

# DEFORESTATION, CLIMATE CHANGE & SOYA

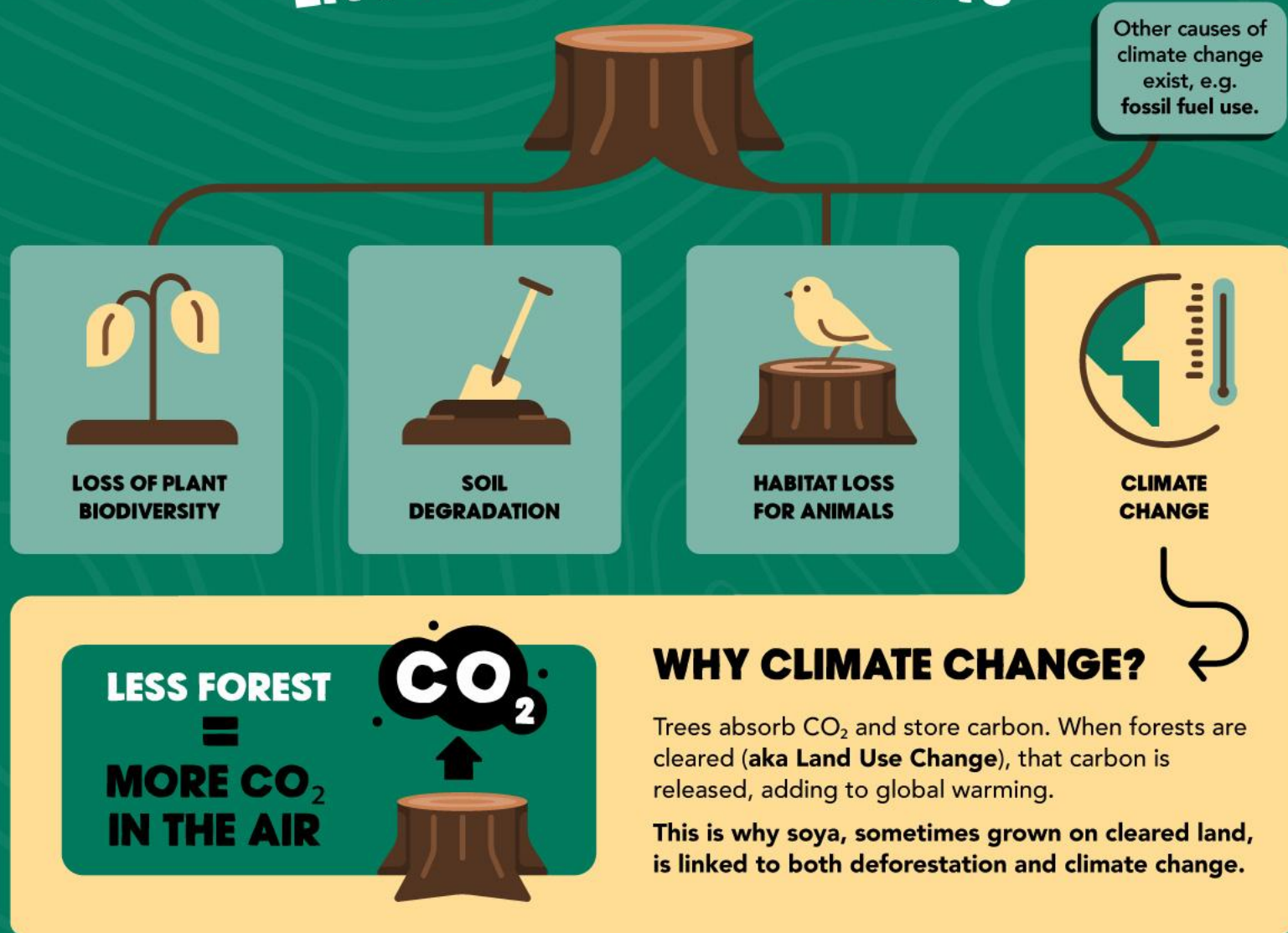
## - AND WHY IT'S COMPLICATED!

Soya comes up in discussions about both deforestation and climate change — but often these are two entirely separate conversations.

They are all linked, in theory, at least...



## DEFORESTATION CAUSES MANY ENVIRONMENTAL IMPACTS



# BUT ACTION, COMMITMENTS AND LEGISLATION HAVE PROGRESSED SEPARATELY...



## DEFORESTATION COMMITMENTS

### BEEF & SOY CONCERNS

Concerns grow over deforestation for beef and soya in South America' with 'Voluntary zero-deforestation schemes created'

With growing concern over the connection between soya cultivation and deforestation in South America, agri-food companies introduced the Soya Moratorium—a pledge to cease buying soybeans grown on recently cleared land in the Brazilian Amazon. Traders implemented zero-deforestation sourcing schemes, (like Cargill's Triple S scheme) to trace soy to approved land and offer farmers incentives for sustainable practices, human rights protection, and community engagement.

Under the soya moratorium, schemes begin capturing data to demonstrate no Land Use Change in 2008.

### EUDR COMPLIANCE

To be EUDR compliant - land must not be deforested after 31 Dec 2020.

The EU Deforestation Regulation (EUDR) requires soy imports to be traced to their exact origin and proven not deforested after December 31, 2020. Similar UK rules are expected but not finalized. Major importers typically align UK and EU supply chains, so most soy will likely meet both standards—allowing sourcing from land deforested up to 2020.

31st December 2025: EUDR in effect

EARLY 2000s

2020

2025

## CLIMATE CHANGE COMMITMENTS

2015

### COP '21 PARIS AGREEMENT



The 2015 Paris Agreement sparked a global push to cut carbon emissions. For businesses, this has meant understanding and reducing emissions throughout the whole supply chain.

UP TO 90% OF SOY'S EMISSIONS IN HIGH-RISK AREAS LIKE BRAZIL AND ARGENTINA COME FROM DEFORESTATION

Land Use Change (LUC) penalty – why it matters

A product's carbon footprint spans everything from raw ingredient sourcing to production, transport, and usage. If an ingredient—like soya—is grown on land deforested within the past 20 years, a Land Use Change (LUC) value to account for the emissions caused by converting forest into farmland. For soya, up to 90% of its total emissions comes from land use change. But, if there's proof the soya was grown on land that had not been deforested for 20 years, there's no need to add the land use change value.



## GOING FORWARD

Land Use Change Penalty for Amazonian Soya Moratorium Material removed (2028)

Because deforestation schemes started capturing data to prove land has not been deforested back in 2008, soya purchased from these schemes with a 2008 cutoff date should not take a LUC penalty from 2028 onwards.

Land Use Change Penalty for EUDR compliant soya fully removed in 2041

Soya grown on land that was deforested as recently as 2020 is compliant with EUDR. This means that EUDR compliant soya may need to take some amount of LUC penalty until 2041.



# SO WE STILL NEED THE SCHEMES?

## YES! THEY SHOULD HELP IN REDUCING EMISSIONS!



EUDR-compliant soya may come from land deforested as recently as

# 2020

leading to Land Use Change emission values being added under the 20-year rule.



As the agri-food industry began tackling deforestation nearly **20 years ago**, carbon savings are expected to appear from **2028** for soya bought through trader schemes.



These schemes also support **farmers, workers' welfare, and legal compliance** throughout the supply chain.

### HOW CAN I FIND OUT MORE?

If you'd like to talk about these topics in more detail please contact one of our AB Agri business teams or drop us a line:

[communications@abagri.com](mailto:communications@abagri.com).