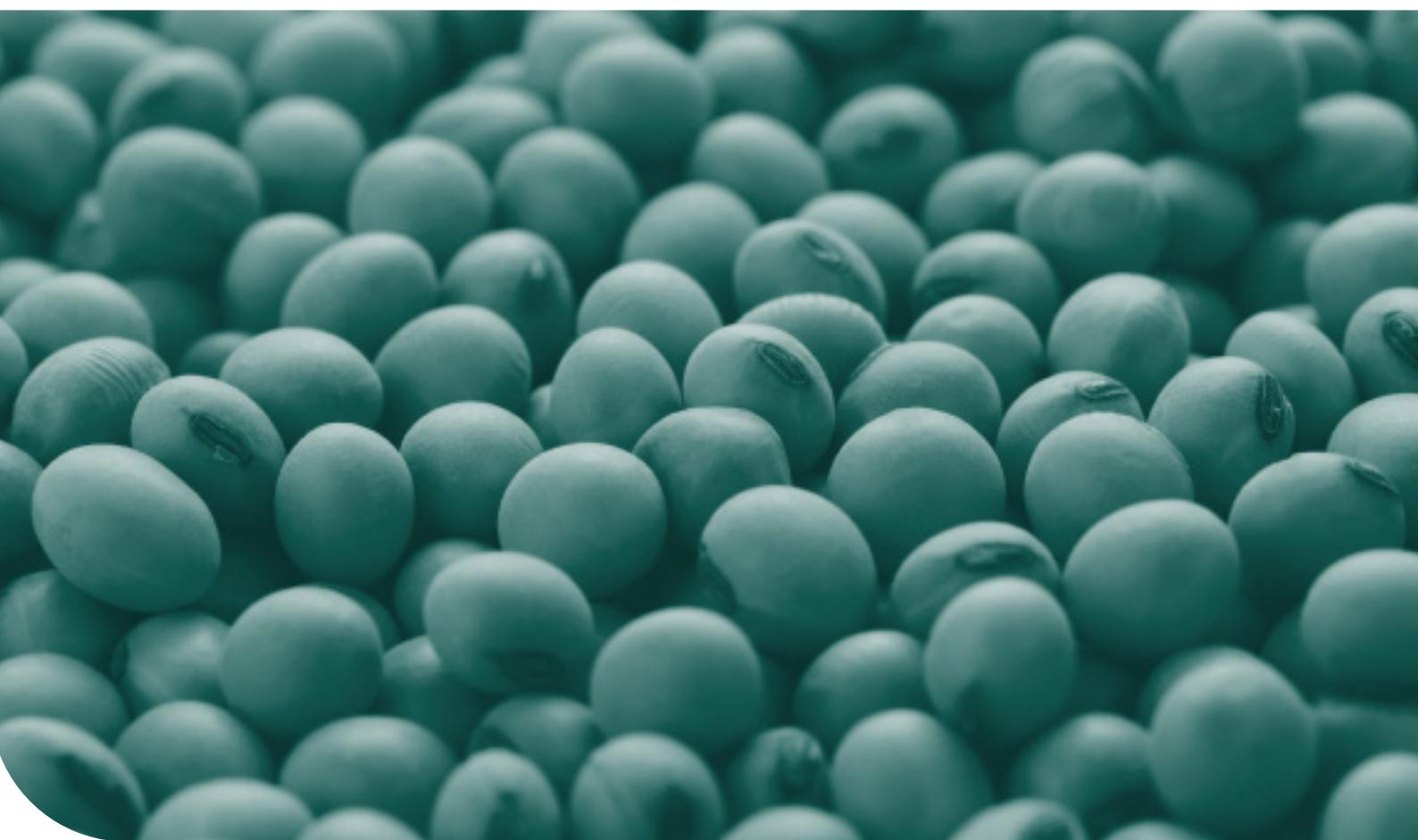


Introduction to Sustainable Soy

2 Where can companies in the UK start?

efeca economics climate environment



This guide is a collaborative effort between Efeca and Proforest for the UK Roundtable on Sustainable Soya, as part of the Soy Toolkit. The Soy Toolkit has been developed by Proforest as part of the Good Growth Partnership's Responsible Demand Project, thanks to financial support from the Global Environment Facility through World Wildlife Fund. This guide was also produced with financial support from the UK Government via the Partnerships for Forests Programme.



