



# Sourcing Beef Responsibly

A risk-based approach to supplier chain management



A world where  
**human  
choices**  
ensure  
**a sustainable  
future**



**OUR VISION**

To build  
**commitment and  
capacity**  
for  
**mainstreaming  
sustainability**



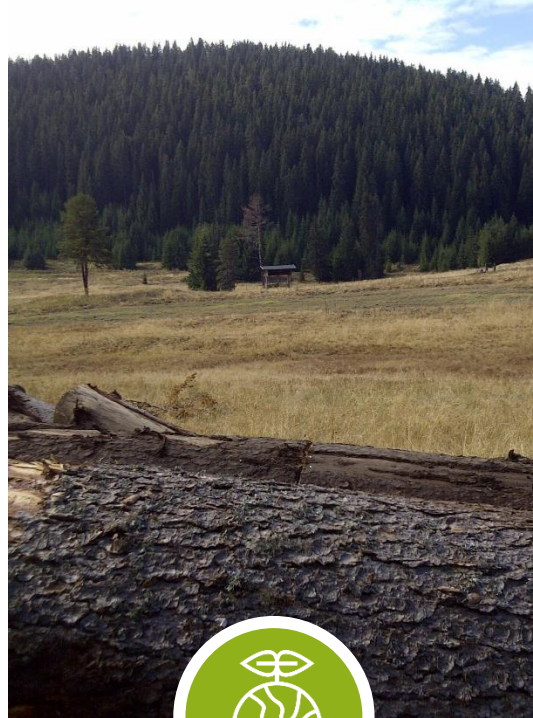
**OUR MISSION**



# NEPCon's Programme Focus



Conservation



Land Use

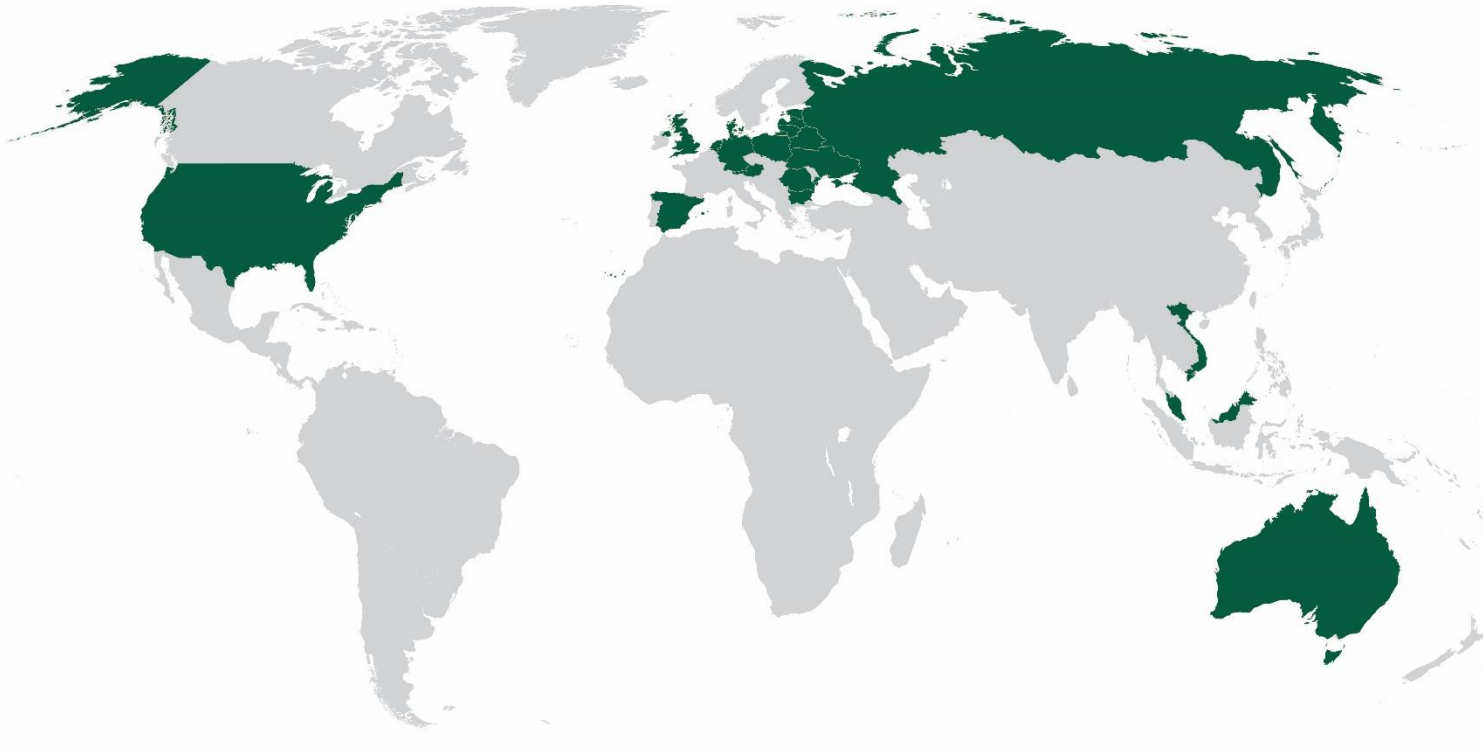


Traceability



Responsible  
Sourcing

# Our Team around the World



**120+** full-time staff

**19** countries

**24** nationalities



Network of **160+** consultants

**16** legal registrations

across **Europe, US**

**Russia and Asia**



# Donors & Collaborators



European Commission



