



PROGRESS REPORT: UPDATE ON DEFORESTATION AND LAND-CONVERSION COMMITMENTS FOR BEEF AND SOY IN THE BRAZILIAN AMAZON AND CERRADO

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CORPORATE SOCIAL RESPONSIBILITY



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INTRODUCTION

This note aims to present an overview of BNP Paribas' strategy and framework to address the risks associated with deforestation and land conversion, as well as an assessment to date of the results achieved, with a focus on the activities of beef and soy-related clients in the Brazilian Amazon and Cerrado Biomes.

As producers and traders in these sectors gradually release their 2025 annual reports and independent performance audits throughout 2026, BNP Paribas can now progressively and proactively take stock of the progress made by its clients in meeting the criteria and year-end 2025 deadline set in its Agriculture sector policy¹.

By the close of 2026, once all annual reports and independent audits have been released, BNP Paribas will have a comprehensive overview of its clients' 2025 performance – and thereby of their level of alignment with the policy's stated objectives.

¹ Last updated in 2021: [BNP Paribas "Agriculture sector" policy](#)



1. BNP PARIBAS' STRATEGY TO ADDRESS DEFORESTATION- AND LAND CONVERSION-RELATED RISKS IN THE BRAZILIAN AMAZON AND CERRADO

For a long time, BNP Paribas has been a pioneer in considering the risks associated with deforestation and/or biodiversity loss, as underlined in several public positions adopted by the Group, including its [Public Position on the Preservation of Biodiversity](#)², published in 2021. This paper outlines a set of commitments aiming to cover those sectors most exposed to the risk associated with deforestation and land-use change.

As early as 2010, the Group adopted strict financing and investment policies in **sectors** considered sensitive in terms of impact on ecosystems and biodiversity: agriculture, palm oil, pulp and paper, mining, oil and gas³. These are fully part of the Group's general ESG risk management framework and as such they have been regularly strengthened over time.

For instance, in 2017, BNP Paribas updated its financing and investment policy for the palm oil sector and specifically NDPE (No Deforestation, No Peat, No Exploitation) and HCS (High Carbon Stock Approach) requirements, demanding clients to enforce policies for the protection of high carbon stock forests, to protect high conservation value forests (HCV Forests), to prohibit slash and burn practices and to respect the Free, Prior and Informed Consent (FPIC) of Indigenous and local communities.

Furthermore, in all its policies, BNP Paribas aims to prioritize not only the sectors, but also the **regions** where the risks are greatest and where actions can have the most impact. This is why, as part of our strategy to address deforestation- and land conversion-related risks, our Agriculture sector policy was updated in April 2021 to strengthen financing and investment criteria in the beef and soy sectors originating from the Brazilian Amazon and the Cerrado.

We decided then to leverage our relationship with soy and beef sectors clients to encourage and support the sector in improving its practices to combat deforestation and improve traceability in these critical ecosystems. As a result, our new policy criteria recognized and underlined the importance of developing deforestation- and conversion-free commitments and of working towards full traceability in supply chains.

Back in 2021, BNP Paribas was the first international bank to make such a move and to adopt strict public criteria in relation to the fight against deforestation with a precise timeline for the achievement of supply chains' traceability in these sensitive areas.

Throughout the 2021-2025 period, the implementation of BNP Paribas' policy has resulted in tangible outcomes, including changes in BNP Paribas' portfolio, as the Group decided to end its business relations with several entities who failed to comply with the Group's standards and commitments. More importantly so, it created momentum for the sector as some top tier actors brought forward their zero-deforestation target from 2030 to 2025.

² [BNP Paribas and the Preservation of Biodiversity](#)

³ For additional information: [Group positions and sector policies](#)

2. BNP PARIBAS' ESG RISK MANAGEMENT FRAMEWORK APPLIED TO AGRIBUSINESS CLIENTS ACTIVE IN THE BRAZILIAN AMAZON AND CERRADO

2.1 UNDERSTANDING THE CONTEXT IN BRAZIL

The efforts made and the results achieved by our clients must be understood while considering the unique context in which they operate in Brazil. In this environment, “legal” deforestation is allowed, and the consistent enforcement of the Forest Code remains a challenge. Furthermore, neither the domestic market nor Brazil's primary export market, namely China, has established explicit expectations for DCF products (Deforestation- and Conversion-Free products).

