Mobilising French stakeholders to fight imported deforestation linked to soybean

France has reiterated its commitment to combating imported deforestation through the government-led National Strategy against Imported Deforestation (SNDI), and for several months many stakeholders – including the signatories – have been actively tackling deforestation and conversion¹ linked to imported soybeans in France, in the Amazon and the Cerrado region of Brazil in particular.

Various initiatives have been implemented to jointly identify operational solutions, resulting in the following consensus between the signatories:

- Deforestation/conversion in the Cerrado region continues at an alarming rate and there is an urgent need to stop land conversion in the Brazilian savannah of the Cerrado, because this biome plays an essential role.
- This deforestation/conversion is not necessary for the expansion of Brazilian agriculture Brazil has enough land cleared and adapted to meet the projected expansion of Brazilian soybean production in the coming decades.
- Soybean is mainly responsible for this deforestation/conversion, in particular exports to China and the European Union.
- Significant work in the Amazon has already been carried out by Brazilian operators and their stakeholders via the Amazon Soy Moratorium, demonstrating the effectiveness of collective measures decided locally.
- It is necessary to act collectively with the public authorities at European and international level to put an end to deforestation; indeed, the French agri-food industry imports 3 million tonnes of soybean meal from Brazil, which amounts to approximately 4% of Brazilian exports estimated at 99 million tonnes of soybean.
- The fight against deforestation/conversion must include not only illegal but also legal deforestation, i.e. that authorised by the Brazilian forestry code according to which it is legally possible to convert 65–80% of the surface of a private property in the Cerrado for agricultural use.
- The difficulty of implementing solutions unilaterally, given the weight of the stakeholders, and of monitoring compliance with producer commitments.
- The difficulty of influencing Brazilian producers who can be up to eighth in the supply chain of certain signatories.
- Voluntary solutions from the private sector are needed to stop all forms of destruction, whether legal or illegal.
- The key role of the main importers, who are in contact with the producers and who buy the largest share of soybeans imported into France (50 to 60 ships deliver to France each year).
- The limited impact of actions designed to preserve the Cerrado by aiming to supply France from other soybean-producing countries or to use only certified soybeans.

¹ "Conversion" is defined (in French) in paragraph 2.1 of the provisional report from the Scientific and Technical Committee set up by the Agence française de développement (ADF): "Ending soybean imports resulting from the conversion of natural ecosystems in South America" https://www.canopee-asso.org/wp-content/uploads/2020/09/Rapport-SOJA_09-2020-1.pdf

- In addition to collective efforts, the fight against deforestation requires individual action from each stakeholder. Most notably, economic players must further their knowledge of their own supply chains, the full traceability of these ones, and make efforts to transform them. Making use, if necessary, of joint operational work and common tools.
- State involvement and the will of the European Union are crucial to fighting deforestation effectively.
- The implementation of voluntary commitments such as this manifesto does not replace State regulations, which must be strengthened. They are an additional tool that can be used to test solutions before they are made more widespread.
- This Manifesto is part of the process of European legislation to fight against imported deforestation, particularly as part of the Regulation to curb EU-driven deforestation.
- Accordingly, the signatories individually undertake to implement the commitments below within their specific areas of responsibility and to promote them collectively.
- One condition for success is to mobilise at least a majority of market actors present on the French market, in order to reach a necessary tipping point.

For retailers

As a priority, the retailers' scope of commitment applies to their own brands of poultry, pork, beef and dairy products, from sectors where animal feed contains soy:

- Support the rapid implementation of a date that is the same for all stakeholders (cutoff date), i.e. 1 January 2020, for a ban on all soybeans from an area that has been deforested²/converted after this cut-off date³, whether legally or illegally.
- 2. Mobilise their own-brand suppliers from January 2021, to include a contractual nonconversion/deforestation clause taking the cut-off date into account in the specifications;

Support the implementation of these commitments by national brands.

In addition, mobilise importers and feed manufacturers to assess their policies and actions to address deforestation.

3. Eventually achieve 100% of soy supplies that meet SNDI expectations, i.e. whose physical control ensures that imported soy is not linked to legal or illegal deforestation and conversion practices, based on the cut-off date.

² Deforested areas as defined by the HCS and HCV approach: no expansion into forests as defined in the HCS approach (High Carbon Stock, <u>http://highcarbonstock.org/</u>), conservation of HCV areas (High Conservation Value, <u>https://hcvnetwork.org/</u>) with high biological, ecological, social and/or cultural value, no development on peatland areas.

³ To avoid any spill-over, this cut-off date may be extended to all ecosystems in South America in accordance with the recommendations of the Accountability Framework Initiative if the imported soybeans come from those ecosystems.

In the case of pre-existing initiatives to preserve ecosystems, the signatories recognise the applied cut-off date if this one is earlier. For example, the signatories recognise the July 2008 cut-off date for the Amazon biome protected by the Soy Moratorium in Brazil.