MINISTRY OF FOREIGN AFFAIRS OF DENMARK  
**DANIDA** | INTERNATIONAL  
DEVELOPMENT COOPERATION



**YAYASAN SABAH GROUP**



# Our Clients

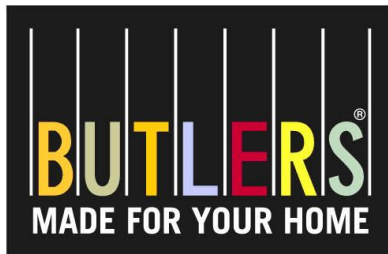


Chart 9: Global middle class in 2009 and prediction for 2030



Sources: OECD, Standard Chartered Research

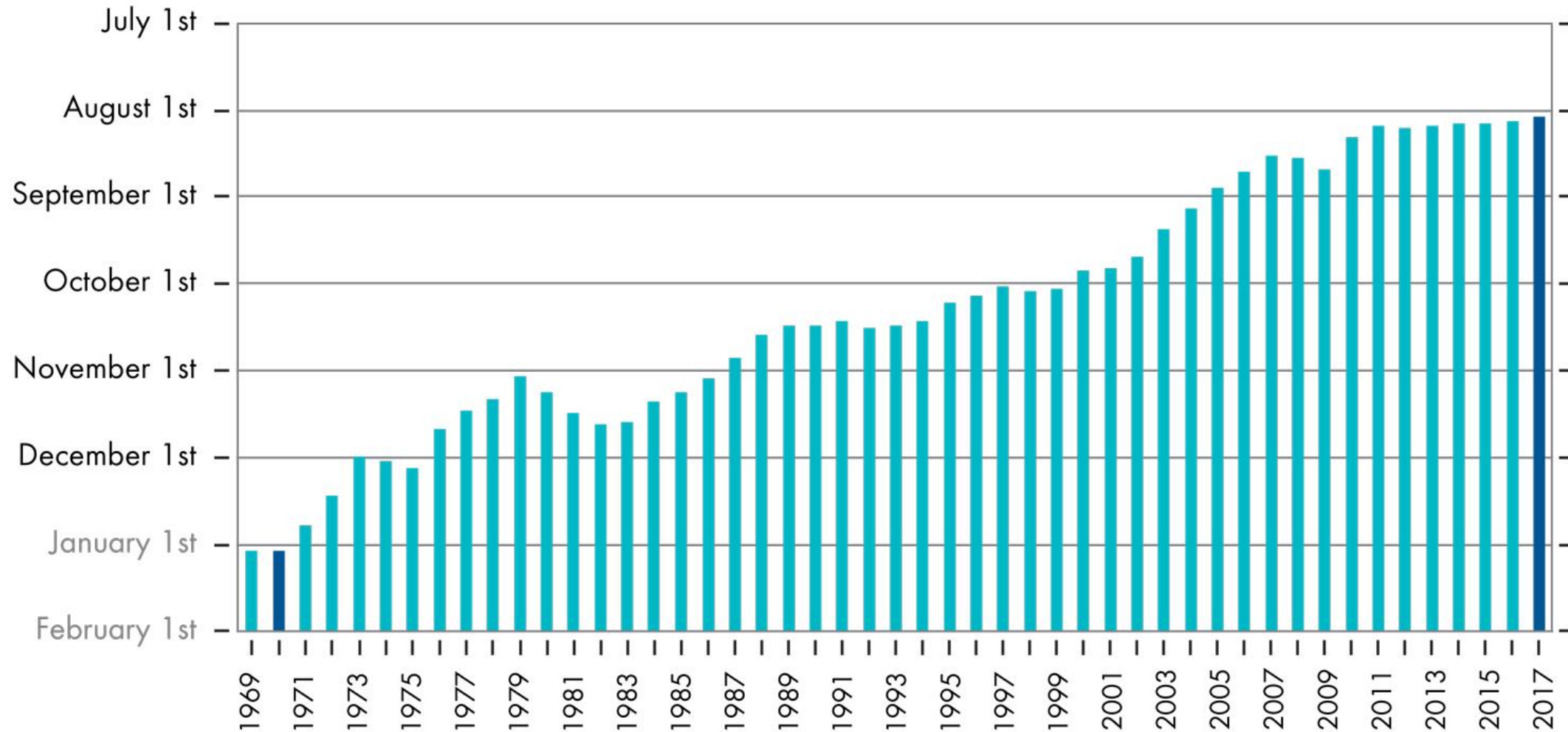


**1 Earth**

# Earth Overshoot Day 1969-2017



**1.7 Earths**



Source: Global Footprint Network National Footprint Accounts 2017

Earth Overshoot Day: [www.overshootday.org](http://www.overshootday.org)





A complex **problem**





Sourcing policies



Implementing



**RISKS**  
at the ground level  
?

A risk-based approach can enable YOU  
to focus the most effort where there is the most need.