In Brazil, the Legal Amazon region⁴ extends over approximately 5 million km² (58% of the national territory), spans nine states and overlaps three different [biomes](#) (Amazon, Cerrado and Pantanal). The region is home to the largest and most biodiverse forest in the world. However, from 2001 to 2022, it is estimated that Brazil experienced a dramatic loss of 661,000 km² of tree cover in this region⁵, representing a 13% reduction in forest area since 2000 and highlighting the severity of deforestation pressures driven by urbanization and commercial agriculture. Encouragingly, this escalating trend began to reverse in 2022. Recent data from Brazil's National Institute for Space Research (Instituto Nacional de Pesquisas Espaciais/Inpe) and its PRODES deforestation monitoring system reveal a notable decrease in the Amazon⁶: between August 2024 and July 2025, 5,796 km² of primary forest were cleared, a significant drop from 9,001 km² the previous year and 11,594 km² between August 2022 and July 2023. This is the third-lowest rate since measurements began in 1988 and the fourth consecutive year of decline in deforestation rates, making a remarkable 50 per cent reduction in forest loss within the biome by 2025 compared with 2022.

⁴ “Amazônia Legal” or Brazil's Legal Amazon (BLA).

⁵ Source: Luan Marca, Marco Tulio Aniceto Franca, Augusto Mussi Alvim, “[Sustainable development in the Brazilian Amazon: Analysis of the Green Municipalities Program on deforestation levels in the state of Pará](#)”, Environmental Development, Volume 56, 2025.

⁶ Brazilian Government, “[In 2025, deforestation fell by 11.08 percent in the Amazon and by 11.49 percent in the Cerrado](#)”, 30 October 2025.





Evolution of deforestation in the Amazon biome in Brazil between 2012 and 2025 (source: INPE).

Besides, in 2024-2025, deforestation in the Cerrado – one of Earth’s most biodiverse savannahs spanning over 2 million km² in Brazil and home to 5 per cent of the planet’s animals and plants – also maintained a downward trend. The official deforestation reported for the period was 7,235.27 km², representing an 11.49 percent decrease compared with the previous period (August 2023 to July 2024). This marks the second consecutive year of decline, following five years of increase from 2019 to 2023.⁷

Indeed, forest management in Brazil is primarily regulated by the Brazilian Forest Code, which establishes the procedures required for rural properties to achieve environmental compliance. Notably, the law’s requirements vary depending on the biome. For example, regardless of property size, landowners are mandated to preserve a portion of their land as native vegetation – this is known as the Legal Reserve (LR) – and to protect vegetation along streams and rivers, designated as Permanent Protected Areas (APP). In the Cerrado biome, the Legal Reserve must comprise between 20 and 35 percent of the property, whereas in the Amazon biome, 80 percent of rural land must remain as native vegetation. And to ensure effective monitoring, the Forest Code obliges all rural properties to be registered in the Rural Environmental Registry (“Cadastro Ambiental Rural” - CAR).

The implementation of this regulatory framework, which prohibits “illegal deforestation”, is instrumental in fostering the preservation of Brazil’s ecosystems. However, noteworthy progress has also stemmed from voluntary private sector initiatives and commitments, particularly in the Amazon. These include initiatives such as the Amazon Soy Moratorium (also addressing “legal” deforestation) and the Public Livestock Commitment (CPP) for the beef industry, as well as the Soft Commodities Forum which works towards sustainable soy production in the Cerrado.

Other external factors, such as the European Union Deforestation Regulation (EUDR) framework, are helping to sustain these efforts. However, the European market alone cannot drive change on a market that is also driven by domestic or Chinese demand, where deforestation standards and requirements may be less stringent.

While these commitments and initiatives remain inherently fragile, as they are contingent upon economic and political circumstances – they underscored a multifaced approach to ecosystem preservation, combining legislation with proactive private commitments. Their sustained implementation over the past eighteen years has led to remarkable progress. Not only have they contributed significantly to curbing ecosystem degradation, but they have also empowered governments and companies to develop robust monitoring and traceability systems. For example, the Brazilian government has enhanced data transparency by integrating satellite imagery with administrative

⁷ Brazilian Government, “[In 2025, deforestation fell by 11.08 percent in the Amazon and by 11.49 percent in the Cerrado](#)”, 30 October 2025.

information from the CAR and protected areas. Simultaneously, companies have advanced traceability platforms that combine public data with internal verification mechanisms, enabling them to improve traceability and track deforestation at its source.

