosystems? Savannah Mangroves High Carbon Stock (HCS) High Conservation Value (HCV) Peat Wetlands

Indicator 3.01 assesses the scope of the 2.01 commitment above. They are also used to assess the scope of human rights indicators 4.01 - 4.06 and indicator 5.02 (they are not repeated so please refer to them here).

<table>
<tr><th>SECTION</th><th>NUMBER</th><th colspan="2">INDICATOR</th></tr>
<tr><td rowspan="8">Commitment strength / scope</td><td>3.01</td><td colspan="2">Does the financial institution apply the policy to all of their operations and financial services provided, or are there some exclusions?</td></tr>
<tr><td>Guidance</td><td colspan="2">For financial institutions to be recorded as having a policy for this indicator, policies/commitments made by the must apply to all financial services provided. Policies/commitments which exclude a specific subset of financing will be recorded. These exclusions include:
- Applies to subsidiaries of the financial institution, or only apply to certain types of financing (e.g. corporate lending, project finance, asset management, advisory services), or branches of the financial institution based in specific locations, or only apply to a subset of financing
- Applies to clients/holdings where deal size is above or below a threshold
- Applies to clients/holdings of a certain size, e.g. small-holders or to clients/holdings larger than a certain threshold
- Applies to clients/holdings in specific/not all segments of the supply chain, e.g. excludes producers/processors, or retailers/banks.
Policies/commitments that do not specifically exclude the above or where the scope is not stated, are taken to apply to all financial services provided.</td></tr>
<tr><td rowspan="5">Answer options</td><td colspan="2">Yes, applies to all financial services / products provided</td></tr>
<tr><td colspan="2">Yes, applies to all deals regardless of size</td></tr>
<tr><td colspan="2">Yes, applies to all clients/holdings regardless of their size</td></tr>
<tr><td colspan="2">Yes, applies to all clients/holdings regardless of their position in forest risk commodity supply chains</td></tr>
<tr><td colspan="2">No publicly available evidence</td></tr>
<tr><td>Essential details</td><td>a</td><td>If the commitment does not apply to all clients/holdings regardless of their position in forest risk commodity supply chains, please detail which are excluded:
Producers (including smallholders)
Processors
Traders
Manufacturers
Retailers</td></tr>
</table>

			Financial institutions/banks
		b	What forest types are included? Tropical Boreal Temperate Subtemperate
		c	Does this policy apply to both active and passive financing? (multi-select options - active, passive)

SECTION	NUMBER	INDICATOR	
Target date	3.02	**Does the financial institution have a target date for the full implementation of their policy, or require their clients/holdings to have time bound commitments?**	
	Guidance	*The target date refers to the date by which the financial institution itself or its clients/holdings plans to achieve its policy set out in indicator 2.01. Years are assumed to the end of the year, e.g. 2026 = 31 December 2026. Policies with no target date are awarded no points. Financial Institutions also score points here if their policies are prerequisites for financing, as these are interpreted as timebound, current policies. Policies that are already achieved (fully implemented) are considered 'current/achieved'. Policies that have begun to be implemented but have not achieved the goal are not current and should either specify the deadline or be awarded no points. If the target date for full implementation has passed and not been updated, and the target has not been achieved, the financial institution is scored as having a 'past target data, not updated or not achieved' and are awarded no points. Policies with no target date are awarded no points for this indicator. Policies in place for funds or bonds cannot score. Financial institutions must have scored for 2.01 to score for this indicator.*	
	Answer options	Current	
		Achieved	
		2025	
		2025	
		2026	
		2027	
		2028-2030	
		2031-2050	
		Post 2050	
		Past target date, not updated or not achieved	
		Target date removed	
		No target date	
		No publicly available evidence	
	Essential Details	a	What is the target date for the full implementation of the financial institution's policy?

ASSOCIATED HUMAN RIGHTS ABUSES

The strength of financial institution policies or commitments on the human rights abuses frequently associated with deforestation and conversion of natural ecosystems are assessed for each commodity.

<table>
<tr><th>SECTION</th><th>NUMBER</th><th colspan="2">INDICATOR</th></tr>
<tr><td rowspan="11">Human rights</td><td>4.01</td><td colspan="2">Does the financial institution have a policy that requires clients/holdings to ensure their business operations and supply chains meet key labour standards?</td></tr>
<tr><td>Guidance</td><td colspan="2">Financial institutions can score points for this indicator regardless of if they have a commodity commitment assessed in indicator 2.01. It is assessed once per commodity rather than being repeated for each commitment. Financial institutions should require clients/holdings to have policies which include key labour standards laid out in the United Nations (UN) International Labor Organization conventions, UN Declaration of Human Rights or UN Guiding Principles on Business and Human Rights are upheld, or use similar language specifying the fundamental principles and rights at work. These must include: freedom of association and recognition of collective bargaining; the elimination of forced labour; the abolition of child labour; and the elimination of discrimination. Financial institutions must require all four of the key labour standards, or explicitly commit to the ILO or UN Declaration of Human Rights in order to score here. Policies in place for funds or bonds cannot count for this indicator.</td></tr>
<tr><td rowspan="8">Answer options</td><td colspan="2">Clients/holdings entire supply chain - Required</td></tr>
<tr><td colspan="2">Clients/holdings entire supply chain - Encouraged</td></tr>
<tr><td colspan="2">Clients/holdings own operations - Required</td></tr>
<tr><td colspan="2">Clients/holdings own operations - Encouraged</td></tr>
<tr><td colspan="2">Yes, to no abusive practices/undue disciplinary procedures, legal and decent working hours, safe and healthy workplaces, and living wages and fair benefits</td></tr>
<tr><td colspan="2">Yes to respect a minimum of the right to freedom of association, and to be free from child labour, forced labour and discrimination</td></tr>
<tr><td colspan="2">Does not meet scoring criteria</td></tr>
<tr><td colspan="2">No</td></tr>
<tr><td>Essential details</td><td>a</td><td>Do the requirements of clients/holdings policies adhere to/include the following:
> ILO, UNGP or UN Declaration of Human Rights</td></tr>
</table>