# What is a risk based approach?





Treat the risks

Assess the risks

Know your supply chain



# NEPCon Sourcing Hub



Timber



Palm Oil



Beef



Soy

[www.nepcon.org/sourcinghub](http://www.nepcon.org/sourcinghub)



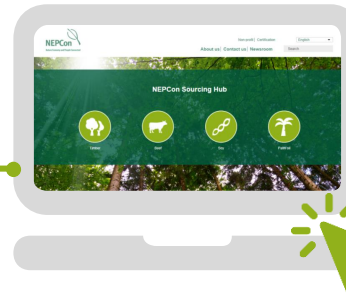
# 78

**Country risk assessments**  
for  
**timber, palm oil,  
beef, and soy**  
covering supply chains  
from all over the world

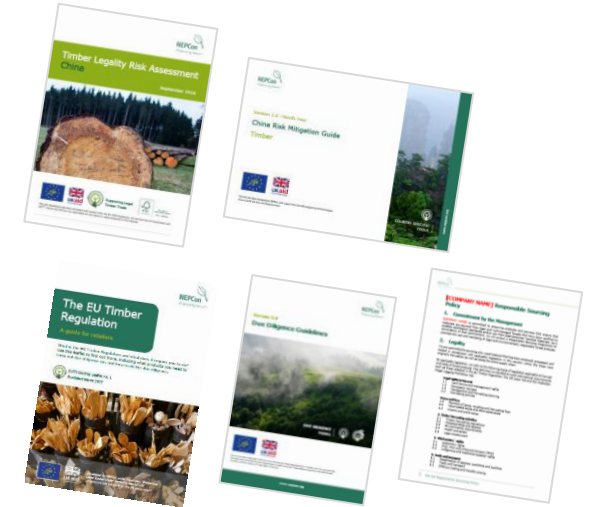
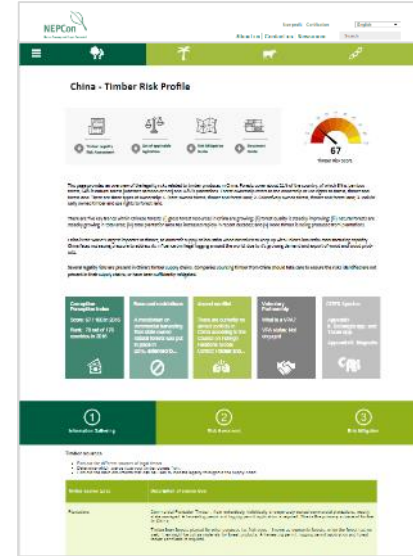
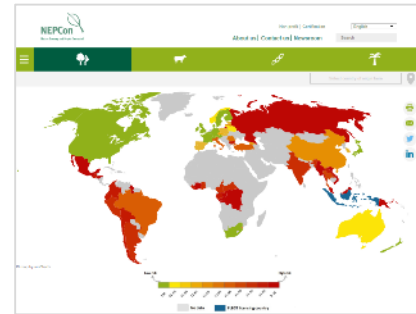