2.2 BNP PARIBAS' ESG RISK MANAGEMENT FRAMEWORK

Against this backdrop, and in order to prevent and mitigate potential indirect risks related to the activities of economic actors benefiting from its financing, investments or advisory services, BNP Paribas has, since 2021, implemented an enhanced environmental, social and governance (ESG) risk management framework for corporate and financial institutional clients, enabling the Group to assess clients on their ESG performance and to engage with those presenting high ESG stakes⁸.

BNP Paribas' ESG risk-management framework is based notably on a framework called the ESG Assessment, which aims at systematically identifying, assessing and monitoring Group clients' ESG performance and risks through the credit chain – from onboarding to credit granting, monitoring and reporting.

This ESG Assessment is carried out through targeted questionnaires adapted to the client's sector of activity. They cover five ESG dimensions through key ESG pillars: environment (climate, pollution and biodiversity), social (labour rights and human rights of local communities and consumers) and governance (business ethics) and provide a global overview of the client's ESG profile. It is complemented by an analysis of controversies to provide a comprehensive assessment. This framework supports decision-making and control processes within the Group to allow a well-balanced assessment of performance and risk.

Upstream and downstream agriculture have been listed among the 19 priority sectors for which the Group has developed a specific questionnaire enabling BNP Paribas to better integrate the challenges and issues specific to the sector, building on the relevant sector policies.

Our Agriculture sector policy was updated in 2021 with a view to encourage its customers producing or buying beef and soy from the Amazon and the Cerrado in Brazil to become “zero deforestation” and to demonstrate transparently their progress. BNP Paribas' assessment of soy and beef sector clients focuses on three pillars: DCF commitments, progress on traceability for both direct and indirect suppliers, and quality of reporting performance.

As per the criteria of its policy, BNP Paribas will only provide financial products or services to companies that have implemented a strategy towards zero deforestation in their production and supply chains by 2025 at the latest.

Specifically:

- For the Amazon, BNP Paribas will not finance clients producing or purchasing beef and soy on/from areas cleared or converted after 2008, i.e. clients must apply a 2008 cut-off date in the Amazon, in line with regulation and sector agreements;
- For the Cerrado, BNP Paribas will engage-its clients to not produce or purchase beef or soy on/from areas cleared or converted after January 1, 2020, in line with global standards⁹;
- For all clients, BNP Paribas will require full traceability of beef and soy supply chains (direct and indirect) by 2025;

⁸ Our current ESG framework is described in various public communications of the Group with a detailed account of how the Group's policies are implemented. See [2025 URD](#) p. 639, 875-877.

⁹ Operational Guidance from [Accountability Framework Initiative](#) (AFi) and EU Deforestation Regulation (EUDR)



- In particular, BNP Paribas expects its clients to demonstrate progress on:
 - Applying deforestation and conversion risk assessment of their beef and soy supply chains;
 - Implementing monitoring systems to map and trace their direct and indirect beef and soy supply chains in the Amazon and Cerrado;
 - Regularly reporting progress towards deforestation- and conversion-free beef and soy in their supply chains;
 - Implementing supplier engagement programs to promote zero deforestation practices;
 - Exclusion of suppliers who contravene their zero-deforestation strategy;
 - Publishing or providing on demand the criteria of non-compliance and the course of action for the resolution of non-compliant suppliers.

BNP Paribas also evaluates human rights and protection of local communities.

2.3 ESG RISK FRAMEWORK IMPLEMENTATION

As a result of this ESG risk framework implementation, **since 2021, all existing clients in the beef and soy sector active in the Brazilian Amazon and Cerrado have been subject to an enhanced due diligence process.** This process has been – and still is – mobilizing internal resources, including field trips in Brazil by BNP Paribas teams at clients' as well as meetings with stakeholders such as Brazilian ministries, State representatives and NGOs¹⁰. Client assessments are based on both publicly available information and external data sources (including data providers and reports from recognised third parties).

The process also involves in-depth engagement through regular meetings with clients, along with a careful evaluation of the progress made on traceability to meet the 2025 year-end deadline.

Additionally, BNP Paribas participates in the private sector working group led by the Accountability Framework Initiative (AFi), to better understand the tools, methodologies, and guidelines available, and to support and guide clients toward best available practices for implementing their commitments.