The ZDC methodology (Zero Deforestation nor Conversion⁴), developed by Earthworm Foundation and recognised by the signatories of the Manifesto, allows for example the import of soybeans that meet the SNDI's expectations.

Commit to using this methodology or any other method that respects the SNDI's expectations, by cascading the request to all their suppliers.

- 4. Monitor their exposure to the risk of imported deforestation linked to soy by using the SNDI's deforestation risk assessment dashboard for French soy imports⁵. This tool allows to verify the compliance of soy in supply chains with the provisions of this Manifesto.
- 5. To the extent possible, collaborate in the development of solutions in producing countries for responsible soy production.
- 6. Report on their individual action plans to ensure that this commitment is implemented. Within this framework, a working group will be set up.

For industrial users of animal feed

- Support the rapid implementation of a date that is the same for all stakeholders (cutoff date), i.e. 1 January 2020, for a ban on all soybeans from an area that has been deforested²/converted after this cut-off date³, whether legally or illegally.
- Mobilise their industrial suppliers, from January 2021, to include a contractual nonconversion/deforestation clause taking the cut-off date into account in the specifications.
 Additionally, assess feed manufacturers' and importers' policies and actions to identify the origin of imported soybeans, policies and actions to be implemented immediately to ensure that there is no soybean-related deforestation/conversion in their supply chain.
- Eventually achieve 100% of soy supplies that meet SNDI expectations, i.e. whose physical control ensures that imported soy is not linked to legal or illegal deforestation and conversion practices, based on the cut-off date. The ZDC methodology (Zero Deforestation nor Conversion⁴), developed by Earthworm

Foundation and recognised by the signatories of the Manifesto, allows for example the import of soybeans that meet the SNDI's expectations.

Commit to using this methodology or any other method that respects the SNDI's expectations, by cascading the request to all their suppliers.

4. Monitor their exposure to the risk of imported deforestation linked to soy by using the SNDI's deforestation risk assessment dashboard for French soy imports⁵. This tool allows to verify the compliance of soy in supply chains with the provisions of this Manifesto.

⁴ Cf. Annex

⁵ <u>https://www.deforestationimportee.fr/fr/tableau-de-bord-devaluation-des-risques-de-deforestation-lies-aux-importations-francaises-de-soja</u>

- 5. To the extent possible, collaborate in the development of solutions in producing countries for responsible soy production.
- 6. Report on their individual action plans to ensure that this commitment is implemented.

For feed manufacturers

- 1. Publicly commit across their supply chains to tackling Cerrado deforestation by setting a common cut-off date of 1 January 2020 for a ban on all soybeans from an area that has been deforested²/converted after this cut-off date³, whether legally or illegally.
- 2. Eventually achieve 100% of soy supplies that meet SNDI expectations, i.e. whose physical control ensures that imported soy is not linked to legal or illegal deforestation and conversion practices, based on the cut-off date. The ZDC methodology (Zero Deforestation nor Conversion⁴), developed by Earthworm Foundation and recognised by the signatories of the Manifesto, allows for example the import of soybeans that meet the SNDI's expectations. Commit to using this methodology or any other method that respects the SNDI's expectations, by cascading the request to all their suppliers.
- Monitor their exposure to the risk of imported deforestation linked to soy by using the SNDI's deforestation risk assessment dashboard for French soy imports⁵. This tool allows to verify the compliance of soy in supply chains with the provisions of this Manifesto.
- 4. Working with farmers to identify and remove obstacles, in particular techniques for the use of other locally produced plant proteins (France, EU), and in connection with the framework of the proteins development plan provided for in the recovery plan.
- 5. To the extent possible, collaborate in the development of solutions in producing countries for responsible soy production.
- 6. Report on their individual action plans to ensure that this commitment is implemented and the actions put in place in response to the claims reported by their claims system.

For soybean importers

1. Publicly commit across their supply chains to tackling deforestation by setting a common cut-off date of 1 January 2020 for a ban on all soybeans from an area that has been deforested²/converted after this cut-off date³, whether legally or illegally.

2. Eventually achieve 100% of soy supplies that meet SNDI expectations, i.e. whose physical control ensures that imported soy is not linked to legal or illegal deforestation and conversion practices, based on the cut-off date. The ZDC methodology (Zero Deforestation nor Conversion⁴), developed by Earthworm Foundation and recognised by the signatories of the Manifesto, allows for example the import of soybeans that meet the SNDI's expectations.

Commit to using this methodology or any other method that respects the SNDI's expectations, by cascading the request to all their suppliers.

- 3. Provide transparency to monitor the risk of soy-related imported deforestation, either individually or through existing monitoring tools (notably the SNDI dashboard⁵).
- 4. To the extent possible, collaborate in the development of solutions in producing countries for responsible soy production.
- 5. Report on their individual action plans to ensure that this commitment is implemented and the actions put in place in response to the claims reported by their claims system.