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Introduction to Sustainable Soy 2

This guide is a collaborative effort between Efeca and Proforest, as part of the Soy Toolkit.

The Soy Toolkit is a capacity building programme presented in the format of a user-friendly guide to the many existing tools, initiatives and approaches that companies can use to decouple soy sourcing from deforestation, conversion of natural habitats and human rights violations.

Authors: Efeca and Proforest

Purpose of this guide

The purpose of this guide is to provide an introduction to soy, how we use it, why we should source sustainable soy and to suggest some initial steps a company can take to develop and implement a policy on sustainable soy within their organisation and supply chain. It was developed by Efeca and Proforest for the UK Roundtable on Sustainable Soya, as part of the Soy Toolkit (www.soytoolkit.net).

Where to start?

With growing understanding of the potential negative environmental and social impacts associated with the production and expansion of soy, companies are making increased efforts to ensure that the soy they source, including embedded soy, is produced responsibly.

This guide outlines the initial steps that can guide companies to create and implement a responsible soy sourcing commitment. The focus of this guide is soy used in animal feed, as this is where most soy in the UK is used. It is important to have a clear 'ask' that can be effectively communicated both internally within your organisation and across your supply chain.

This is particularly important within a commodity like soy where 'sustainability' can mean different things to different actors. While it is important for each organisation to define what is important for them, there is a recognition that without clarity and consistency it is difficult for anyone (from soybean producers to retailers) to move forward. Because the need for clear and harmonised 'asks' is shared across all major global commodities, the [Accountability Framework initiative \(AFi\)](#) was developed, through which a group of thought-leading NGOs have sought to provide harmonised definitions and identified good practice for sustainable trade and helped to signpost existing tools which enable companies to demonstrate progress towards commitments.

The AFi has identified four aims which companies should consider in developing their responsible sourcing policies, which are to:

- Halt deforestation
- Protect other natural ecosystems
- Respect human rights
- Support livelihoods

In 2018 the UK Roundtable on Sustainable Soya's members developed a goal which is aligned with these principles, focusing on the urgent need to halt deforestation and protect other natural ecosystems as it was felt by members that this was where UK actors could achieve rapid positive impact. The goals of the UK Soya RT and a list of members are available on the roundtable [website](#).

Below are five steps a company can take to transition to sustainable soy supply chains.

1. Rapid assessment of soy in the supply chain

To start to implement a soy sourcing policy, it can be helpful to conduct a rapid assessment of how much soy is used within the company. There are several methodologies available which can provide an estimate of the amount of soy used per Kg of meat or dairy product using conversion factors. An easily accessible version is the [RTRS Soy Calculator](#), which not only provides a volume of soy but also an estimated footprint in hectares. Other conversion factors can be found in the UK Roundtable on Sustainable Soya's¹ annual progress reports¹.

While these estimates will vary depending on which methodology is used (e.g. soy in chicken can range from 0.383 Kg to 0.958 Kg per kilogram of chicken), they provide an initial indication of how significant soy is within a supply chain, and thus support users in prioritising the supply chains using the most soy. For more information, see the [Discussion Paper 'Estimating the embedded soy footprint of products'](#), which relates to Element 2 of the Soy Toolkit.

Soy conversion factors available

- [Roundtable on Responsible Soy](#) – Soy Calculator
- [UK Roundtable on Sustainable Soya](#) – 2019 Annual Progress Report
- [Consumer Goods Forum](#) – Calculation guidelines for the measurement of embedded soy usage in consumer goods businesses
- [Profundo](#) – Mapping the soy supply chain in Europe
- [KPMG and IDH Sustainable Trade Initiative](#) – Soy reporting initiative
- [WWF](#) – Risky Business
- [Dutch Soy Coalition](#) – Soy Barometer 2014

This information can then be verified and refined by engaging with suppliers. Upstream actors may be able to provide more accurate information on volumes and give information on the origin of the soy. If it is not possible to specify where the soy has been sourced from, it does not necessarily mean it has been grown in a deforestation-risk area. But to mitigate risk, and on a precautionary basis, a company may choose to categorise all unknown soy as high risk until traceability proves it otherwise.