¹⁰ For instance with representatives of the Government of Pará; with various secretaries at the federal Ministry for Environment in Brasília, including the ones in charge of Deforestation Control, of Environmental Territorial Order, of Climate Change and lastly of Biodiversity, Forests and Animal Rights; with several companies and cooperatives involved in bioeconomy initiatives; and with Civil Society organisations such as the Amazon Environmental Research Institute (IPAM) and WWF Brazil.

3. BNP PARIBAS' PORTFOLIO¹¹ PERFORMANCE ASSESSMENT

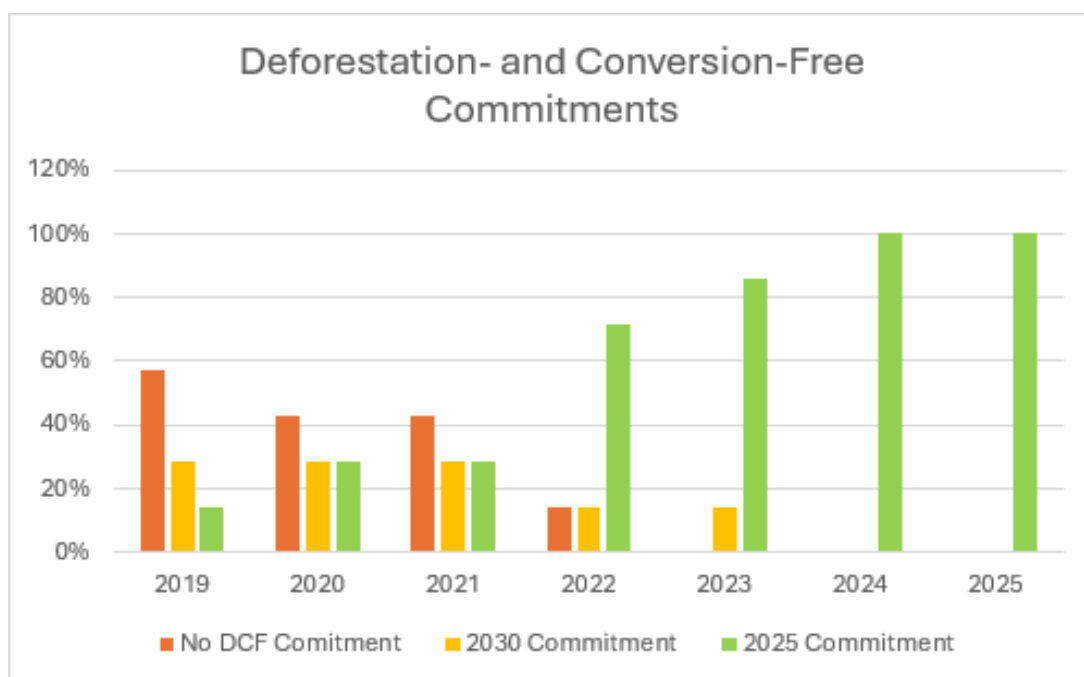
This section provides an overview of the evolution of, and progress made on sustained traceability and DCF commitments in the Brazilian beef and soy supply chains of our clients.

The producers and traders in these sectors – with whom BNP Paribas has engaged since 2020 – have made substantial progress towards achieving fully DCF supply chains in Brazil and have deployed significant resources (e.g. financial, technical, and commercial) to be able to meet their 2025 DCF commitments.

3.1 2025 DEFORESTATION- AND CONVERSION-FREE COMMITMENTS

Over time, clients have made significant progress in establishing clear deadlines for achieving DCF supply chains.

Back in 2020, the majority of clients had yet to set time-bound commitments. They then introduced global deforestation-free commitments by 2030, and the momentum continued as clients accelerated their goals, bringing forward Brazil-specific deforestation-free commitments to 2025. Most recently, the commitment has expanded to include no-conversion pledges, also set for 2025. **By December 31, 2025, every client had established a no-deforestation commitment, and the majority had also adopted a no-conversion commitment within the same timeframe.**



Evolution of deforestation- and conversion-free commitments among clients in the Beef and Soy sectors in the Brazilian Amazon and Cerrado biomes.

¹¹ Scope of client's portfolio: clients in the Beef and Soy sectors active in the Brazilian Amazon and Cerrado biomes.

