Deforestation: What is the role for investors and what is needed from policy makers?

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Integrated sustainability: making better informed investment decisions

We integrate environmental, social and governance criteria into the majority of our investment processes.
Sustainability is not the responsibility of just one team

Our research teams, portfolio management teams and active ownership team share the same beliefs, values and purpose which enables us to leverage their expertise across the organization.

Within Robeco we have an 13-strong team focused solely on active ownership.

Our specialist sustainability analysts at RobecoSAM have been focusing on financially material ESG issues since 1995.

Sustainability analysis is integrated with other forms of research in all possible portfolios and funds managed by Robeco and RobecoSAM.
How the EU policies can help companies to halt deforestation?

Why are policies necessary?

- 10 million hectares of forests are lost every year
- Agricultural expansion for the production of commodities drives almost 80% of all deforestation
- The EU27 import and consume 7-10% of the global consumption of crops and livestock products associated with deforestation

- SDGs 15: Life on land
- More than 470 companies in the food and agriculture sector have pledged to eliminate deforestation from their supply chains by 2020
- France: Due diligence law (2017)
- Are there enough policies and regulations?
- Can we achieve the goal?
How the EU policies can help companies to halt deforestation?

What kind of policies can make a significant change?

**French due diligence law could be a good model to replicate at EU level**

- Map human rights and environmental risks
- Applied to all of its supply chain including subsidiaries, subcontractors or suppliers
- Grievance mechanism
- Monitoring scheme
- Action to mitigate risks and prevent serious violations
- Disclose the effectiveness of its plan every year

Vigilance plan → Implementation → Evaluation & disclosure → Sustainability

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What are companies doing to combat deforestation?

Swiss global food producer: Sourcing soya responsibly

Context and challenges

- Company sources soy mostly from Argentina, Brazil and the US.
- Deforestation is a major challenge within soya supply chains.

Commitment

- In 2010, the company made a ‘no deforestation’ commitment, stating that all of its products, globally, will not be associated with deforestation by 2020.
- Company also supports the Consumer Goods Forum’s ambition for zero net deforestation by 2020.

Solutions for responsible soy bean sourcing

- Company works to map its supply chains and to identify potential high-risk sourcing zones.
- The objective is to source products only from land that has not been converted from forest or other high conservation value areas to other use.

Status

- 77% of our global supply chain is deforestation free for its five top commodities linked to deforestation risks.

Expected improvements

- Increase traceability and provide full transparency on the soy supply chain, similar to the palm oil supply chain.