For more information on how to gain a more in-depth understanding of the supply chain and how to engage with suppliers see sections 3 and 4, below.

After gathering this information, companies can choose to purchase credits from a sustainable soy certification scheme as a way to start addressing their soy footprint, even if this volume data is reviewed at a later stage. Sustainable soy credits allow buyers to support a sustainable producer but does not physically change or affect the soy in their supply chain. To increase the positive impact of a credit-based strategy, companies can purchase [regional-credits](#), focusing their efforts in specific countries and regions where the risk of deforestation is higher. This provides an opportunity to act immediately and begin to make a positive impact.

Sustainable soy standards

There are many sustainable soy standards available, each offering different benefits and specific services. For instance, Proterra offers non-GM certification; others may be location-specific such as Donau Soja which promotes soy grown in Europe, and there are companies' own sustainability standards like Cargill's Triple S Program or Cefetra Responsible Soy. Those standards are used by many companies to demonstrate compliance with their deforestation free supply chain commitments.

The European Feed Manufacturers Federation (FEFAC) launched its [Soy Sourcing Guidelines](#) in 2015, to facilitate transparency across the standards, highlighting how standards approach key topics such as deforestation, labour rights and good agricultural practice (amongst others). Currently, the guidelines focus on standards that aim to prevent *illegal* deforestation and conversion. Companies with commitments that go beyond legality (e.g. no-conversion of any forests or native vegetation) should check whether the standards they are choosing cover the prevention of both legal and illegal deforestation if this is in line with their soy procurement policy/commitment. Several NGOs and national initiatives have produced guidance to support companies in choosing which standard(s) best suit their needs. The UK Roundtable on Sustainable Soya has produced [a briefing](#) exploring how several schemes approach the goal of Roundtable members, and includes the contact information for each scheme so that companies can contact schemes directly to make purchases or send enquiries.

Certification schemes offer a range of Chain of Custody (CoC) models. CoC is a documentation system that records the sequence of custody, control and transfer, allowing companies to make credible claims about the product, process, business or service covered by the sustainability standard. CoC models can be classified in 2 main types: credit (or Book & Claim) model and physical models.

Credits

When buying certification credits, a certified farmer receives the equivalent premium, but the administrative record flow is not connected to the physical flow of materials or products throughout the supply chain. Once the farmer sells the credit, the soy he/she produced will be sold in the market as non-certified soy. One credit usually equates to one tonne of soy. Credits can provide a critical first step towards supporting sustainable producer of soy, helping to send a strong market signal for sustainable production.

To purchase credits, users of soy must first choose which standard(s) best suit their needs. While some schemes such as RTRS have an [online trading platform](#)², most transactions can be arranged directly with the scheme owner. In some cases, the scheme owner may also be the supplier of soy, for example if buying directly from a trader with their own scheme.

Physical volumes

Companies may wish to transition from credits to physical volumes, and to do so certification schemes and some sustainability standards offer mass balance and segregated CoC models. These models provide a closer link between the physical soy in a company's supply chain, and the certified soy being purchased, and so are often the preferred 'next step' after purchasing credits. Segregated models are more common for non-GMO soy (e.g. Proterra) and mass balance is the most used CoC model for soy (e.g. RTRS, ISCC). These systems are already in place meaning it is possible to buy physical sustainable soy today, though logistical considerations mean this is at a premium cost. Some sustainability standards and solutions do not have a CoC system and, in those cases, companies should ask suppliers to provide sufficient and verifiable evidence of control in order to sustain claims related to volumes delivering companies' commitments.

For more information on the different chain of custody models available, please see [ISEAL Alliance, 2016](#). For more information on transitioning to physical volumes, contact Efeca or Proforest using the details at the end of this guide.