3.2 DEFORESTATION- AND CONVERSION-FREE PERFORMANCE FOR SOY

At the end of 2024, 97% of the volumes produced or traded by our clients in the soy sector were DCF, up from 48% in 2020.

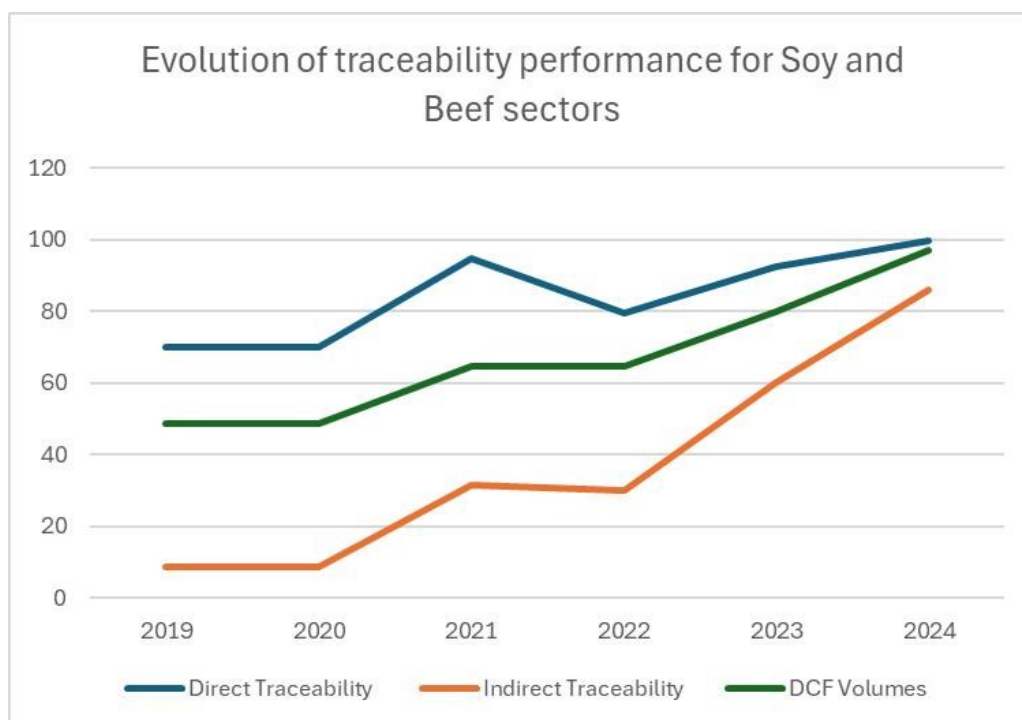
To implement their commitments, traders have established risk-based traceability for both direct and indirect customers (see detailed methodology in Appendix).

- **For direct supply**, client portfolio average reached 99.7% traceability in 2024, having greatly increased from an average of 71% in 2020. The quality of traceability has also greatly evolved from single point mapping to polygon satellite mapping enhanced by CAR, PRODES, & other databases. Direct supply traceability is relatively standardized across the industry.
- **For indirect supply**, client portfolio average reached 86% traceability in 2024 having started from almost no reporting in 2020. Currently, indirect supply tracing ranges from first point of crop aggregation plus a 50km radius & risk-based assessment to satellite monitoring. Note that for indirect volumes, all players now adhere to the same risk-assessment-based methodologies.

3.3 DEFORESTATION- AND CONVERSION-FREE PERFORMANCE FOR BEEF

In 2025¹², clients for the beef sector achieved full traceability across their direct and indirect supply chains, both in Amazon and Cerrado biomes, resulting in full DCF volumes.

The graph below presents the evolution of traceability and DCF volumes performance for both beef and soy sectors.



Percentage of traceability performance for direct and indirect suppliers and share of DCF-compliant purchasing among clients operating in the soy and beef sectors in the Brazilian Amazon and Cerrado biomes. Performance for 2025 to be released in upcoming reports.

3.4 REPORTING

All clients have progressively advanced the level of reporting, details, and transparency in their annual sustainability reports and soy reports.

In 2020, information about beef and soy supply chains was either absent or very limited. Today, these reports offer comprehensive insights, detailing the risk-based approaches, methodologies, and technologies employed to map, trace, and monitor both direct and indirect supply chains. They now include clear metrics on traceability and DCF volumes, alongside third-party verification and audits. This continual improvement in disclosure and transparency empowers all stakeholders to effectively monitor progress.