For NGOs

- 1. Organise a consultation between the various NGOs to put forward a common vision of the priorities for action.
- 2. Contribute to the tools developed by the SNDI.
- 3. Call for the mobilisation of non-signatory actors to achieve sufficient joint mobilisation among retail stakeholders, manufacturers, animal feed companies and importers present on the French market.

For the public authorities

Expectations of the signatories of this manifesto towards the State:

- 1. Make available on the SNDI platform the information of deforestation risk assessment for French soy imports.
- 2. Appoint an operator responsible for implementing and coordinating the dashboard. Ensure that it is regularly updated
- 3. Engage in dialogue with producer countries and organisms representing them, especially Brazil, to highlight France's expectations concerning the fight against deforestation, integrate these expectations into the commercial policy of the European Union and collaborate with producer countries to have them implemented, in particular through AFD activities and funding.

- 4. Ensure the concrete implementation of this pact through a strong political support from the SNDI at national and international level.
- 5. Support an extension of the risk assessment tools (including the ZDC methodology) to all French import zones. Support the ZDC methodology with the signatory countries of the Amsterdam Declaration in order to have a global and unified approach on the European territory.

Annex

Presentation of the ZDC methodology

The ZDC -Zero Deforestation nor Conversion- methodology is a method to manage the risks associated with imported soybeans, applied on the ground in Brazil. It is developed by Earthworm Foundation and recognised by the signatories of this Manifesto.

The methodology aims to ensure that ZDC soybeans supplies are responsible 'at source', i.e. in the country of production and before the exportation to Europe. This allows all French and European actors to consume soy directly or indirectly without risk of contributing to deforestation/ conversion of remarkable ecosystems in Brazil.

The principle is to ensure transparency on the flows of soybeans, upstream of the arrival of the shipment in the European Union. This involves working with soy importers and their suppliers.

The 4 essential steps of the ZDC methodology, in its first version implemented by Earthworm France and Brazil, are to date:

1) Earthworm commits the importer and its suppliers to provide transparency for the deployment of the methodology, in a framework of trust fostered by the signature of a confidentiality clause.

2) Prior to the arrival of the cargo in the European Union, the importer and its suppliers share the traceability elements essential for the risk analysis. The aim is to describe the soy flows: from the cargo to the municipalities of origin, and to the soybean fields in the municipalities at risk.

3) Based on satellite data and field visits, Earthworm analyses the risks associated with these flows. Two types of risk are assessed: the risk of deforestation and conversion linked to the origin of the soy, and the risk of mixing between soy flows of known and unknown origin. The current version of the methodology focuses on the Cerrado and Amazon biomes. For the latter, it takes into account the criteria of the Amazon Soy Moratorium.

4) Earthworm assesses the level of compliance of the soy shipment with the following criteria: the soy is not linked to legal or illegal deforestation or conversion practices, according to the cut-off date of January 1st, 2020.

In case soy does not comply with the Manifesto's commitments, Earthworm coconstructs an improvement plan with the concerned actors (soy importer, crushing plant or farmer in Brazil) in order to increase the share of ZDC soy in the supply chains.

It should be noted that the methodology may undergo new versions during its deployment, with the gradual addition of further guarantees.

This methodology is designed as the first step in a more global and long-term strategy. By engaging importers in a process of transparency and continuous improvement, it helps to move towards the other objectives: suppliers meeting the requirements of Zero Deforestation nor Conversion, stopping deforestation and conversion in South America, and particularly in the Cerrado.

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Presentation of the SNDI's dashboard

On 14 November 2018, France adopted a strategy to stop the impact of its imports on deforestation, forest degradation and natural ecosystems abroad; this initiative has been named the National Strategy against Imported Deforestation (SNDI). It aims to eliminate by 2030 the import of unsustainable forest and agricultural products that contribute to deforestation in the sectors of cocoa, rubber, soy, palm oil, timber and timber products, beef and co-products.

Within this framework and within the Scientific and Technical Committee, a risk management mechanism was proposed. This has led to a <u>dashboard</u> which is available on the SNDI website. The dashboard is a resource available to public and private actors for analysing the risks of deforestation in the soy sector.

This tool, developed with the NGO <u>Canopée</u> and the <u>Trase</u> initiative, proposes a risk assessment of deforestation and conversion of Brazilian ecosystems associated with French soy imports for each importing company in France, thanks to the cross-referencing of satellite data allowing deforestation to be characterised for each Brazilian municipality and data on logistics flows.

Therefore, the tool allows to identify companies and production areas at risk, which French actors can focus their search for additional information and their vigilance efforts.

Initially available for direct imports from Brazil, it will be progressively extended to other countries and commodities and updated each year with the latest available data.

For more information: introduction to the Dashboard; to the methodology.