			> Right to be free from discrimination > Right to be free from child labour > Right to be free from forced labour > Right to freedom of association
		b	Do the requirements of clients/holdings policies adhere to/include the following: Workers are provided the minimum wage Workers are paid the living wage Workers only work legal working hours Workers are guaranteed safe and healthy workspaces Workers are free from abusive practices/undue disciplinary procedures Living income for smallholders and Other individual Producers Responsible recruitment

<table>
<tr><th>SECTION</th><th>NUMBER</th><th colspan="2">INDICATOR</th></tr>
<tr><td rowspan="7">Human rights</td><td>4.02</td><td colspan="2">Does the financial institution have a policy that requires clients/holdings to support smallholder producers/smallscale farmers to help them enter responsible supply chains, support good agricultural practices, and eliminate deforestation and/or conversion?</td></tr>
<tr><td>Guidance</td><td colspan="2">Financial institutions can be recorded as having a policy for this indicator regardless of if they have a commodity commitment assessed in indicator 2.01. It is assessed once per commodity rather than being repeated for each commitment.

The financial institution should require the clients/holdings in its financial portfolio to focus on encouraging and/or increasing small-scale farmer/small holders/independent producers participation in commodity supply chains and/or increasing investments and/or capacity in improving the yields and livelihoods of small-scale farmers in regions companies source from. This can include increasing the number of small-scale farmer/small holders/independent producers they source from and providing training, financial, and/or technical support to increase the productivity and quality of commodity production, encourage product diversification, and/or facilitate greater market access from small-scale farmer/small holders/independent producers they source from. Commitments can also focus on developing long-term stable business partnerships with small-scale farmers and developing fair and transparent contracts that do not exploit small-scale farmers. Commitments can also include support for smallholders focused on achieving compliance with deforestation and/or conversion commitments or certification schemes relevant to the commodity.
Smallholders that are also referred to as “scheme smallholders”, “plasma smallholders” and “out growers” who have a long -term or permanent selling relationship with a given buyer and receive significant levels of inputs, support, and/or requirements or mandates from that buyer.
Requiring/encouraging clients/holdings to conduct projects or one-off events focused on smallholder inclusion cannot be recorded as a commitment/policy.
Policies in place for funds or bonds cannot count for this indicator.</td></tr>
<tr><td rowspan="4">Answer options</td><td colspan="2">Yes, required</td></tr>
<tr><td colspan="2">Yes, encouraged</td></tr>
<tr><td colspan="2">Does not meet scoring criteria</td></tr>
<tr><td colspan="2">No publicly available evidence</td></tr>
<tr><td>Essential details</td><td>a</td><td>What is the nature of that support?
[TICK MULTIPLE]
- Certification
- Technical assistance/support
- Education and training
- Economic (including access to financial instruments)</td></tr>
</table>

			- Traceability - Financial incentives for compliance with DCF practices - Living income for smallholders and other individual producers - Other

SECTION	NUMBER	INDICATOR
Human rights	**4.03**	**Does the financial institution have a policy that requires clients/holdings to address gender equality issues in relation to their operations and supply chains?**
	Guidance	*Financial institutions can score points for this indicator regardless of if they have a commodity commitment assessed in indicator 2.01. It is assessed once per commodity rather than being repeated for each commitment. Financial institutions must require the clients/holdings in their financial portfolios to address gender issues both in their own operations and those of their third- party suppliers. Gender considerations must be incorporated at different stages of the approach to responsible sourcing. Companies should review the policies and commitments they already have and assess if they capture gender issues. When developing these plans, it is important to consider the specific social context as gender issues and norms will vary from region to region, affecting women and men differently. Fewer points are awarded if a financial institution's policy requires clients/holdings in its financial portfolios to address labour and workers rights through attention to sexual and gender-based harassment, equal pay and remuneration, and/or gender-based discrimination. Half points are awarded if the financial institution's policy requires clients/holdings in its financial portfolio to address gender related labour rights and specifically refer to improving gender 'equality' as a whole. Commitments to address the inclusion of women in their commodity supply chains also score half points. This can include commitments to increase sourcing of commodities from producers that are making an active effort to increase the participation of women in commodity supply chains, and addressing issues faced by women in agricultural supply chains including but not limited to securing land rights and increasing access to technology, financial services, training, and markets. Full points are awarded if the financial institution's policy requires clients/holdings in its financial portfolio to address both gender related worker & human rights and encourage the inclusion of women in commodity supply chains on equal terms. This can include an explicit commitment to apply the United Nations Women's Empowerment Principles. If financial institutions only encourage the clients/holdings in their financial portfolios to do so, then they receive 0.5 points. Policies in place for funds or bonds cannot count for this indicator.*
	Answer options	Clients/holdings must address gender related worker and labour rights AND the inclusion of women on equal terms across their whole supply chain - Required
		Clients/holdings must address gender related worker and labour rights AND the inclusion of women on equal terms across their whole supply chain - Required
		Clients/holdings must address gender related worker and labour rights AND the inclusion of women on equal terms across their whole supply chain - Required
		Clients/holdings must address gender related worker and labour rights AND the inclusion of women on equal terms across their whole supply chain - Required
		Clients/holdings must address gender related worker and labour rights only for own operations - Required

		Clients/holdings must address gender related worker and labour rights only for own operations - Encouraged	
		Does not meet scoring criteria	
		No publicly available evidence	
	Essential details	a	Does the financial institution require/encourage clients/holdings to also achieve gender equity (please state if own operations or whole supply chain)?
		b	Is the financial institution involved in initiatives aimed at promoting gender equality and/or inclusion? If so, name the initiative?