# 125+

**Guidance and tools**  
to help  
**companies**  
**evaluate and manage**  
**the risks**  
in their supply chain



# Everything you need for due diligence in one place



1

**SELECT**  
commodity

2

**ACCESS**  
an overview map of  
sourcing risks  
+  
**SELECT**  
country for details

3

**VIEW**  
country detailed risk data  
(e.g. risks related to each  
type of forest  
production...)

4

**EXPLORE**  
a suite of country  
guidance and due  
diligence tools to  
mitigate the risks



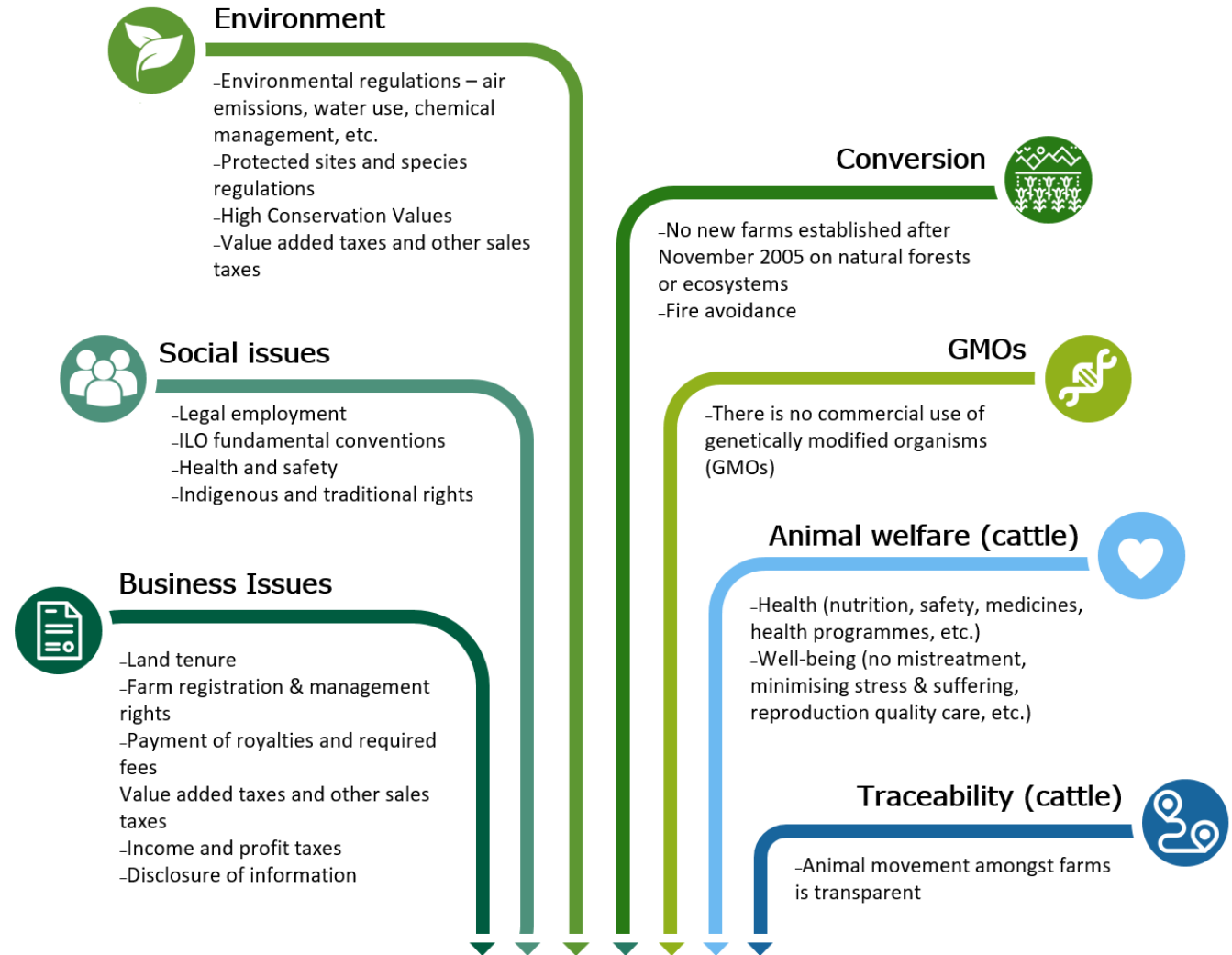
# Risk assessments...