¹² For the beef sector, all of our clients' 2025 reports were available as of May 2026.

In addition, for soy, the **Soft Commodity Forum** (SCF) also publishes a comprehensive annual report¹³ focusing on the Cerrado region. In 2024, the SCF expanded its land use monitoring and reporting to encompass the entire Cerrado biome, an area exceeding 200 million hectares, introducing an enhanced risk assessment methodology to further improve the clarity and reliability of information related to soy supply chains. Coverage had grown from just 25 municipalities initially covered in 2019 to more than 800 in the latest report. This broadened scope closely aligns with the Agricultural Sector Roadmap to 1.5°C, a strategic initiative launched at COP27 by 14 prominent agricultural commodity traders. The SCF's scope expansion aims to advance more sustainable farming practices and foster environmental conservation on a considerably larger scale, focusing on DCF soy sourcing and enhanced traceability for both direct and indirect suppliers.

3.5 INDUSTRY COLLABORATIONS

- **By the end of 2025, all soy traders** assessed belonged to various industry groups including the Amazon Soy Moratorium¹⁴, the Soft Commodity Forum (Cerrado) and the Agriculture Sector Roadmap to 1.5°C which promotes a more standardized approach and thus levels the playing field for farmer engagement.
- **In the beef sector**, 100% of BNP Paribas' clients are aligned with 2009 beef sector commitments including the TAC (Term of Adjustment of Conduct) which commits to halt sourcing from areas illegally deforested after 2008 and the CPP (Public Livestock Commitment) which commits to halt sourcing from any deforested area.

3.6 ABOUT THE AMAZON SOY MORATORIUM

The current disputes surrounding the Amazon Soy Moratorium (ASM) vividly illustrate the complexities of the Brazilian context. Nevertheless, between 2008 and 2025, the ASM contributed to significantly slowing down the rate of deforestation in the Amazon region¹⁵.

Early 2026, ABIOVE¹⁶ chose to exit the agreement, citing the evolving political context at both the state and federal levels. This decision appears to have been driven by an increasing array of administrative, legal, and economic pressures facing its members. Notably, these challenges originated largely from actions taken by the Brazilian competition authority and mounting opposition from the association representing soy and sugarcane producers in Mato Grosso. As a result, ABIOVE stated that continuing under these circumstances was no longer viable for its members.

At this stage, it remains uncertain to anticipate the position that our clients will adopt following the various decisions expected from each State government, as well as the final ruling of the Supreme Court.

BNP Paribas is actively monitoring these developments and maintaining an ongoing dialogue with its clients about how they can navigate the evolving political and regulatory landscape in Brazil. Our focus is on supporting clients as they strive to uphold their zero-deforestation and zero-conversion commitments amid these changes.

¹³ [Soft Commodities Forum 2025 Annual Report | WBCSD](#)

¹⁴ This note focuses on clients' performance until 2025-year end, when all clients were still members of the SCF through ABIOVE, and collectively committed to its criteria and reporting framework which has been instrumental in shaping the sector's trajectory.

¹⁵ Sources: Géoconfluences, « [Le Brésil, de la déforestation à la reforestation ?](#) », 2018 ; CNES, « [Suivi de la déforestation en Amazonie](#) », 2025

¹⁶ ABIOVE is the association collectively representing soy traders.



3.7 ADJACENT INITIATIVES REGARDING THE CERRADO

Other proactive initiatives have been undertaken by our clients to enhance agricultural practices and support ecosystem restoration in the Brazilian Cerrado, further contributing to the transition toward sustainable and resilient land use systems.

- **The Farmer First Clusters Initiative** (FFC), whose members include large corporate players, has enrolled 178 farms, representing around 700,000 hectares to adopt more sustainable practices. According to its first annual report¹⁷, the initiative has achieved the conservation of 5,460 hectares of native vegetation that could have been legally converted to agriculture, ecological restoration of 177 hectares and avoided over 1.3 gigatons of CO₂-eq emissions. Beyond these immediate impacts, the FFC initiative is developing a financial model to incentivize producers and reduce the long-term opportunity cost of DCF production.
- **The Sustainable Landscape Partnership** was announced at the 2024 New York Climate Week by the SCF and Consumer Goods Forum Forest Positive Coalition (CGF FPC), in collaboration with the Tropical Forest Alliance (TFA). It focuses on driving investment to transition priority commodity-producing landscapes to forest positive resilient sourcing areas, aiming to develop standardized methods for landscape monitoring and financing DCF production. The initiative supports pillars 2 and 3 of the Agricultural Sector Roadmap to 1.5°C, which are respectively dedicated to forest-positive land-use management in critical landscapes and stakeholder engagement to achieve sectoral transformation.