2. Plan implementation

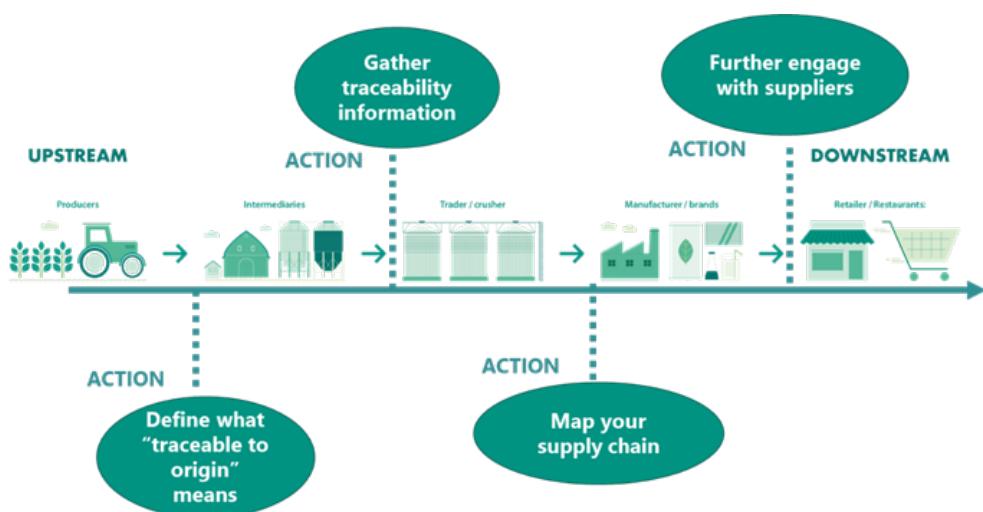
Companies should design an implementation plan to enact their soy sourcing policies. The implementation plan should include clear actionable steps, responsibilities and timeframes, allowing for monitoring progress and further reviews.

As a minimum, an implementation plan should cover three elements:

- Defining **WHAT** activities will be done. This involves planning for activities such as traceability, risk assessment, supplier engagement, and for monitoring, verifying and reporting.
- **WHO** is going to do each activity. This entails assigning responsibilities and building internal support.
- By **WHEN** they will be done. It is crucial to develop a timeframe with internal and external time-bound goals, based on knowledge of the supply chain including complexity, and type and number of suppliers

Figure 1 illustrates some of the activities that can be included in an action plan; for which people responsible will need to be assigned and timelines set.

Figure 1: Develop an implementation plan to enact your soy sourcing policy or commitment



Communicating the commitment and how it will be achieved is crucial. It is essential that there is an explicit path designed to reach the planned milestones. It is suggested that companies create an executive summary for external communication in order to reach all relevant stakeholders, especially producers.

As of 2020, [nine of the largest UK supermarkets](#) updated and published their action plans to deliver sustainable soy to the UK market. In October 2019, WWF published '[The UK Soy Story](#)' which compares retailers' soy commitments. These commitments and the scoring method used may be helpful when drafting your own policy implementation plan.

For a more in-depth discussion on how to develop an action plan, we recommend checking the Soy Toolkit Briefing Note 1: [Assess and plan implementation](#), available on www.soytoolkit.net.

3. Understanding supply chains of priority products

Once a company has a (perhaps rough) estimate of volumes of soy within its products, there is an opportunity to dig deeper within supply chains and product ranges to verify those figures and learn more. Soy can come from a range of sources (over the year or as a mixed shipment) so companies may have a list of 'potential' sources but are unable to trace physical supply chains at the outset.

Ultimately, implementation of commitments happens on the ground by soy producers. Therefore, companies need to know where soy is coming from to assess compliance with their policies and to ensure that, whenever a supplier fails to meet the policy criteria, an appropriate plan for full compliance is in place. In order to achieve this, companies need to define a traceability process to map their soy supply chain. It is important to understand, for instance, if the company footprint includes soy from biomes that are the focus of the UK Roundtable due to potential risk of deforestation or land-use conversion – notably the South American biomes of the Cerrado, Gran Chaco and Amazon.