SECTION	NUMBER	INDICATOR
Human rights	4.04	**Does the financial institution require the clients/holdings to ensure the Free, Prior and Informed Consent (FPIC) of potentially affected Indigenous peoples and local communities (IPs and LCs) prior to acquiring new interests in land or resources, and new developments or expansions?**
	Guidance	*Financial institutions can score points for this indicator regardless of if they have a commodity commitment assessed in indicator 2.01. It is assessed once per commodity rather than being repeated for each commitment. Use of the term FPIC in reference to Indigenous people and local communities is required to score points under this indicator. To score full points for this indicator, The financial institution must require clients/holdings to commit to securing FPIC prior to acquiring new interests, developments, or expansions. FPIC should be done prior to planning operations/expansion/acquisition, not prior to doing it. The FPIC process can be long and is compromised if it's carried out after a plan has already been made. FPIC should also be an ongoing process, as consent can be retracted at any point. The policy should apply to the specific commodity policy, or to the overall sustainability policy for the forest-risk commodities or for general lending and investment criteria. Where there is land conflict between IPs and LCs and an external party such as a company, private landowner, or government, the company is required to halt any efforts to acquire or gain control of land, resources, or territories related to the conflicts until they are addressed through an FPIC process. Points are not awarded where a commitment is associated with only one concession or area; is project-specific or refers to a philanthropic community initiative; or references human rights without any further indication of a process to address these rights. If financial institutions only encourage the clients/holdings in their financial portfolios to do so, then they receive 0.5 points. Policies in place for funds or bonds cannot count for this indicator.*
	Answer options	Yes, required to not proceed with these operations unless consent has been given by the relevant stakeholders
		Yes, required
		Yes, encouraged
		Does not meet scoring criteria
		No publicly available evidence

<table>
<tr><th>SECTION</th><th>NUMBER</th><th colspan="2">INDICATOR</th></tr>
<tr><td rowspan="8">Human rights</td><td>4.05</td><td colspan="2">Does the financial institution require the clients/holdings to commit to respect, customary rights to land, resources, and territory?</td></tr>
<tr><td>Guidance</td><td colspan="2">Financial institutions can be recorded as having a policy for this indicator regardless of if they have a commodity commitment assessed in indicator 2.01. It is assessed once per commodity rather than being repeated for each commitment.

The financial institution should require the clients/holdings in its financial portfolio to commit to respect customary rights to land, resources, and territory, and refrain from acquiring/purchasing/developing land until any conflicts around those land rights have been resolved. This must cover their own operations and suppliers (incl. smallholders) for producers, and for processors, traders, manufacturers, and retailers this must also cover their suppliers. This should be required of clients/holdings to be aligned with best practice.

Policies in place for funds or bonds cannot count for this indicator.</td></tr>
<tr><td rowspan="5">Answer options</td><td colspan="2">Yes, required to refrain from land acquisition or development until any existing land conflicts have been resolved</td></tr>
<tr><td colspan="2">Yes, required</td></tr>
<tr><td colspan="2">Yes, encouraged</td></tr>
<tr><td colspan="2">Does not meet scoring criteria</td></tr>
<tr><td colspan="2">No publicly available evidence</td></tr>
<tr><td>Essential details</td><td>a</td><td>Does the financial institution require clients to cease efforts to acquire, gain control of, or develop land or resources (and cease any support for such efforts via sourcing, financing, or other means) where there is any un-remediated land conflict or rights violation?</td></tr>
</table>

<table>
<tr><th>SECTION</th><th>NUMBER</th><th colspan="2">INDICATOR</th></tr>
<tr><td rowspan="9">Human rights</td><td>4.06</td><td colspan="2">Does the financial institution require clients/holdings to commit to a zero-tolerance approach to violence, threats and attacks against environmental and human rights defenders in its own operations and/or require it of their suppliers?</td></tr>
<tr><td>Guidance</td><td colspan="2">Financial institutions can be recorded as having a policy for this indicator regardless of if they have a commodity commitment assessed in indicator 2.01. It is assessed once per commodity rather than being repeated for each commitment.

In line with the Zero Tolerance Initiative, financial institutions commit to adopt or commit to a zero-tolerance approach to violence or threats against environmental and human rights defenders, who can be defined as: Individuals or groups who, in their personal or professional capacity and in a peaceful manner, act to protect and promote human rights, eliminate human rights violations, or protect the environment, including water, air, land, flora, and fauna (also referred to as: Forest, Land and Human Rights Defenders). For producers, this must cover their own operations, and for processors, traders, manufacturers, and retailers this must also cover their suppliers. This should be required of clients/holdings to be aligned with best practice.

Policies in place for funds or bonds cannot count for this indicator.</td></tr>
<tr><td rowspan="4">Answer options</td><td colspan="2">Yes, required</td></tr>
<tr><td colspan="2">Yes, encouraged</td></tr>
<tr><td colspan="2">Does not meet scoring criteria</td></tr>
<tr><td colspan="2">No publicly available evidence</td></tr>
<tr><td rowspan="2">Essential details</td><td>a</td><td>Does the financial institution encourage clients/holdings to commit to working with rights defenders to create safe and enabling environments for civic engagement and human rights at local, national or international levels?</td></tr>
<tr><td>b</td><td>Does the financial institution require clients/holdings to also commit to no violence, threats and attacks on the ground in their supply chains and sourcing regions/operations?</td></tr>
</table>

<table>
<tr><th>SECTION</th><th>NUMBER</th><th colspan="2">INDICATOR</th></tr>
<tr><td rowspan="8">Human rights</td><td>4.07</td><td colspan="2">Does the financial institution commit to respect the right of Indigenous peoples to self-determination?</td></tr>
<tr><td>Guidance</td><td colspan="2">Financial institutions can be recorded as having a policy for this indicator regardless of if they have a commodity commitment assessed in indicator 2.01. It is assessed once per commodity rather than being repeated for each commitment.

Financial institutions must require portfolio companies to commit to respecting the right of Indigenous peoples to self-determination. This could include committing to alignment with ILO Convention 169 or the UN Declaration on the Rights of Indigenous Peoples.

