The Soy Buyers Coalition

Delivering zero deforestation commitments through a collaborative approach

Brussels, Belgium
20 November 2018
The Consumer Goods Forum

400 members from multinationals to SMEs directly employ 10 million people and estimated revenues exceed €3.5 trillion.

50+ global CEOs on our parity-based Board of Directors, embracing both retailers and manufacturers.

1,500 industry experts involved in our working groups, helping to shape industry agenda.

40 events and working groups provide unrivalled networking and knowledge sharing opportunities.

1 global network committed to action and driving positive change through collaboration.
CGF Deforestation Resolution

As the Board of the Consumer Goods Forum we pledge to mobilise resources within our respective businesses to help achieve zero net deforestation by 2020.

We will achieve this both by individual company initiatives and by working collectively in partnership with governments and NGOs.

Together we will develop specific, time bound and cost effective action plans for the different challenges in sourcing commodities like palm oil, soya, beef, paper and board in a sustainable fashion.

We will also work with other stakeholders – NGOs, Development Banks, Governments etc – to create funding mechanisms and other practical schemes that will incentivise and assist forested countries to conserve their natural assets and enable them to achieve the goal of zero net deforestation, whilst at the same time meeting their goals for economic development.
Status quo for soy buyers

Current options:

1. Purchase credits to ‘pull’ the market
   • No guaranteed link to company’s own supply chain
   • Limited results to date

2. Invest in on-the-ground projects
   • No guaranteed link to company’s own supply chain

3. Traceability to origin
   • Expensive
   • Tackling challenges individually may lead to limited success

Focus on areas our members collectively source from, collaborate with on-the-ground actors and support existing initiatives.
Changes in deforestation trends need to be driven by local actors, including government, local companies, civil society and producers.

- Far away from production regions
- Low volumes/low supply chain influence
- Limited engagement with local actors
- Complex supply chains
- Individual actions

- Obvious sourcing regions most at risk of deforestation
- Precompetitive collaboration
- Collective influence to mobilize other local companies
- Jointly partnering with local actors
Soy Buyers Coalition (SBC)

The SBC is an inclusive project which aims to address sustainability challenges and identify opportunities for companies to implement zero net deforestation commitments (at a minimum). We will build on and support relevant, credible initiatives that implement on-the-ground projects in key soy producing regions in Brazil.

What does the SBC not do:

• **Not** aiming to create something separate and duplicate existing work
• Will **not** advise companies on where to source from
• Will **not** encourage the avoidance of problematic areas
• **Not** focus on traceability and transparency as an end in themselves

"We are looking for trouble"
Members

- **CGF**: Owner
- **Proforest**: Coordinator
- **Trase**: Data and Analytical partner
- **Industry members**: downstream users of soy
- **Implementation partners**: IDH
- **Advisory group**: CFA, AFi members and other civil society actors
Criteria to prioritize municipalities

- Soy can be indirect driver of deforestation
- Soy can be direct driver of deforestation
- No leverage for soy buyers – deprioritize?
- Consolidated area

Total deforestation in Cerrado + Amazon
Accumulated area for the last 3 years (ha)

122 ha

24,460 ton

Soy exportation to EU + USA + China
Average volume for the last 3 years (ton)

90% of total volume is exported by 10% of municipalities

97% of total deforested area is concentrated in 10% of municipalities

Source: PRODES and Lapig
Source: TRASE data
Preliminary Results

<table>
<thead>
<tr>
<th>Soy can be indirect driver of deforestation</th>
<th>Soy can be direct driver of deforestation</th>
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<tbody>
<tr>
<td>62 mun.</td>
<td>31 mun.</td>
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</table>

No leverage for soy buyers – deprioritize?

1673 mun.

Consolidated area

62 mun.

Legend

municipalities classification

1
2
3
4
### Criteria to analyse initiatives in priority areas

<table>
<thead>
<tr>
<th>Deforestation situation</th>
<th>Types of initiatives</th>
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</thead>
<tbody>
<tr>
<td><strong>A</strong> High occurrence of illegal deforestation</td>
<td>Controlling illegal deforestation</td>
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<tr>
<td><strong>B</strong> Natural vegetation area is below the required by Forest Code</td>
<td>Recover legal deficit of vegetation</td>
</tr>
<tr>
<td><strong>C</strong> Natural vegetation area is above the required by Forest Code</td>
<td>Protect the legal surplus of vegetation</td>
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<tr>
<td><strong>D</strong> Soy is expanding and there is cleared area available</td>
<td>Expand soy over degraded pasture/areas</td>
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<tr>
<td><strong>E</strong> Other</td>
<td>Production initiatives</td>
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**Source:** IBGE, IBAMA, Imaflora, Geolab
Workplan

Scoping phase (2018):
• Map SBC key soy sourcing regions (TRASE)
• Understand deforestation risks (Proforest)
• Prioritize areas of collective interest
• Identify initiatives on-the-ground that can contribute to deliver commitments
• Plan implementation – how to support

Implementation Phase (2019):
• Engaging with and supporting initiatives
Thank you!

If you would like more information, please contact:

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