The heart of the Hub

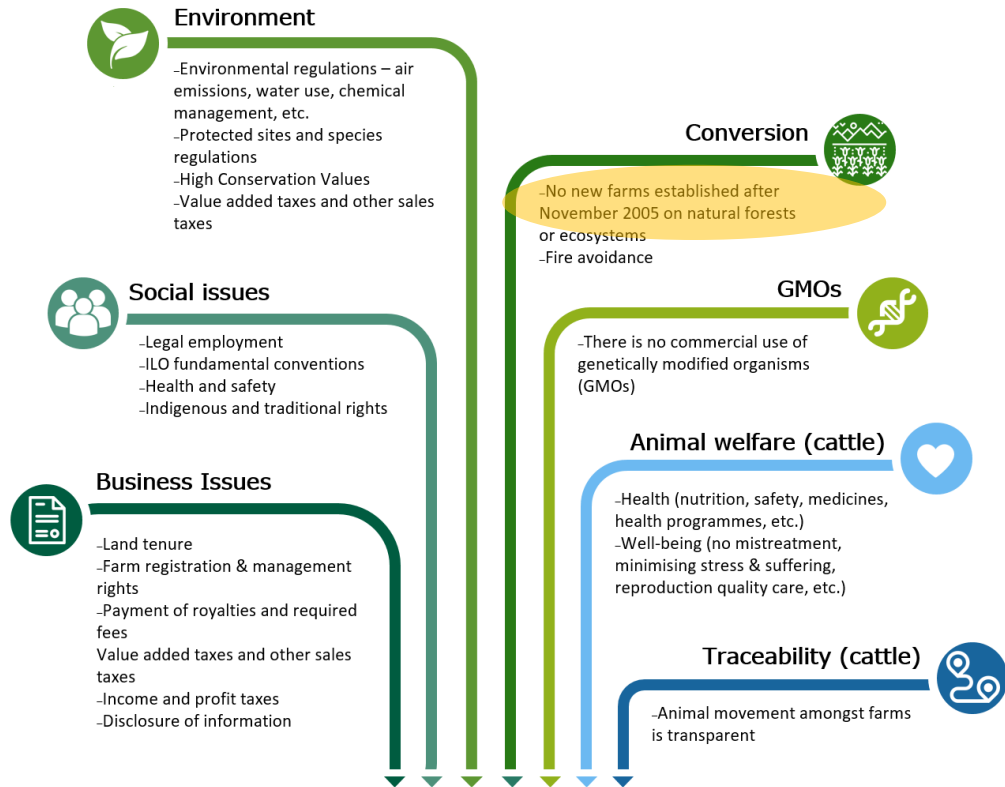


# Risk assessments available for beef



The palm oil, soy and beef framework considers social, environmental and legality risks across **7 categories** and **19 sub-categories**

# What is in a risk assessment?



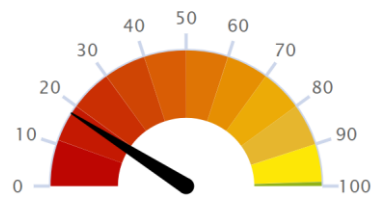
The palm oil, soy and beef framework considers social, environmental and legality risks across **7 categories** and **19 sub-categories**

- ✓ Applicable laws and regulations
- ✓ Legal authority
- ✓ Legally required documents or records
- ✓ Sources of information
- ✓ Overview of Legal Requirements
- ✓ Description of risk
- ✓ Risk conclusion (low or elevated)
- ✓ Control measures and verifiers

*For each of the 19 sub-categories*

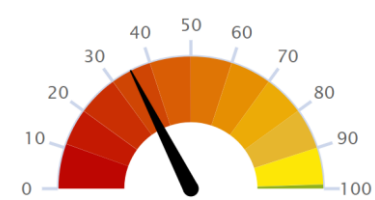


# Brazil



Legal Category	Sub-category	Risk conclusion			
		Complete cycle farm	Feedlot	Fattening ranches	Calving Ranches
Business Issues	1.1. Land tenure	Specified	Specified	Specified	Specified
	1.2. Farm registration & management rights	Specified	Specified	Specified	Specified
	1.3. Payment of royalties & required fees	Low	Low	Low	Low
	1.4. Value Added taxes & other sales taxes	Specified	Specified	Specified	Specified
	1.5. Income and profit taxes	Low	Low	Low	Low
	1.6. Disclosure of Information	Low	Low	Low	Low
Social issues	2.1. Legal employment	Specified	Specified	Specified	Specified
	2.2. ILO Fundamental Conventions are upheld.	Specified	Specified	Specified	Specified
	2.3. Health and safety	Specified	Specified	Specified	Specified
	2.4. IP and TP rights are upheld.	Specified	Specified	Specified	Specified
Environmental issues	3.1. Environment	Specified	Specified	Specified	Specified
	3.2. Protected sites and species	Specified	Specified	Specified	Specified
	3.3. HCV	3.3.1. Species diversity.	Specified	Specified	Specified
		3.3.2. Landscape-level ecosystems & mosaics.	Specified	Specified	Specified
		3.3.3. Ecosystems and habitats	Specified	Specified	Specified
		3.3.4. Critical ecosystem services.	Specified	Specified	Specified
		3.3.5. Community needs	Specified	Specified	Specified
		3.3.6. Cultural values.	Specified	Specified	Specified
	Conversion	4.1. New farms since November 2008 have not replaced natural forest or ecosystems.	Specified	Specified	Specified
GMOs	5.1. No GMO feed/animals	Low	Low	Low	Low
Animal Welfare	6.1. Animal Health	Specified	Specified	Specified	Specified
	6.2. Animal Well-being	Low	Specified	Specified	Specified
Traceability	7.1. Tracking System	Specified	Specified	Specified	Specified

