

THE CONSEQUENCES OF THE EU TAXONOMY FOR THE SOY VALUE CHAIN

Webinar: Collaborative Soy Initiative
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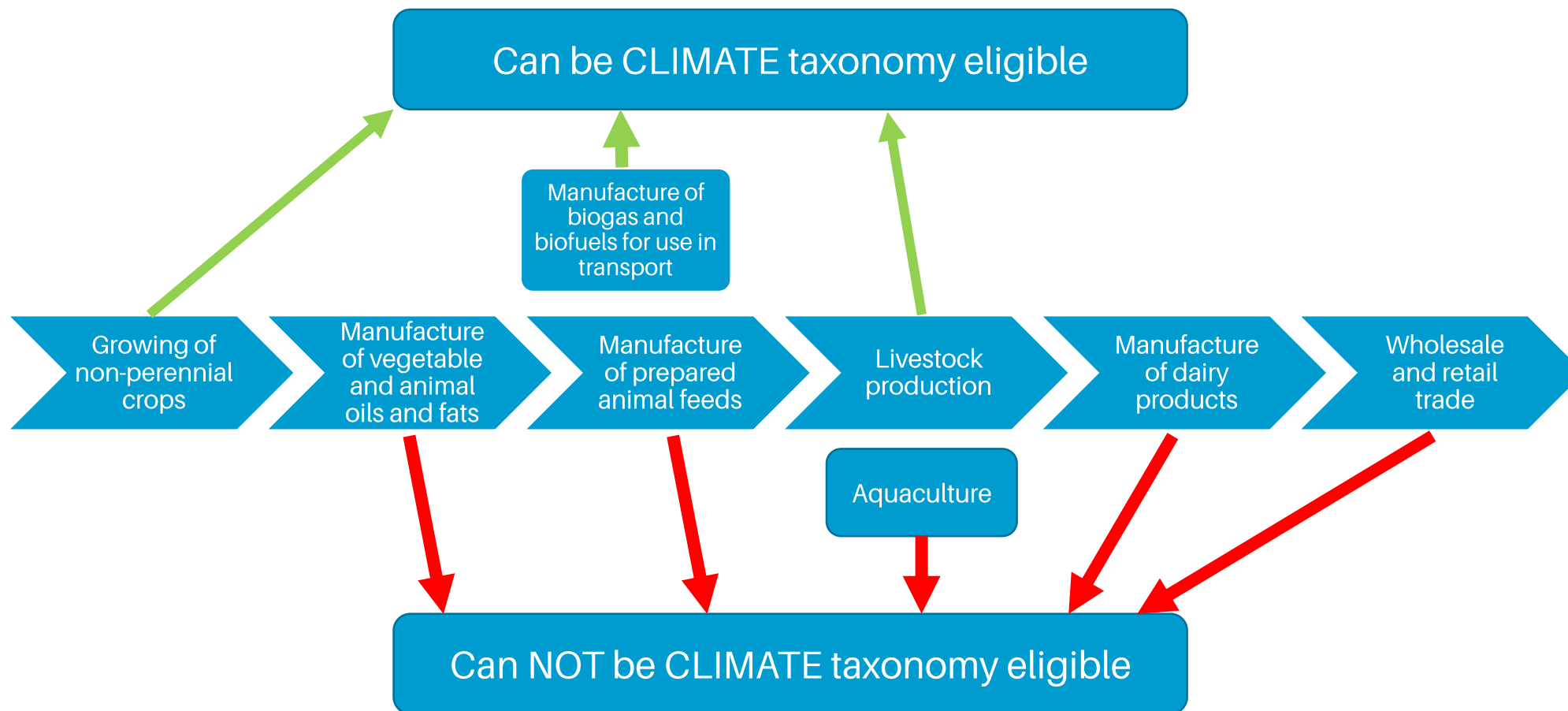
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A just world that values and conserves nature.

The consequences of the EU Taxonomy for the soy value chain

- Which sectors?
- What are the technical criteria?
- Next steps for companies

Soy value chain and Climate taxonomy eligibility



Growing of non-perennial crops (NACE A1.1) – Substantial contribution to Climate change mitigation

Technical screening criteria:

- 1. Protection of non-agricultural land with high carbon stock from land use change – **January 2008 cut-off** (Renewable Energy Directive 2018/2001/EU)
 - Permanent grassland is maintained.
- 2. Farm Sustainability Plan
- 3. Compliance with essential management practices
- 4. Yearly record of its climate performance
- 5. Verification


Growing of non-perennial crops (NACE A1.1) – Substantial contribution to Climate change mitigation

3. Compliance with essential management practices:

- Crop management
 - Soil management
 - Nutrient management
 - High-diversity landscape features
 - Energy efficiency
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Growing of non-perennial crops (NACE A1.1) – Substantial contribution to Climate change adaptation

The economic activity has implemented physical and non-physical solutions ('**adaptation solutions**') that reduce the most important physical climate risks that are material to that activity.



