Deforestation and Land Conversion

Deforestation and land conversion refer to the process in which natural forest areas and ecosystems are transformed into other land use types, such as agriculture, or are profoundly altered in terms of species composition, structure, or function. Approximately 13 million hectares of forest are destroyed annually.

5 FACTS: FORESTS ARE...

... hotspots of biodiversity.

Forests cover approximately **30 %** of the Earth's surface and are home to around **80 %** of land-dwelling animal and plant species.

... the green lungs of our planet.

Forests regulate the climate, provide oxygen, and filter groundwater.

... gigantic carbon stores.
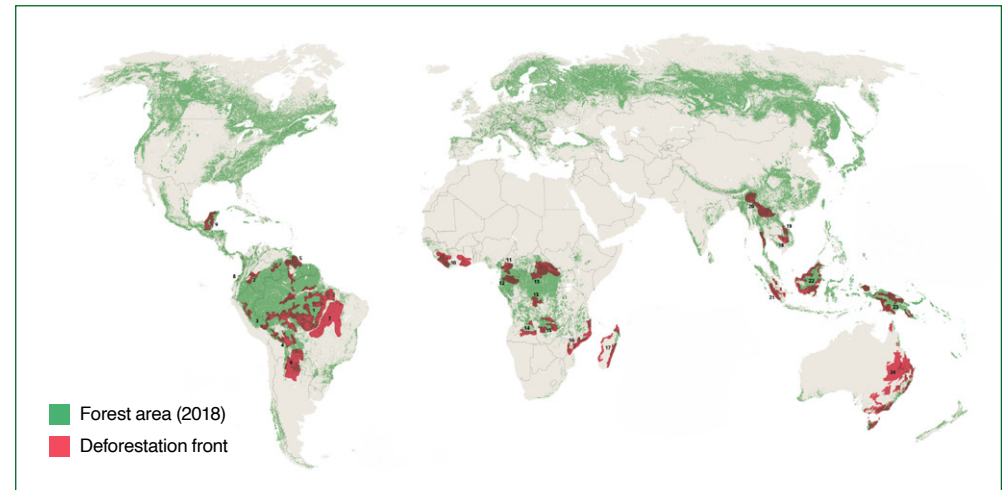
Forests store about **50 %** of the carbon bound on Earth.

... endangered.

In the Amazon alone, **20 %** of the forest area has been destroyed in the last 40 year.

... rapidly declining.

Every 4 seconds, an area of forest the **size of a football field** is lost globally.

GLOBAL DEFORESTATION HOTSPOTS

■ Forest area (2018)
■ Deforestation front

Map of global deforestation hotspots (Pacheco et al. 2021)

CAUSES OF DEFORESTATION

The expansion of agriculture accounts for **90 %** of global forest loss. The main drivers of deforestation are the cultivation of commodities such as soy, palm oil, coffee, cocoa, timber (paper and pulp) and beef. Other indirect drivers include global population growth and increasing per capita consumption of high impact products such as animal products.

SOY | PALM OIL
COFFEE | CACOA
TIMBER | BEEF

TROPICAL DEFORESTATION BY THE EU

Through imports, the EU is responsible for **16 %** of global tropical deforestation.

CONSEQUENCES OF DEFORESTATION

- Loss of biodiversity and natural habitat
- Release of CO_2 emissions and the loss of forests as a carbon sink and climate regulator
- Impaired air and water filtration
- Reduced rainfall, which will also inhibit groundwater formation
- Increased soil erosion and desertification
- Loss of soil fertility

Wir ♥ Lebensmittel.

EDEKA

Our Goal: Deforestation- and Conversion-Free Supply Chains

WHAT DOES "DEFORESTATION- AND CONVERSION-FREE" MEAN FOR EDEKA?

Critical commodities should not be produced on land areas that have been deforested or converted after January 1, 2020. For EDEKA, these areas include the following ecosystems:

- Primary and secondary forests,
- other areas with high carbon content, including peatlands,
- other ecosystems with high conservation value, such as savannas, grasslands or wetlands.

Our Commitment to Deforestation- and Conversion-Free (DCF) Supply Chains

EDEKA ZENTRALE Stiftung & Co. KG, including Netto Marken-Discount, is committed to **deforestation- and conversion-free supply chains,** following the guidelines of the Accountability Framework initiative (AFi). We aim to achieve this by 2025 and significantly exceed legal requirements with the following aspects:

- We address not only the protection of forests but also include other valuable ecosystems in our commitment.
- We do not limit our commitment to the product level but aim for our suppliers to align all their business activities with our commitment.
- Establishing an earlier cut-off date than legally required.

LEGAL FRAMEWORK

The enforcement of the EU Deforestation Regulation (EUDR) in June 2023 requires all companies in the EU to ensure that the critical commodities they use and the products made from them are not produced on land that was deforested after December 31, 2020.

OUR ENGAGEMENT: WE HAVE SET AMBITIOUS GOALS THAT GO FAR BEYOND LEGAL REQUIREMENTS.

Guideline for Stakeholders

Publication of a guideline to raise awareness among all stakeholders.

Implementation Strategy

Development of a strategy based on the principles of the Accountability Framework initiative to implement our DCF-commitment.

Collaboration with Suppliers

Supporting and collaborating with suppliers.

Specific Requirements

Development of commodity-specific procurement requirements to promote a development process throughout the entire value chain.

Physical Supply Chain Models

Expanding the mandatory use of recognized certifications, with a growing focus on physical supply chain models.

OUR PROJECTS

Going beyond our DCF-commitment with projects such as the Banana Project and the Cocoa For Future initiative.

Wir 💛 Lebensmittel.

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