# Argentina



Legal Category	Sub-category	Regional Risk Designation				
		NEA	NOA	Pampeña – Central	Cuyo	Patagonia
Business Issues	1.1. Land tenure	Specified	Specified	Low	Specified	Specified
	1.2. Farm registration & management rights	Specified	Specified	Low	Specified	Specified
	1.3. Payment of royalties & required fees	Low	Low	Low	Low	Low
	1.4. Value Added taxes & other sales taxes	Specified	Specified	Specified	Specified	Specified
	1.5. Income and profit taxes	Specified	Specified	Specified	Specified	Specified
	1.6. Disclosure of Information	Low	Low	Low	Low	Low
Social Issues	2.1. Legal employment	Specified	Specified	Specified	Specified	Specified
	2.2. ILO Fundamental Conventions are upheld.	Specified	Specified	Specified	Specified	Specified
	2.3. Health and safety	Specified	Specified	Specified	Specified	Specified
	2.4. IP and TP rights are upheld.	Specified	Specified	Specified	Specified	Specified
Environmental issues	3.1. Environment	Specified	Specified	Specified	Specified	Specified
	3.2. Protected sites and species	Specified	Specified	Specified	Specified	Specified
	3.3. HCV	3.3.1. Species diversity.	Specified	Specified	Specified	Specified
		3.3.2. Landscape-level ecosystems & mosaics.	Specified	Specified	Low	Low
		3.3.3. Ecosystems and habitats	Specified	Specified	Specified	Specified
		3.3.4. Critical ecosystem services.	Specified	Specified	Specified	Specified
		3.3.5. Community needs	Specified	Specified	Low	Low
		3.3.6. Cultural values.	Specified	Specified	Low	Specified
Conversion	4.1. New farms since November 2005 have not replaced natural forest or ecosystems.	Specified	Specified	Low	Low	Low
	4.2 Fire Avoidance	Specified	Specified	Specified	Specified	Specified
GMOs	5.1. No GMO feed/animals	Low	Low	Specified - Low risk for Small family ranchers	Low	Low
Animal Welfare	6.1. Animal Health	Low	Low	Low	Low	Low
	6.2. Animal Well-being	Low	Low	Low	Low	Low
Traceability	7.1. Tracking System	Low	Low	Low	Low	Low

## Risks associated with Beef from Brazil





Risk of illegal / undocumented land tenure.





**Map your supply chains** – you need to know where your product is coming from to assess and mitigate the risks – tools available on the [Sourcing Hub](#)



**Obtain and verify documents** – e.g. a CAR - A Rural Environment Registry receipt / record (*Protocolo / recibo do Cadastro Ambiental Rural*) – full list on the [Sourcing Hub](#)



**Consult with stakeholders** – e.g. Staff at the Rural Environmental Registry System (*SiCAR, Simistema Nacional de Cadastro Ambiental Rural*) can verify the farm has a valid CAR status by checking its CAR registration number – full list on the [Sourcing Hub](#)



**Carry out on-site verification** – to confirm, for example Confirm cattle ranches takes place within the authorized boundaries in accordance with the relevant licenses – full list on the [Sourcing Hub](#)



## Risk of illegal / undocumented land tenure.



1. **Verify the cattle farm has the valid land tenure documents** (incl. A CAR - A Rural Environment Registry receipt / record (Protocolo / recibo do Cadastro Ambiental Rural and a CCIR - Certificate of Registration of Rural Real Estate (Certificado de Cadastro do Imóvel Rural; An ITR - Proof of Registration of the Territorial Institute (Comprovante de Cadastro do Instituto Territorial)



2. **Verify the CAR status by checking its CAR registration number in the Public Module of the Rural Environmental Registry System (SiCAR, Simistema Nacional de Cadastro Ambiental Rural):**  
[www.http://car.gov.br/publico/imoveis/index](http://car.gov.br/publico/imoveis/index)



3. **Review information on land tenure disputes and developments on indigenous and traditional peoples' land claims**, for example - Ask your supplier for a map identifying the traditional communities close to its farms and/or cross reference the farm location with the location of indigenous lands and Quilombolas communities which can be found on the Indigenous lands in Brazil website or the Quilombolas communities' official website)



4. **Consult with neighbours, local communities, landowners and other stakeholders** to find out if A) land tenure rights are clear and – where applicable – lease of the land has been agreed by all the landowners; and B) if there are any court orders or other legal decisions that mean that the company is not allowed to operate due to conflicts of land tenure.



**Low risk**



# Tools to help source responsible beef from Brazil

NEPCon Nature Economy and People Connected

Non-profit | Certification English

About us | Newsroom | Contact us

Select country of origin here Back to map

## Brazil Beef Risk Profile

**Toolbox**

- Beef Risk Assessment
- Risk Mitigation Guide
- Supplier checklist

**Risk Score: 18**

This page provides an overview of the corporate social responsibility (CSR) risks related to beef produced in Brazil.

The Brazilian beef sector has 210 million animals distributed over 170 million hectares. Livestock ranching covers 70% of area available for agriculture. Approximately 40 million animals were slaughtered in 2014 (10% sourced from feedlots) and this produced 10 million tons carcass equivalent of meat. 20% of this meat was exported.

The Brazilian Amazon includes 70 million hectares of pasture which expanded in a limited way in the past ten years. The Amazonian cattle herd consists of 82 million head of cattle. Between 1997 and 2013 the herd in the Amazon states increased by 280%, while elsewhere the Brazilian herd increased by 60%. To date, feedlots are not common practice in Brazil but are a growing trend. Most beef raised in the Amazon is slaughtered and processed inside the Amazon biome. Around a quarter of this slaughter takes place within the clandestine 'unofficial/underground' industry.

The absence of a robust traceability system for the cattle sector is the main issue linked with illegal farm establishment, management and trade of livestock.

A number of CSR risks are present in Brazilian beef supply chains. The risks are wide ranging and appear across the business, social and environmental areas. If you are sourcing beef from Brazil you should take care to ensure the extensive risks identified are not present in your supply chains, or have been sufficiently mitigated.