Policies in place for funds or bonds cannot count for this indicator.</td></tr>
<tr><td rowspan="5">Answer options</td><td colspan="2">Yes, clients/holdings are required to respect the right of Indigenous peoples to self-determination</td></tr>
<tr><td colspan="2">Yes, clients/holdings are encouraged to respect the right of Indigenous peoples to self-determination</td></tr>
<tr><td colspan="2">Yes, the financial institution commits to respect the right of Indigenous peoples to self-determination</td></tr>
<tr><td colspan="2">Does not meet scoring criteria</td></tr>
<tr><td colspan="2">No publicly available evidence</td></tr>
<tr><td>Essential details</td><td>a</td><td>Do they reference UNDRIP?</td></tr>
</table>

POLICY STRENGTH: IMPLEMENTATION, AND REPORTING AND VERIFICATION

The following indicators assess the Implementation, Reporting and Verification commitments of the financial institution. These are assessed across indicators 5.01-5.15, and 6.01-6.03.

SECTION	NUMBER		INDICATOR
Implementation	5.01		**Does the financial institution require the clients/holdings in its financial portfolios to have specified an organisation-wide cut-off date for deforestation and/or conversion that would be considered non-compliant with their deforestation and/or conversion-free commitment?**
	Guidance		*This indicator assesses whether the financial institution has itself set or requires clients/holdings to set a specific cut-off date for deforestation and/or conversion in their supply chain. Clearance after the cut-off date would render a given area or production unit non-compliant with the client/holding's deforestation commitment. Financial institutions must have scored for 2.01 to score for this indicator.* *Policies in place for funds or bonds cannot score.*
	Answer options		Yes, a cut-off date of 2020 or earlier for all financing
			Yes, a cut-off date of 2020 or earlier for partial financing
			Yes, a cut-off date of 2021 or later for all financing
			Yes, a cut-off date of 2021 or later for partial financing
			No
	Essential details	a	What cut-off date is specified?
		b	Is it set by the financial institution?
		c	If this cut-off date varies by region, what cut-off dates are associated with each region?
		d	Does the financial institution also apply this cut-off date to the occurrence of land conflicts/grabs in their supply chains?

<table>
<tr><th>SECTION</th><th colspan="2">NUMBER</th><th>INDICATOR</th></tr>
<tr><td rowspan="13">Implementation</td><td colspan="2">5.02</td><td>Does the financial institution require clients/holdings to have a traceability system in place to determine the origin of its commodity volumes, and to conduct due diligence/monitor their own operations or suppliers on the compliance of the commodity's deforestation and/or conversion free status?</td></tr>
<tr><td colspan="2">Guidance</td><td>Traceability is an important tool for companies to ensure compliance of their supply chains with their deforestation and/or conversion commitments. To be recognised as meeting all of the components of this indicator, financial institutions must require clients/holdings to have a traceability system and a compliance monitoring mechanism, and describe a clear process used to address any non-compliance identified. This must be required.

It is also recorded whether financial institutions encourage or require clients/holdings to:
-commit to monitoring and/or auditing their operations or suppliers
-have an assurance mechanism either through a credible third party certification scheme
-or have a system to trace the origin of the commodity in order to be able to ascertain compliance (ask all companies to trace supplies back to plantation, or ask upstream companies (producers, processors, traders) to trace back to plantation and downstream companies (manufacturers and retailers) to trace back to at least first importer and conduct sufficient due diligence checks to ascertain that supplies from that importer are compliant with their commitment)

Policies in place for funds or bonds cannot be recognised here.</td></tr>
<tr><td colspan="2" rowspan="6">Answer options</td><td>Yes, requires a mechanism to monitor compliance against DCF standards</td></tr>
<tr><td>Yes, requires a mechanism to monitor compliance against non-DCF standards</td></tr>
<tr><td>Yes, requires a traceability system</td></tr>
<tr><td>Also requires a clear process in place if non-compliance against DCF standards is identified</td></tr>
<tr><td>Does not meet scoring criteria</td></tr>
<tr><td>No publicly available evidence</td></tr>
<tr><td rowspan="3">Essential Details</td><td>a</td><td>What type of assurance mechanism is used?</td></tr>
<tr><td>b</td><td>What timebound expectations are in place for clients/holdings to be compliant?</td></tr>
<tr><td>c</td><td>Are the traceability system requirements linked to any specific legislation/regulation/laws?</td></tr>
</table>

<table>
<tr><th>SECTION</th><th colspan="2">NUMBER</th><th>INDICATOR</th></tr>
<tr><td rowspan="8">Implementation</td><td colspan="2">5.03</td><td>Does the financial institution require its clients/holdings to report both financed projects/subsidiaries in forest-risk commodity supply chains, and report the location of its owned/financed production/processing sites or suppliers?</td></tr>
<tr><td colspan="2">Guidance</td><td>To score full points, the financial institution must require its clients/holdings to disclose both financed projects/subsidiaries in forest-risk commodity supply chains, and report the location of its owned/financed production/processing sites or those of its suppliers. Points decrease if the client/holding is only required to partially report on the above.</td></tr>
<tr><td colspan="2" rowspan="4">Answer options</td><td>Yes, requires disclosure of locations of owned/financed production/processing sites, or list of suppliers</td></tr>
<tr><td>Yes, requires disclosure of financed projects/subsidiaries</td></tr>
<tr><td>Does not meet scoring criteria</td></tr>
<tr><td>No publicly available evidence</td></tr>
<tr><td rowspan="2">Essential Details</td><td>a</td><td>Does the financial institution require the clients/holdings to disclose their exposure to commodity-driven deforestation annually?</td></tr>
<tr><td>b</td><td>How are the clients/holdings required to report this information?
Publicly
Privately</td></tr>
</table>

