

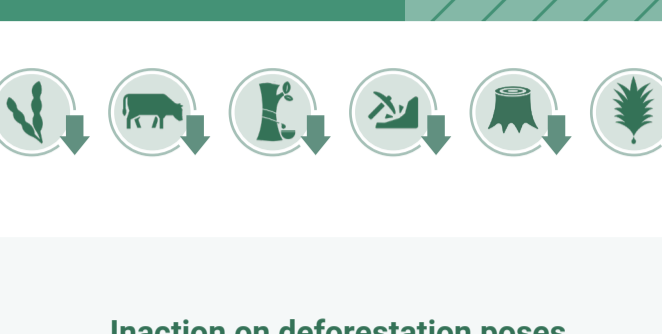
HOW CORPORATE ACTION CAN FIGHT DEFORESTATION

AND WHY IT PAYS FOR YOUR BUSINESS TO STEP UP

DEFORESTATION PRESENTS URGENT RISKS TO THE PLANET AND YOUR BOTTOM LINE

We can't address climate change without protecting our forests.

They are vital carbon stores that help reduce global warming.



The mitigation potential of reduced deforestation is 1/3 of global emissions¹

The corporate impact on deforestation is profound.

To end deforestation from commodity production, companies must eliminate 5 million hectares of annual deforestation from supply chains.

5 million hectares²



Inaction on deforestation poses huge risks to business.

Companies reported financial risks of:



Increase of nearly

US\$20 billion from 2018-2019

Acting on deforestation costs less than the potential impacts, and the opportunities are huge.

Estimated financial impact up to:

US\$49.8 billion



Cost of responding to deforestation risks:

US\$5 billion

Financial opportunity from acting on deforestation:

US\$33 billion

According to 101 / 148 / 97 reporting companies, respectively³

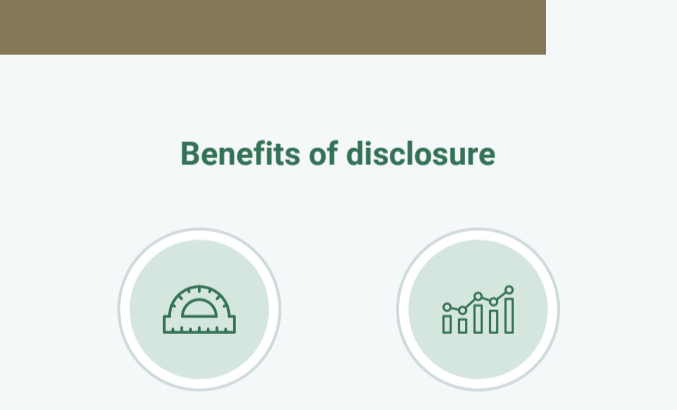
BUSINESS AS USUAL IS NOT AN OPTION

Deforestation continues to increase, at a faster rate each year, largely driven by commercial agriculture. Where are companies lagging?

CDP data reveals that⁴:



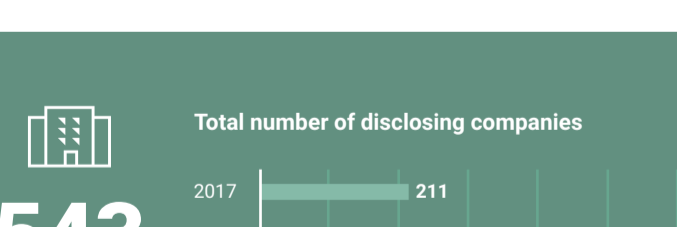
While **52%** of companies have commitments:



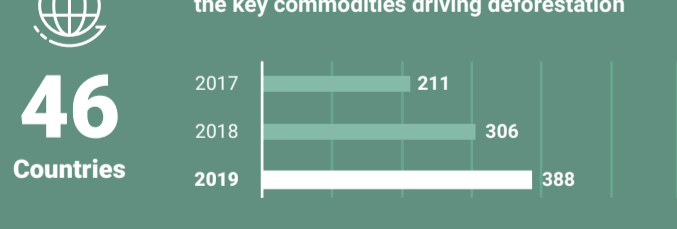
IT'S TIME FOR YOUR BUSINESS TO STEP UP

The environmental and business risks are clear and urgent. Companies must ramp up their ambition and match it with action.

If just those companies⁶ disclosing through CDP took action to protect forests:



Over 37 million hectares of forests and agricultural land could be preserved, or managed sustainably without further deforestation.



Over 340 million metric tons of consumed or produced commodities could be deforestation-free.

STEP UP AND JOIN THE COMPANIES TAKING ACTION

L'Oréal has set a target of 100% sustainably sourced soy by end of 2020. Soy is a deforestation driver in South America, specifically in the Cerrado and Gran Chaco biomes.

COMMODITY: Soy | TYPE OF ACTION: Targets

Carrefour To ensure that 100% of its own-brand fresh beef sold by Carrefour Brazil meets its no deforestation requirements set out in its beef policy, Carrefour has set up a satellite geo-referencing platform and integrated it into its purchasing program.

COMMODITY: Cattle | TYPE OF ACTION: Traceability

Fuji Oil participates in a range of farmer support activities in cooperation with NGOs, direct suppliers, indirect suppliers, customers, and local governments. These provide environmentally, socially and economically sustainable farming know-how, and secure improved conditions and livelihoods, which enable zero deforestation, zero peatland development and zero exploitation policies to be implemented by oil mills and farms.

COMMODITY: Palm oil | TYPE OF ACTION: Engagement

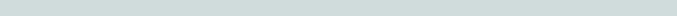
ACTION NEEDS INSIGHT. INSIGHT NEEDS DATA. DISCLOSURE IS ESSENTIAL FOR HALTING DEFORESTATION.

All companies must step up to halt deforestation, setting policies and targets, strengthening commitments, and intensifying implementation. Measuring your risks and impacts is a key part of that journey.

Benefits of disclosure



More and more companies are disclosing their forests risks and data through CDP:



Companies with the largest impacts on deforestation are disclosing. Now their peers need to step up.

IT'S TIME FOR YOUR BUSINESS TO ACT ON DEFORESTATION

Start with disclosure.

Visit: cdp.net/en/companies-disclosure

#DisclosureWorks

1. <https://www.ipcc.ch/srccl/>
 2. <https://science.sciencemag.org/content/361/6407/1108.full>
 3. This infographic analyzes 2019 data from 543 companies who disclosed through CDP, with stats based on reported data unless otherwise stated.
 4. 411 companies disclosed information on their management of one or more commodities through CDP in 2019.
 5. 8% have a no-deforestation forest-related public commitment that is timebound, set to be completed by 2020, includes cut off date, with FPIC, covers 100% of production/consumption and applies to all relevant operations.
 6. The land bank and production/consumption data was disclosed by a subset of the 411 companies.