Corruption Perceptions Index	Bans and restrictions	Armed conflict
<b>Score:</b> 40 / 100 in 2016 Rank: 79 out of 176 countries in 2016	Import restriction: After the 'Weak Flesh Probe' in 2016, these countries banned Brazilian beef. China and the EU (among others) have lifted the ban	There are currently no armed conflicts in Brazil according to the Council on Foreign Relations' Global Conflict Tracker

**1** Information Gathering

**2** Risk Assessment

**3** Risk Mitigation







Version 1.0 | August 2020  
Brazil Risk Mitigation Guide  
Beef



This tool has been developed by NEPCon under the leadership of the Ministry of Agriculture, Livestock and Food Supply (MAPA) with support from DANIDA, Ministry of Foreign Affairs of Denmark.

## Brazil Beef

NEPCon has evaluated



Business



Social



Environmental



Conversion



GMO



Animal



Traceability

This Beef Risk Mitigation Guide



## Environmental Issues

The following two risks have been identified related to the Beef harvesting regulations in Brazil:

1. Risk that the Brazilian Forest Code, the main environmental protection requirement, is not complied with.
2. Risk that the code and several complementary significant state laws under the Environmental Adjustments Program (PRA) have not been subsequently established and/or implemented leading to inadequate and/or variable permitting regulations.

Risk	Mitigation recommendations
Brazilian Forest Code is not complied with, and several complementary state laws under the Environmental Adjustments Program (PRA) have not been established and/or implemented.	<ol style="list-style-type: none"><li>1. Verify the cattle farm has the following valid Forest Code documents:<ul style="list-style-type: none"><li>o A <a href="#">CAR</a> - A Rural Environment Registry receipt / record (Protocolo / recibo do Cadastro Ambiental Rural)</li><li>o A TCA - Term of Environmental Commitment Term (Termo de Compromisso Ambiental);</li><li>o A PRAD (Restoration of degraded areas projects if required by the Brazilian Forest Code)</li></ul></li><li>2. Verify the farm has a valid CAR status by checking its CAR registration number in the Public Module of the Rural Environmental Registry System (SiCAR, Simistema Nacional de Cadastro Ambiental Rural): <a href="http://car.gov.br/publico/imoveis/index">www.http://car.gov.br/publico/imoveis/index</a></li><li>3. Verify if PRAD (restored degraded areas), if required, is implemented according the Forest Code and TCA requirements. Obtain the shape file of the cattle farm property's boundaries and compare/overlay with mapping data from the following initiative that are using satellite time series images to detect the land change cover:<ul style="list-style-type: none"><li>o <a href="http://www.globalforestwatch.org">www.globalforestwatch.org</a></li></ul></li></ol>

# Supplier Checklist

Version 1.0

## Supply chain evaluation

### Beef from Brazil



This tool has been developed by NEPCon under the project "Sourcing of Soy, Palm Oil and Cattle" with support from the Ministry of Foreign Affairs of Denmark.

www.nepcon.org

Supplier Name: \_\_\_\_\_

Address: \_\_\_\_\_

Material Type: \_\_\_\_\_

Material Certification: \_\_\_\_\_

Date of evaluation: \_\_\_\_\_

Description of evaluation: \_\_\_\_\_

#### Document Guidance

Please fill out this form by indicating 'Y' for Yes or 'N' for No for each numbered indicator if the supplier is compliant with the requirements. Please also tick the 'DOC' column if a copy of the required document is provided with this form. For all 'N/A' answers please provide an explanation. If not applicable.

The red dot next to the indicator highlights where there is a detected at the national level for palm oil in Malaysia and where more information on the red dotted indicator is provided.

3 DOCUMENT NAME | Version 1.0

#### 1. The supplier is compliant with all the relevant laws which apply to its business, and has records of this.

- 1.1. The supplier has a valid, non-contested and appropriate right, that is registered.

##### Document required:

- CCIR (Certificate of Registration of Rural Real Estate - Cadastro do Imóvel Rural) (I) <http://www.incra.gov.br/fundaria/regularizacao-fundaria/cadastro-rural>
- Proof of Registration of the Territorial Institute - Comp. Cadastro do Instituto Territorial - ITR (I)
- Certificate of Deed of Entire Content of the Rural Real Estate - Certidão de Matrícula de Inteiro Teor do Imóvel Rural (I) <http://www.registradores.org.br/>
- CNDIR (Negative Certificate for Debts of the Rural Real Estate - Certidão Negativa de Débitos do Imóvel Rural) (III) <http://www.receita.fazenda.gov.br/aplicacoes/atspo/cndir/nitr.asp>
- CNPJ Card (III) [http://www.receita.fazenda.gov.br/pessoajuridica/cnpj/eva\\_solicitacao.asp](http://www.receita.fazenda.gov.br/pessoajuridica/cnpj/eva_solicitacao.asp)
- Registered or Notarized Lease, Partnership or Lending Contract of Arrendamento, Parceria ou Comodato Rural com firma reconhecida em cartório (I)
- Rural Environment Registry receipt / record - Protocolo Cadastro Ambiental Rural - CAR (IV) - <http://www.car.gov.br/>

- 1.2. The supplier has all relevant farm registration and management rights.