<table>
<tr><th>SECTION</th><th>NUMBER</th><th colspan="2">INDICATOR</th></tr>
<tr><td rowspan="17">Implementation</td><td>5.04</td><td colspan="2">Does the financial institution require its clients/holdings to have a due diligence process in place to monitor compliance of its commitments on associated human rights abuses within its own operations and/or its supply chains?</td></tr>
<tr><td>Guidance</td><td colspan="2">Financial institutions should require clients/holdings to have an integrated management system to identify and monitor its commitment to the implementation of their human rights policies. Financial institutions can be awarded per human rights policy covered by the commitment, specifically the FPIC, labour rights, gender equality, customary rights to land, resources and territory, and having a zero-tolerance approach to violence against forest, land, and human rights defenders. Answer options for this indicator are additive, financial institutions which only encourage clients/holdings to have due diligence systems in place are still captured here.</td></tr>
<tr><td rowspan="14">Answer options</td><td colspan="2">Yes, requires due diligence process for labour rights</td></tr>
<tr><td colspan="2">Yes, requires due diligence process for gender</td></tr>
<tr><td colspan="2">Yes, requires due diligence process for smallholders</td></tr>
<tr><td colspan="2">Yes, requires due diligence process for FPIC</td></tr>
<tr><td colspan="2">Yes, requires due diligence process for customary land rights</td></tr>
<tr><td colspan="2">Yes, requires due diligence process for zero tolerance of HRD/ERD</td></tr>
<tr><td colspan="2">Yes, encourages due diligence process for labour rights</td></tr>
<tr><td colspan="2">Yes, encourages due diligence process for gender</td></tr>
<tr><td colspan="2">Yes, encourages due diligence process for smallholders</td></tr>
<tr><td colspan="2">Yes, encourages due diligence process for FPIC</td></tr>
<tr><td colspan="2">Yes, encourages due diligence process for customary land rights</td></tr>
<tr><td colspan="2">Yes, encourages due diligence process for zero tolerance of HRD/ERD</td></tr>
<tr><td colspan="2">Does not meet scoring criteria</td></tr>
<tr><td colspan="2">No due diligence process</td></tr>
<tr><td>Essential Details</td><td>a</td><td>Is any guidance given on what this due diligence process should consist of?</td></tr>
</table>

<table>
<tr><th>SECTION</th><th>NUMBER</th><th colspan="2">INDICATOR</th></tr>
<tr><td rowspan="13">Reporting</td><td>6.01</td><td colspan="2">Does the financial institution annually report on the progress of its clients/holdings/portfolio towards compliance with the associated human rights policies?</td></tr>
<tr><td>Guidance</td><td colspan="2">The financial institution should report progress against its human rights policies. For example, how many clients/holdings assessed as part of their due diligence are classified as high/low risk or how many clients/holdings have been engaged on associated human rights abuse risks and impacts. Progress must have been reported in the last two years (2023/2024/2025) and ideally reported annually.
Financial institutions are recognised for each human rights policy they report progress towards, specifically including the FPIC, labour rights, gender equality, customary rights to land, resources and territory, and having a zero-tolerance approach to violence against forest, land, and human rights defenders.
This progress report could include the following for each of the associated human rights;
-reports number/proportion of portfolio clients/holdings covered by the human rights policy
-reports number/proportion/outcome of portfolio clients/holdings which have been engaged with on associated human rights abuse risks or impacts
-reports number/proportion of portfolio clients/holdings compliant with the associated human rights policy
To be recognised for this indicator, financial institutions must have a publicly available commitment/policy for the respective policy indicator. If the financial institutions report their progress across all human rights then it will be recorded for each human right they have a policy for in the respective policy indicator.</td></tr>
<tr><td rowspan="8">Answer options</td><td colspan="2">Yes, on the labour rights policy</td></tr>
<tr><td colspan="2">Yes, on the smallholder policy</td></tr>
<tr><td colspan="2">Yes, on the gender equality and inclusion policy</td></tr>
<tr><td colspan="2">Yes, on the FPIC policy</td></tr>
<tr><td colspan="2">Yes, on the customary rights to land, resources, and territory policy</td></tr>
<tr><td colspan="2">Yes, on the zero tolerance for violence and threats against forest, land, and human rights defenders and policy</td></tr>
<tr><td colspan="2">Does not meet scoring criteria</td></tr>
<tr><td colspan="2">No due diligence process</td></tr>
<tr><td rowspan="2">Essential Details</td><td>a</td><td>Does the financial institution report the proportion of $/portfolio that is compliant with each human rights policy?
Yes
No</td></tr>
<tr><td>b</td><td>How is this information reported?</td></tr>
</table>

SECTION	NUMBER	INDICATOR
Implementation	**5.05**	**Does the financial institution require the clients/holdings in its financial portfolio to conduct commodity-specific risk assessments related to forest risk OR ESIA assessments for new site development or land acquisition?**
	Guidance	*The financial institution must ask clients/holdings in its financial portfolio to commit to conducting risk-assessments for their operations (if upstream) or supply chains (if downstream), which explicitly includes forests or deforestation. This can include HCV/HCS assessments.* *Financial institutions must have a commitment/policy in indicator 2.01.* *Policies in place for funds or bonds cannot count here.*
	Answer options	Yes, required
		Yes, encouraged
		Does not meet scoring criteria
		No due diligence process

SECTION	NUMBER		INDICATOR
Implementation	**5.06**		**Does the financial institution require or encourage their clients/holdings to provide evidence that their operations and/or supply chains comply with all applicable local, national, and international laws and regulations?**
	Guidance		*The financial institution must require that clients/holdings in their portfolios provide evidence that all commodities that they produce, source or use comply with all applicable local, regional, national, and international laws that relate to and apply to deforestation and/or conversion and associated human rights abuses. Examples of applicable legislation/laws for this indicator include but are not limited to: land rights, human rights protected under international law, and tax, anti-corruption, trade and customs regulations. Tools companies can use to ensure legal compliance include: first party audits, ground-based monitoring, remote sensing or other geospatial monitoring or supplier self-declarations. Weaker commitments/policies are recognised if the clients/holdings are only required to provide evidence that their own business is legally operated.* *These should be requirements of clients/holdings across their entire supply chains to be aligned with best practice, but commitments which only encourage clients/holdings to do so or only cover the clients/holdings' own operations are also recognised here.* *Policies in place for funds or bonds cannot count here.*
	Answer options		Clients/holdings entire supply chain - Required
			Clients/holdings entire supply chain - Encouraged
			Clients/holdings own operations - Required
			Clients/holdings own operations - Encouraged
			Does not meet scoring criteria
			No due diligence process
	Essential Details	a	Does the financial institution advocate for stronger due diligence legislation? For example by responding to consultations on legislative frameworks and encouraging other financial institutions to do the same?
		b	Which legislative frameworks are referenced?

