

A Guide to Sustainable Production Regions: Deforestation Risk Map

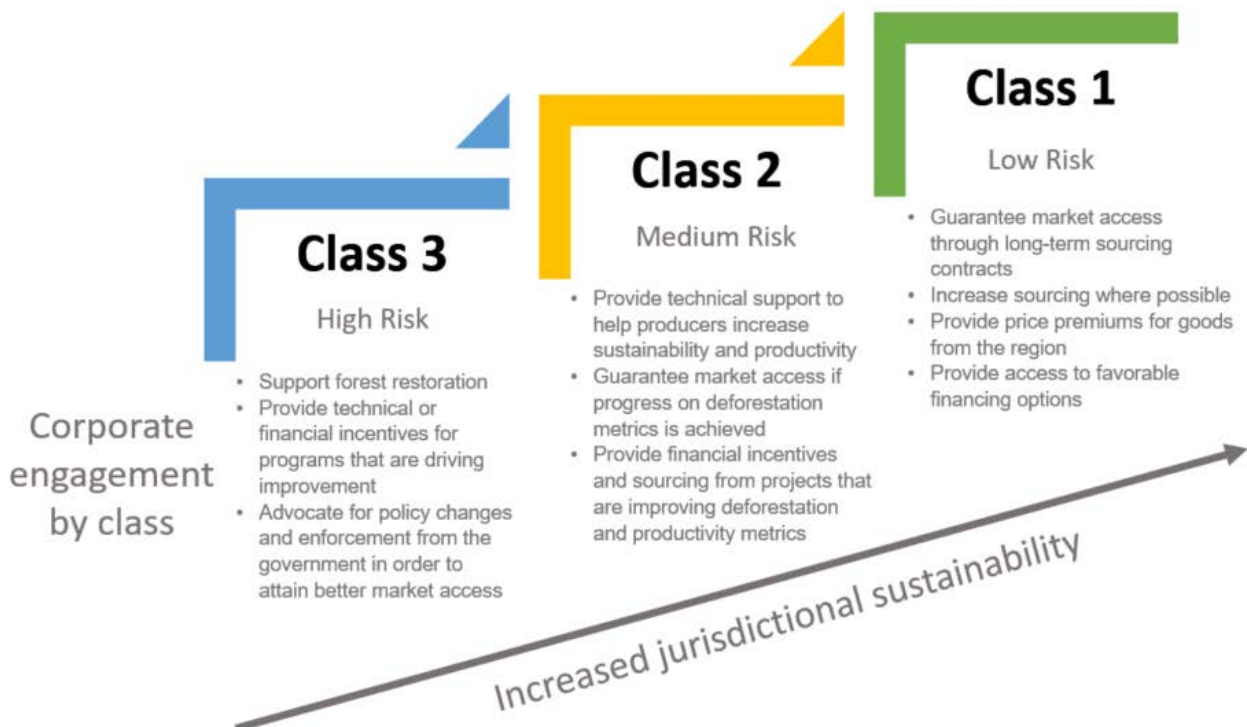
Helping companies meet their 2020 deforestation goals

Companies are looking for new and innovative ways to drive progress toward deforestation-free supply chain goals. One of the main challenges that companies face in achieving their goals is identifying meaningful on-the-ground opportunities for engagement. This Guide aims to help solve this problem by presenting a set of simple jurisdictional performance classes that guide companies on engagement strategies in their sourcing regions. These initial maps cover Mato Grosso and Para, two critical agriculture states in Brazil. However, the concept can be scaled broadly across other geographies to help companies understand the best opportunities to engage in a municipality based on its risk.

How can companies use the map?

The risk map utilizes a clear and simple set of metrics that assess and classify municipalities based on deforestation risk. The classification is based on 1) average deforestation rates over the past three years, and 2) remaining native vegetation in the region. These two metrics help to control for deforestation rates, ensure that a region is not classified as low risk simply because there is no longer any remaining native vegetation to protect, and provide a good proxy indicator of the overall legality in the region.

Based on these metrics, municipalities have been divided into three classes. We have also identified the appropriate opportunities for corporate engagement in each class based on its risk profile.



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The objective of the map is to encourage companies to *engage with good actors within risky regions*. This will provide incentives for producers who are high-performers in a region and encourage other producers to follow their lead. The goal is to help municipalities move from Class 3 to Class 1 over time.

The Next Steps: Connecting to a Jurisdictional Approach

The Produce, Conserve, Include (PCI) Strategy is a leading jurisdictional approach, launched and supported by the state government of Mato Grosso, Brazil, to drive sustainable development at the landscape level. The PCI vision aims to:

- increase productivity of agricultural goods;
- conserve existing forests;
- reduce deforestation;
- include smallholders and indigenous people in economic development.