##### Document required:

- Rural Environment Registry - Cadastro Ambiental Rural
- Restoration of degraded areas projects - PRAD (if available)
- Grant of Right to Use Water Resources - Outorga de Direitos Recursos Hídricos (VI)
- Transitory authorization of rural activity operation - Autorização Provisória de Funcionamento de Atividade Rural - APF <https://monitoramento.sema.mt.gov.br/apfrural/index>
- Environmental Commitment Term - Termo de Compromisso (TCA) (VI)
- Environmental Permits (VI)

#### 2. The supplier fulfils all obligatory taxes, fees and business registration disclosure required for conducting the defined business activity.

- 2.1. The supplier met all legal obligations regarding the payment of royalties and required fees.

##### Document required:

4 SUPPLIER EVALUATION CHECKLIST | Version 1.0

- 8.3. The supplier ensures any species that have official protected status and/or are considered High Conservation Value (HCVs) species/ecosystems in Brazil are protected within the boundary of the farm and are not threatened by any farm activities.

##### Document required:

- Proof that legally protected areas, species and HCVs are included in the management plan or related documentation.

#### 9. The supplier has not been responsible for converting natural forest or natural ecosystems to beef plantations since 2008.

- 9.1. The supplier has not been not apprehended for illegal conversion of natural forests/ecosystems is black listed by the federal government.

##### Document required:

- Confirmation that supplier is on the list of farms apprehended for illegal conversion of natural forests/ecosystems by the federal government. <https://servicos.ibama.gov.br/index.php/carta-de-servicos-ao-cidadao/351-lista-de-embargos>

- 9.2. The supplier has not been responsible for converting natural forest or natural ecosystems into beef plantations after 2008.

##### Document required for suppliers operating in the Cerrado region:

- Map with farm boundaries cross referenced against one of the following land cover satellite time series images:
  - [www.globalforestwatch.org](http://www.globalforestwatch.org/); OR
  - <http://www.obt.inpe.br/prodes/index.php> - PRODES/INPE; OR
  - <http://www.obt.inpe.br/deter/index.html> - DETER/INPE

#### 10. The supplier does not produce or use genetically modified (GM) beef.

- 10.1. The supplier has not used or farmed genetically modified beef.

##### Document required:

- Laboratories GMO-free certificate
- Organic beef certificate

#### 11. The supplier ensures animal welfare and wellbeing is protected

- 11.1. The supplier ensures animal welfare, including health issues such as nutrition, safety, health and medical care, is maintained.

##### Document required:

- Carcass performance report from the Federal Inspection Service - SIF/Organic beef certificate

#### 12. The supplier ensures cattle movement amongst farms is tracked and transparent.

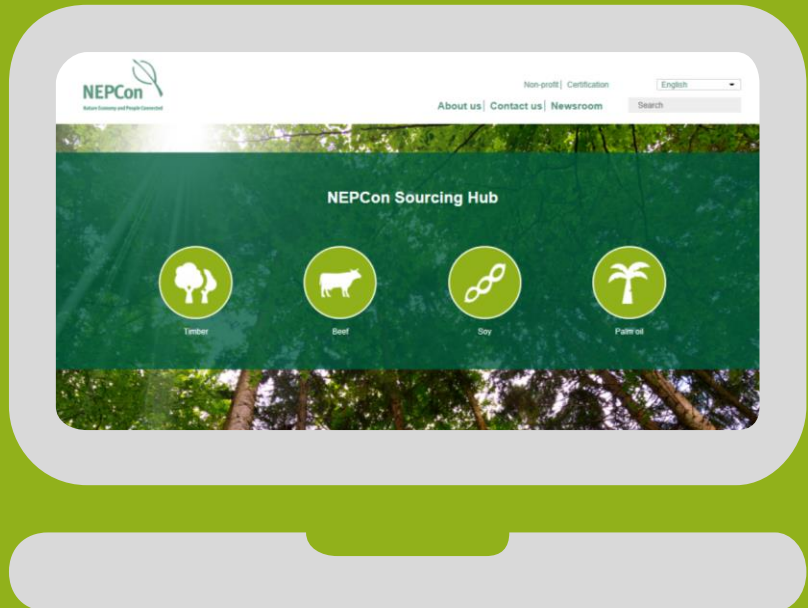
- 12.1. The supplier complies with the legal requirements for cattle movement.

##### Document required:

- Animal Traffic Document - GTA
- Electronic Animal Traffic Document - e-GTA

9 DOCUMENT NAME | Version 1.0

# Everything you need for due diligence in one place



# Thank you



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