<table>
<tr><th>SECTION</th><th colspan="2">NUMBER</th><th>INDICATOR</th></tr>
<tr><td rowspan="9">Implementation</td><td colspan="2">5.07</td><td>Does the financial institution require clients/holdings to have accessible grievance mechanism(s) in place to identify environmental or human rights impacts in its operations or supply chains?</td></tr>
<tr><td colspan="2">Guidance</td><td>To be awarded full points the financial institution must require clients/holdings to have grievance mechanisms in place to identify and remedy adverse social and/or environmental impacts linked to their operations and supply chains related to forest-risk commodities. The mechanism should be open to everyone (incl. employees, suppliers, and external stakeholders) and allow environmental and/or social issues in their operations and supply chains to be reported (i.e. not solely a system for their employees to report issues on their direct operations).

If financial institutions only encourage the clients/holdings in their financial portfolios to do so, then they receive 0.5 points.</td></tr>
<tr><td colspan="2" rowspan="6">Answer options</td><td>Yes, required for deforestation and/or conversion</td></tr>
<tr><td>Yes, encouraged for deforestation and/or conversion</td></tr>
<tr><td>Yes, required for associated human rights abuses</td></tr>
<tr><td>Yes, encouraged for associated human rights abuses</td></tr>
<tr><td>Does not meet scoring criteria</td></tr>
<tr><td>No due diligence process</td></tr>
<tr><td>Essential Details</td><td>a</td><td>Does the financial institution require clients/holdings to publicly report any grievances raised through the mechanism?
Yes
No</td></tr>
</table>

SECTION	NUMBER		INDICATOR
Implementation	**5.08**		**Does the financial institution have a publicly accessible grievance mechanism through which grievances relating to the financial institution or its clients/holdings can be reported?**
	Guidance		*To score, the financial institution itself must have a grievance mechanism so that individuals and communities who may be adversely impacted by the financial institutions can raise complaints or concerns, including those relating to environmental and human rights issues. The mechanism should be open to everyone (incl. employees, suppliers, and external stakeholders) and allow environmental and/or social issues within their financing activities to be reported (i.e. not solely a system for their employees to report issues on their direct operations). The assessment team must be able to view and input into the grievance mechanism directly in order for the financial institution to score for this indicator. To score full points for this indicator, the financial institution must also publish/disclose details of any grievances made against them, as well as responses and resolutions including status and timeframes.* *The reporting must be published within the last two reporting periods (2023/2024/2025).*
	Answer options		Yes, publicly accessible grievance mechanism which addresses associated human rights abuses
			Yes, publicly accessible grievance mechanism which addresses environmental impacts
			Yes, and published details of any grievances within the last two years (2023-2025)
			Does not meet scoring criteria
			No publicly accessible grievance mechanism
	Essential Details	a	What is the nature of the grievance mechanism used by the financial institution (own mechanism, that of an external company, internationally recognised mechanism, etc.)?
		b	Does the financial institution disclose details of complaints and grievances, if anonymity is not requested, including the following details: date; issue; complainant category; actions taken; status; timeframes?

<table>
<tr><th>SECTION</th><th colspan="2">NUMBER</th><th>INDICATOR</th></tr>
<tr><td rowspan="9">Implementation</td><td colspan="2">5.09</td><td>Does the financial institution require the client/holding to provide remediation or restoration where it has caused or contributed to social or environmental harm related to deforestation and/or conversion and associated human rights abuses?</td></tr>
<tr><td colspan="2">Guidance</td><td>The financial institution must require clients/holdings to remediate for any past or present environmental or social harms related to deforestation, conversion, or associated human rights abuses. Providing remediation following an environmental or social harm can take vastly different forms depending on the harm. It can include remediation in the
form of environmental restoration, payment, restoring polluted water supplies, but this list is non-exhaustive. To be aligned with best practice, the financial institution must also support the development of a remediation/implementation plan.
The financial institution does not have to detail a remediation response they supported a client/holding to undertake in relation to a specific harm caused, but must commit to provide remediation in the instance of causing or contributing to harm.</td></tr>
<tr><td colspan="2" rowspan="6">Answer options</td><td>Yes require, and the financial institution supports the development of an implementation plan to remediate</td></tr>
<tr><td>Yes encourage, and the financial institution supports the development of an implementation plan to remediate</td></tr>
<tr><td>Yes, require</td></tr>
<tr><td>Yes, encourage</td></tr>
<tr><td>Does not meet scoring criteria</td></tr>
<tr><td>No</td></tr>
<tr><td>Essential Details</td><td>a</td><td>Does the financial institution require the client/holding's remediation policy to cover:
Deforestation and/or conversion
Associated human rights abuses</td></tr>
</table>

SECTION	NUMBER		INDICATOR
Implementation	**5.10**		**Does the financial institution conduct commodity-specific risk assessments related to deforestation, conversion, and associated human rights risks?**
	Guidance		*The financial institutions must conduct specific risk assessments of their clients/holdings' exposure to deforestation and/or conversion, and associated human rights abuse risk in their portfolios at the point of onboarding. The financial institution can also be recognised for this indicator if they have recently set commitments on deforestation and/or conversion and are assessing the risk across their portfolio at the beginning of the process.* *To be awarded for all of the answer options for this indicator the financial institution must also detail the process in place to determine next steps if a prospective client/holding has been found to have deforestation/conversion/human rights risks and impacts in their supply chains or operations, such as any thresholds of risk exposure that would prevent a client/holding being onboarded, or engagement steps.*
	Answer options		Yes, and has a clear process in place if exposure to risks and impacts are identified
			Yes, for associated human rights abuse risk
			Yes, for deforestation/conversion risk
			Does not meet scoring criteria
			No commitment
	Essential Details	a	Does the financial institution publish the risk assessment framework/tool used?
		b	Does the risk assessment categorise the severity of risk?
		c	What steps does the financial institution take if clients/holdings are identified as being exposed to deforestation/conversion/associated human rights abuse risks during the risk assessment? Please provide details.