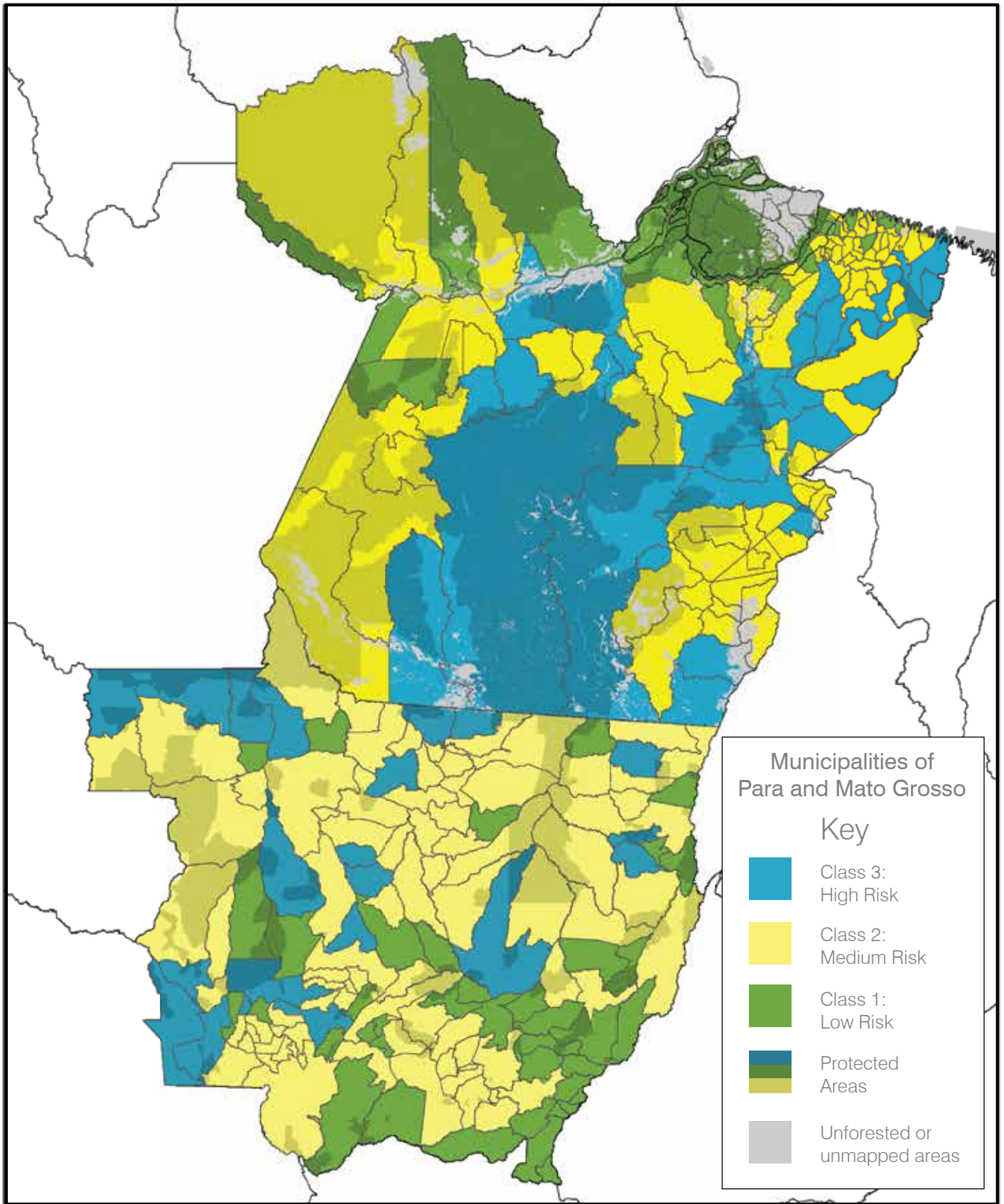
Companies interested in participating in the PCI can use these maps to determine the best opportunities to engage in their sourcing regions.

Scaling Beyond Mato Grosso and Para

The classes illustrated in the map can be scaled across the rest of Brazil as a mechanism to understand how to engage in various regions, and where to prioritize action. We encourage broader uptake of this simple classification to drive improvements at the jurisdictional level.

Want to learn more?

- Read the technical document to better understand how these maps can help you.
- Connect with EDF or PCI to learn more:
 - Katie Anderson, Manager, Supply Chain, EDF: kanderson@edf.org
 - Fernando Sampaio, Director, PCE: director.pci@gmail.com



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