

# GERMAN MARKET EXPOSURE TO DEFORESTATION IN BRAZIL



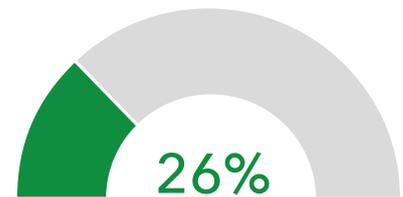
## Top five supermarkets

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## German imports of soy from Brazil (annual)



% of overall soy imports to Germany from Brazil



## Exports of soy from the Cerrado and Amazon biomes to Germany (tonnes/% total)



## Supermarket exposure to soy companies named in Mighty Earth's Soy and Cattle Deforestation Tracker



	BUNGE	AMAGGI	ADM	Cargill
SOY EXPORTS BRAZIL TO GERMANY (TONNES)	397,104	161,081	158,365	27,906
MARKET SHARE	32%	13%	13%	2%
OVERALL SCORE ON TRACKER (/100)	31	56	47	25

Note: market share, Kantar (2020). % overall soy imports, COMTRADE (2019). All other data TRASE (www.trase.earth) (2018). Analysis of data and interviews with experts suggests that export and import markets are relatively 'sticky', meaning that market shares are unlikely to shift significantly year-on-year due to fixed infrastructure. Therefore, historical trends allow a projection of current market share and exposure of supermarkets to companies in their supply chain. Overall score of companies in the Tracker assessed against total linked cases; total clearance; possible illegal clearance; responsiveness to cases; resolution of cases; and transparency. <https://www.mightyearth.org/soy-and-cattle-tracker/>

# **GERMAN SUPERMARKETS EXPOSED TO THE POOREST PERFORMERS ON MIGHTY EARTH'S SOY AND CATTLE TRADER TRACKER**

German supermarkets are exposed to deforestation risk due to their linkages to two of the poorest performers in Mighty Earth's Rapid Response Soy & Cattle Tracker – soy traders – Cargill and Bunge. These companies are the drivers behind deforestation with the largest amounts of land conversation and score lowest in Mighty Earth's overall assessment. Cargill and, Bunge are, respectively, linked to over 61,260 and 38,976 hectares of deforestation and clearance from March 2019 to November 2020.

Germany is further exposed through soy that is exported to the Netherlands and other countries in Europe, processed and then re-exported to the Germany

Bunge is the biggest exporter of Brazilian soy to Germany with 397,000 tons (32% market share).

Mighty Earth's report shows that EDEKA, Rewe, Metro, Lidl and Aldi Süd and Aldi Nord are exposed to Brazilian soybeans from Cargill and Bunge in their supply chain. Our analysis of TRASE data shows that 57% of direct exports of soy from Brazil to Germany originated from the Cerrado and Amazon biomes – where deforestation risks are highest.

Mighty Earth's Soy and Cattle tracker focuses on those companies assessed to be the current worst performers. However, they are not the only suppliers to Germany. Companies like COAMO, a farmer's cooperative, are the second largest supplier of soy products to Germany and do not feature in the report.

Transparency and traceability in supply chains is a critical component to spot where deforestation is happening and hold suppliers and traders to account for cases as they occur. It is also important information to ensure that customers have information to inform their consumption choices.

None of the German supermarkets named in this report have publicly available information on their linkages to the 10 traders listed in this report. While EDEKA, Rewe, Metro, Aldi Nord, Aldi Süd and Lidl replied to our request for information, they did not confirm or deny their linkage to the traders named in this report.

In responses we received from Lidl, Aldi Nord, and Aldi Süd they confirmed they are in process of mapping in greater detail their soy supply chains. Lidl confirmed they are working with an external partner to increase transparency of their supply chain. Aldi Süd have adopted a risk-based approach to its supply chains categorising some supply chains as a "deforestation risk". Aldi Nord are committed to mapping its supply chains in early 2021.

We received no commitments from EDEKA, Rewe or Metro.

To access Mighty Earth's Deforestation Tracker and Policy Brief, visit: <http://mightyearth.org/soy-and-cattle-tracker-briefing-note>