SECTION	NUMBER		INDICATOR
Reporting	**6.02**		**Does the financial institution publish the outcome of the risk assessment at the point of onboarding?**
	Guidance		*Financial institutions should disclose the proportion of clients/holdings defined as having a high deforestation risk (based on both their exposure to deforestation and conversion, associated human rights abuse risk), and the efforts taken to mitigate those risks. For example, this could be in the form of volumes of forest-risk agricultural commodities produced, processed, procured or financed by clients/holdings in/from high risk region, or, the amount of finance provided to clients/holdings which operate at all stages of the supply chain that produce, process, procure, or finance forest-risk commodities. Financial institutions must have reported on their own website within the last two years (2023/2024/2025).*
	Answer options		Yes, publishes outcomes for both deforestation/conversion and associated human rights abuse risk assessment
			Yes, publishes the outcome of the associated human rights abuse risk assessment
			Yes, publishes the outcome of the deforestation/conversion risk assessment
			Does not meet scoring criteria
			No
	Essential Details	a	How many/what proportion of clients/portfolios are reported to be at different levels of risk?

<table>
<tr><th>SECTION</th><th colspan="2">NUMBER</th><th>INDICATOR</th></tr>
<tr><td rowspan="11">Implementation</td><td colspan="2">5.11</td><td>Does the financial institution have a clear public process to identify policy non-compliant clients/holdings?</td></tr>
<tr><td colspan="2">Guidance</td><td>This indicator focuses on whether a financial institution has internal procedures to assess and monitor existing financial relationships with clients/holdings against their sustainability policies. Financial institutions can either specify details of a screening and monitoring process in line with best practice, or weaker processes such as ad-hoc/less than annual audits.

Financial institutions must have a policy/commitment for 2.01. Financial institutions which have a DCF policy are also recognised here, again reflecting the strength of their commitment.</td></tr>
<tr><td colspan="2" rowspan="6">Answer options</td><td>Screening and monitoring process for the DCF commitment</td></tr>
<tr><td>Ad-hoc/less than annual audits for the DCF commitment</td></tr>
<tr><td>Screening and monitoring process for a non-DCF commitment</td></tr>
<tr><td>Ad-hoc/less than annual audits for a non-DCF commitment</td></tr>
<tr><td>Does not meet scoring criteria</td></tr>
<tr><td>No</td></tr>
<tr><td rowspan="3">Essential Details</td><td>a</td><td>Does the financial institution assess the severity of any non-compliance on the ground in forest-risk commodity supply chains in line with the guidance of the Accountability Framework?
Yes
No</td></tr>
<tr><td>b</td><td>Does the financial institution prioritise clients/holdings for engagement based on their compliance monitoring? If yes, do they use thresholds/cut offs to identify these clients/holdings?</td></tr>
<tr><td>c</td><td>Does the financial institution disclose methods/tools used to identify non-compliance?
Yes
No</td></tr>
</table>

SECTION	NUMBER		INDICATOR
Implementation	**5.12**		**Does the financial institution have a clear public process to engage with clients/holdings to manage non-compliance with their deforestation and/or conversion commitments?**
	Guidance		*The financial institution should have a clear public process detailing how they will engage with clients/holdings in their financial portfolios who have been found to be non-compliant with either the financial institution's deforestation policy (indicator 2.1) or their own time-bound plan.* *Engaging with non-compliant clients/holdings with a clearly stated risk of redirecting finance within a set time-frame if progress is not made is best practice. Committing to engage with non-compliant clients/holdings without a time-bound threat of redirecting finance is also recognised in this indicator.* *Financial institutions must have a policy/commitment in 2.01. Financial institutions which have a DCF policy are also recognised here, again reflecting the strength of their commitment.* *It is also recommended that the client/holding is required to report on their progress towards the updated time-bound plan within at least six months, and then again after 12 months.* *For equity and bond holders, this step could be done with the support of other investors to place greater pressure on the company to drive positive change, through collaborations such as the Climate Action 100+. For banks, this required progress could be made a condition of further/extended financing.*
	Answer options		Engage with companies which are non-compliant with a DCF commitment, with a time-bound threat of redirection of finance
			Engage with companies non-compliant with a DCF commitment without a time-bound threat of redirection of finance
			Engage with companies which are non-compliant with a non-DCF commitment, with a time-bound threat of redirection of finance
			Engage with companies non-compliant with a non-DCF commitment without a time-bound threat of redirection of finance
			Does not meet scoring criteria
			No engagement with non-compliance
	Essential Details	a	Do the financial institutions have clear thresholds of non-compliance or thresholds of exposure to deforestation risk that trigger engagement processes for clients/holdings? Yes No
		b	Does the financial institution engage with the company to develop its time-bound plan for compliance with the policy? Yes No

		c	Does the financial institution commit to actively monitor clients/holdings' progress towards their time-bound plans and remediation activities? Yes No
		d	Does the financial institution engage with NGOs/CSOs/IPLCs/rightsholders on the ground as part of their engagement? Yes No
		e	Does the financial institution disclose the thresholds for non-compliance/exposure? If so, what are they?