Growing of non-perennial crops (NACE A1.1) - Do no significant harm ('DNSH')

- **3) Water**
- **(4) Circular economy**
- **(5) Pollution prevention and control:** conditions for the application of nutrients (fertilisers) and plant protection products;
- **(6) Protection and restoration of biodiversity and ecosystems**

(6) Protection and restoration of biodiversity and ecosystems: protection of soil, species, high-nature-value land.

(6) Protection and restoration of biodiversity and ecosystems

Activities ensure the protection of soil, particularly over winter, to prevent erosion and run-off into water courses/bodies and to maintain soil organic matter⁹.

Activities do not lead to the disturbance, capture or killing of legally protected species or the deterioration of legally protected habitats.

Activities do not lead to the conversion, fragmentation or unsustainable intensification of high-nature-value land, wetlands, forests, or other lands of high-biodiversity value¹⁰, including highly biodiverse grassland spanning more than one hectare that is one of the following:

- (a) natural, namely grassland that would remain grassland in the absence of human intervention and that maintains the natural species composition and ecological characteristics and processes of that grassland;
- (b) non-natural, namely grassland that would cease to be grassland in the absence of human intervention and that is species-rich and not degraded and has been identified as being highly biodiverse by the relevant competent authority.

For sites/operations located in or near to biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas):

- (a) activities do not lead to the deterioration of natural habitats and the habitats of species and to disturbance of the species for which the protected area have been designated.
- (b) activities are carried out in accordance with the conclusions of an appropriate assessment¹¹, where applicable, and

Activities do not lead to the conversion, fragmentation or unsustainable intensification of high-nature-value land, wetlands, forests, or other lands of high-biodiversity value, including highly biodiverse grassland spanning more than one hectare that is one of the following... [natural] or [non-natural]

Renewable Energy Directive 2018: "in or after **January 2008**"

No-conversion cut-off dates

- EU Taxonomy: **January 2018**
- Current FEFAC SSG: “illegally deforested after a certain cut-off date mentioned in national legislation (e.g. 2008 in Brazil, 2008 in USA)”
- No conversion after 2008: ProTerra, ISCC Plus, Donau/Europe Soja
- No conversion after 2009: RTRS, CRS and BFA

Livestock production (NACE code A1.4)

- Compliance with essential management practices.
 - Animal husbandry: "Good feeding practices are used, including:

"(c) sustainable procurement of feed - when purchasing feeds with large potential upstream impacts, including indirect land use change, for instance, **soya and palm oil based feeds**, selecting feeds that **are sustainably sourced** and **certified by a recognised body** as being from areas **not recently converted from natural habitats**."

Definitions in Delegated Act:

- Sustainably sourced: see Non-perennial crops?
- Recognised body?
- Conversion date: see Non-perennial crops.

Manufacture of biogas and biofuels for use in transport (NACE code D35.21):

- “Food- and feed crops are not used in the activity for the manufacture of biofuels for use in transport”.
- Soy is not allowed as biofuel.

Not included in the Climate Mitigation and Climate Adaptation taxonomies

- A3.2 - Aquaculture
 - C10.1 - Processing and preserving of meat and production of meat products
 - C10.4 - Manufacture of vegetable and animal oils and fats
 - C10.5 - Manufacture of dairy products
 - C10.9 - Manufacture of prepared animal feeds
 - G - Wholesale and retail trade
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- Can be included in the taxonomies for the other 4 environmental objectives.

Minimum safeguards

Ensure the alignment with:

- Do No Significant Harm criteria
- the **OECD Guidelines for Multinational Enterprises**
- the **UN Guiding Principles on Business and Human Rights**
- **ILO's 8 fundamental Conventions**

Supply chain due diligence: that the business enterprise may cause or contribute to through its own activities, or which may be directly linked to its operations, products or services by its business relationships.

Next steps

- Delegated Act: Consultation is open until **18 December**.
- In **2022**: reporting requirement for Climate Change objectives of the Taxonomy;
- In **2023**: reporting requirement for all 6 objectives of the Taxonomy.
- “Review the technical screening criteria [...] at least every 5 years”.
- Unsustainable taxonomy? Social taxonomy?

6 objectives

1. Climate change mitigation
2. Climate change adaptation
3. Water
4. Circular economy
5. Pollution
6. Biodiversity



Questions?

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