¹⁷ Source: [Soft Commodities Forum Progress Report](#), December 2024.



4. CONCLUSION

Overall, companies currently in our financing portfolio achieved tangible results in 2024 and we are now close to meeting the targets that we set in 2021.

Since 2021, they have demonstrated constant efforts and progress, deploying considerable resources to monitor, trace, and certify production within their value chains – reaching levels close to 100% DCF – starting from 2020 when their DCF and traceability levels were very low and their reporting systems were almost nonexistent.

They have succeeded in strengthening traceability levels – both in terms of coverage and informational granularity – through the deployment of advanced technologies such as satellite imagery and blockchain.

This performance is particularly striking given the increasing demand for food and non-food products (food, feed, biomass, biofuel, ...), as well as the headwinds faced by all actors in the value chain, particularly the regulatory, legal and administrative uncertainties affecting frameworks in both Brazil and Europe.

Furthermore, it confirms the soundness of BNP Paribas' decision in 2021 to engage with its clients to drive progress and impact in Brazil's agroindustry sector. The improvements seen in our portfolio's DCF performance from 2021 to 2024 highlight how adopting this policy has helped accelerate our clients' transition. We believe that engagement by banks can play a role in encouraging all actors to keep up their efforts and maintain strong performance. We would welcome seeing more banks engage with their clients in this sector under similar policies.

As previously stated, we will not have a complete view of all our clients' performance until the end of 2026. We will then update this report to reflect our clients' performance as of the end of 2025.



5. APPENDIX

Methodology for indirect suppliers in the soy sector

Methodology for determining DCF indirect volumes is based on risk assessment (used by all companies that are part of SCF/1.5 Roadmap).

The most granular traceability approach consists of tracing soy volumes back to the farm level. However, under a risk-based approach, the company may also rely on a level of granularity that reflects the deforestation risk associated with the municipality in question:

- If deforested or converted land accounts for less than 1% of the area dedicated to soy cultivation within the municipality, the corresponding volumes are deemed compliant with DCF requirements.
- If deforested or converted land accounts for more than 1% of the area dedicated to soy cultivation within the municipality, the relevant collection silo is subject to further assessment within a 50-kilometer radius to refine the risk analysis. Any proportion of soy originating from deforested or converted areas is not considered compliant with DCF requirements.

For the traceability averages included above, these are calculated through a simple average of strictly publicly reported figures by companies for their operations in the Brazilian Amazon and Cerrado.

Methodology for indirect suppliers in the beef sector

Clients in the beef sector report following the good-practice guidelines from the GTFI (Indirect Suppliers Working Group – [Good practices - GTFI](#)). This framework supports progressive control over indirect nodes in cattle supply chains, including risk screening, indirect supplier mapping, and graduated remediation.

Differences in methodologies for beef and soy regarding indirect suppliers

Traceability approaches for indirect suppliers differ significantly between the soy and beef sectors due to the intrinsic characteristics of each commodity.

Soy is an annual crop produced in large volumes and typically aggregated and stored in silos that collect production from multiple plots of land. As a result, indirect traceability in the soy sector is generally implemented at the **sourcing area level**. This approach relies on identifying and monitoring the plots located within the supply area surrounding a given silo. This area-based methodology reflects the physical mixing of volumes at the first point of aggregation and is widely used for risk assessment purposes.

Beef supply chains are structurally more complex. There is usually a period of approximately three to four years between the birth of a calf and slaughter. During this time, cattle typically move several times between different types of farms, including breeding (cow-calf), rearing/fattening, and finishing farms, the latter being the final stage before slaughter. In this context, traceability is **animal-based**. Each animal is identified through an official identification document, the **GTA (Guia de Trânsito Animal)**, which records movements between farms and links the animal to breeding sites, up to the farm that ultimately supplies the slaughterhouse. This system allows indirect suppliers to be progressively identified through the tracking of animal movements along the supply chain.