<table>
<tr><th>SECTION</th><th colspan="2">NUMBER</th><th>INDICATOR</th></tr>
<tr><td rowspan="11">Reporting</td><td colspan="2">6.03</td><td>Does the financial institution annually report the number or proportion of portfolio clients/holdings to which the deforestation policy applies, proportion which are compliant with their time-bound plans/in compliance with the financial institution’s policy, and the number of companies/clients which have been engaged on deforestation-risk?</td></tr>
<tr><td colspan="2">Guidance</td><td>The financial institution should report progress against its deforestation policy (captured in indicator 2.01). For example, how many clients/holdings assessed as part of their due diligence are classified as high/low risk or how many clients/holdings have been engaged on deforestation risks. This can be included in ESG reporting as long as the proportion compliant with the commodity or deforestation policy can be ascertained. Compliance must be reported in the last two years (2023/2024/2025) and ideally reported annually.
Financial institutions can be recognised for reporting the following requirements:
-reports number/proportion of portfolio clients/holdings covered by the deforestation policy
-reports number/proportion/outcome of portfolio clients/holdings which have been engaged with on deforestation and/or conversion-risk or compliance with the policy/time-bound plans
-reports number/proportion of portfolio clients/holdings compliant with the deforestation policy or their own timebound plans
Financial institutions must have a commitment/policy in indicator 2.01. Financial institutions which have a DCF policy are also recognised here, again reflecting the strength of their commitment.</td></tr>
<tr><td colspan="2" rowspan="8">Answer options</td><td>DCF policy, and reports all three criteria</td></tr>
<tr><td>DCF policy and reports two criteria</td></tr>
<tr><td>DCF policy and reports one criteria</td></tr>
<tr><td>Non-DCF policy, and reports all three criteria</td></tr>
<tr><td>Non-DCF policy, and reports two criteria</td></tr>
<tr><td>Non-DCF policy, and reports one criteria</td></tr>
<tr><td>Does not meet scoring criteria</td></tr>
<tr><td>No reporting</td></tr>
<tr><td>Essential Details</td><td>a</td><td>Select reporting criteria
Reports number/proportion of portfolio companies covered by the deforestation policy
Reports number/proportion/outcome of portfolio companies which have been engaged with on deforestation-risk or compliance with the policy/time-bound plans
Reports number/proportion of portfolio companies compliant with the deforestation policy or their own timebound plans</td></tr>
</table>

		b	Does the financial institution report the proportion of $/portfolio that is compliant with their 2.1 policy?

SECTION	NUMBER		INDICATOR
Implementation	**5.13**		**Does the financial institution have a clear, time-bound process for reviewing its policies and updating it in line with best practice?**
	Guidance		*Financial institutions should review their policies on deforestation and/or conversion and human rights abuses to ensure they align with best practice. Half points are awarded if policies are not reviewed at least annually.* *Financial institutions must have a deforestation policy available for 2.01 for the answer options relevant to deforestation and/or conversion and at least one of 4.01 / 4.02 / 4.03 / 4.04 / 4.05 / 4.06 for the answer options related to associated human rights abuses.*
	Answer options		Yes, annual or more frequent review of deforestation and/or conversion policies
			Yes, annual or more frequent review of associated human rights abuse policies
			Timelines for review unclear or review conducted less frequently than annually for deforestation and/or conversion policies
			Timelines for review unclear or review conducted less frequently than annually for associated human rights abuse policies
			Does not meet scoring criteria
			No
	Essential Details	a	Which policies are reviewed?

<table>
<tr><th>SECTION</th><th colspan="2">NUMBER</th><th>INDICATOR</th></tr>
<tr><td rowspan="9">Implementation</td><td colspan="2">5.14</td><td>Does the financial institution have/use a green financing product with requirements on deforestation and/or conversion?</td></tr>
<tr><td colspan="2">Guidance</td><td>The financial institution must have or use a green financing product, e.g. a green bond, a specific fund, which has specific requirements on deforestation and/or conversion of natural ecosystems. This is a useful step to enable financial institutions to transition to completely deforestation and conversion-free financing.
Having requirements on associated human rights abuses are also recognised here.</td></tr>
<tr><td colspan="2" rowspan="4">Answer options</td><td>Yes, green fund covers deforestation and/or conversion</td></tr>
<tr><td>Yes, green fund covers associated human rights abuses</td></tr>
<tr><td>Does not meet scoring criteria</td></tr>
<tr><td>No</td></tr>
<tr><td rowspan="2">Essential Details</td><td>a</td><td>What does the green finance product cover e.g. financially, size?</td></tr>
<tr><td>b</td><td>Is this a clear part of the transition to fully deforestation, conversion, and associated human rights abuse-free financing?
Yes
No</td></tr>
</table>

SECTION	NUMBER		INDICATOR
Implementation	**5.15**		**Does the financial institution incorporate deforestation/conversion and/or associated human rights abuses into its proxy voting guidelines or policies?**
	Guidance		*Proxy voting guidelines are policies financial institutions use to decide how to vote on shareholder matters, such as corporate governance, executive compensation, and environmental, social, and governance (ESG) issues. These guidelines aim to protect shareholder interests, ensure board accountability, and align with long-term value creation.* *Financial institutions should explicitly support shareholder resolutions and company initiatives that aim to eliminate deforestation and/or conversion and associated human rights abuses, and promote sustainable land use, particularly in forest-risk commodity supply chains. They should also oppose any corporate policies or actions that could be seen as contributing to deforestation.* *Financial institutions should clearly state their proxy voting guidelines and/or requirements in relation to deforestation/conversion and/or associated human rights abuses.* *Only asset managers will be assessed on this indicator.*
	Answer options		Yes, deforestation and/or conversion are included in proxy voting processes and guidelines
			Yes, associated human rights abuses are included in proxy voting processes and guidelines
			Does not meet scoring criteria
			No
	Essential details	a	Please detail how deforestation and/or conversion is included in proxy voting:
		b	Please detail how associated human rights abuses are included in proxy voting:
		c	Does the financial institution have a policy to vote 'FOR' any proposals asking for disclosure on company guidelines and practices regarding political activities, including political contributions, political lobbying and trade association spending?

Global Canopy

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