The further downstream a company is, the more it needs to rely on upstream suppliers' actions to achieve traceability. Some questions to consider include:

- Do you, or your direct suppliers, use soy/soy derivatives 'directly' (e.g. soymilk or as an ingredient in margarine, chocolate), or 'indirectly' (e.g. soy used in feed mix for animal products)?
- How vertically integrated are your suppliers? i.e. do they purchase soybeans and process them into the products you buy or are they also removed from production?
- Can your suppliers help to verify this, and verify soy volume estimates?
- Have you identified the key suppliers of soy to your business and/or key soy users?
- Can you identify which countries/geographical regions your soy comes from?

An expected outcome of this activity is an understanding of priority areas by volume/risk geography/product ranges where a company might want to prioritise further actions.

Risk analysis is a useful follow-up approach to support the prioritisation of resources, to identify appropriate actions and to plan for interventions, especially for downstream companies. Defining a risk analysis process helps companies understand the environmental and social risks of non-compliance with the policy and to plan for further engagement. This process can involve developing supplier risk profiles (e.g. scorecards) and performing geographical risk analyses. There are scorecards and performance platforms of soy companies available online, which can help you start analysing your direct suppliers, i.e. the organisational risk. The lack of an environmental policy, for example, or the fact that grievances have been raised, can be used as a risk indicator.

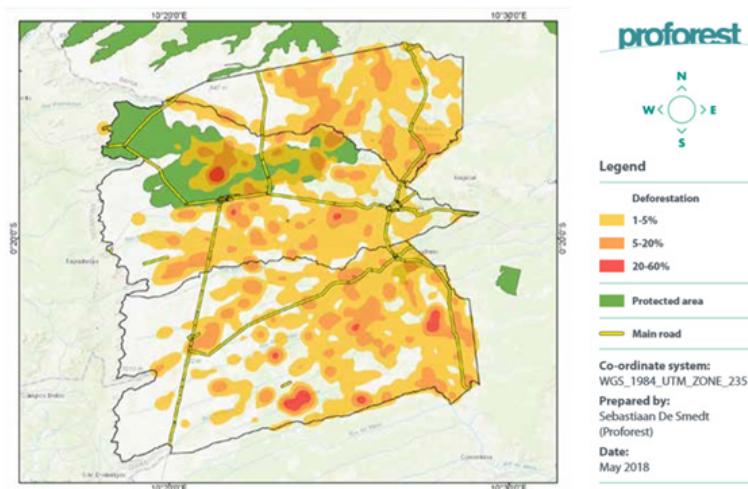
Box 1: Examples of scorecard and performance platforms of soy companies

Supply Change	Supply Change, led by Forest Trends, provides companies' profiles and an overview of the extent and value of commitment-driven soy production and demand.
Forest Heroes' Green Cats Ranking	Forest Heroes' Green Cats Ranking scores soy companies on forest policies, implementation and transparency against a set of criteria.
Forest 500	Forest 500, led by Global Canopy, identifies and ranks the 500 "powerbrokers of deforestation": companies and financial institutions with the most influence over forest risk commodity supply chains.
Soy Scorecard	Soy Scorecard by WWF are policy scorecards for sustainable soy that cover the feed, processing, manufacturers and retail, and food service sectors

Geographical risk analysis is also an option in some cases, more so for companies with better knowledge of their soy supply chains than downstream actors such as retailers. A company might identify priority biomes having reached a certain traceability granularity (e.g. municipality or crusher level), could conduct a geospatial analysis to further support prioritisation efforts (Figure 2).

Figure 2: Example of a deforestation density map for a few municipalities in Matopiba, Brazil, which can be used as a risk map for deforestation

Source: The Soy Toolkit Briefing Note 02.B: Soy risk analysis



For a more in-depth discussion on how to develop a risk analysis, we recommend the [Soy Toolkit Briefing Note 2b: Soy risk analysis: Prioritisation for positive engagement](#), available on www.soytoolkit.net.

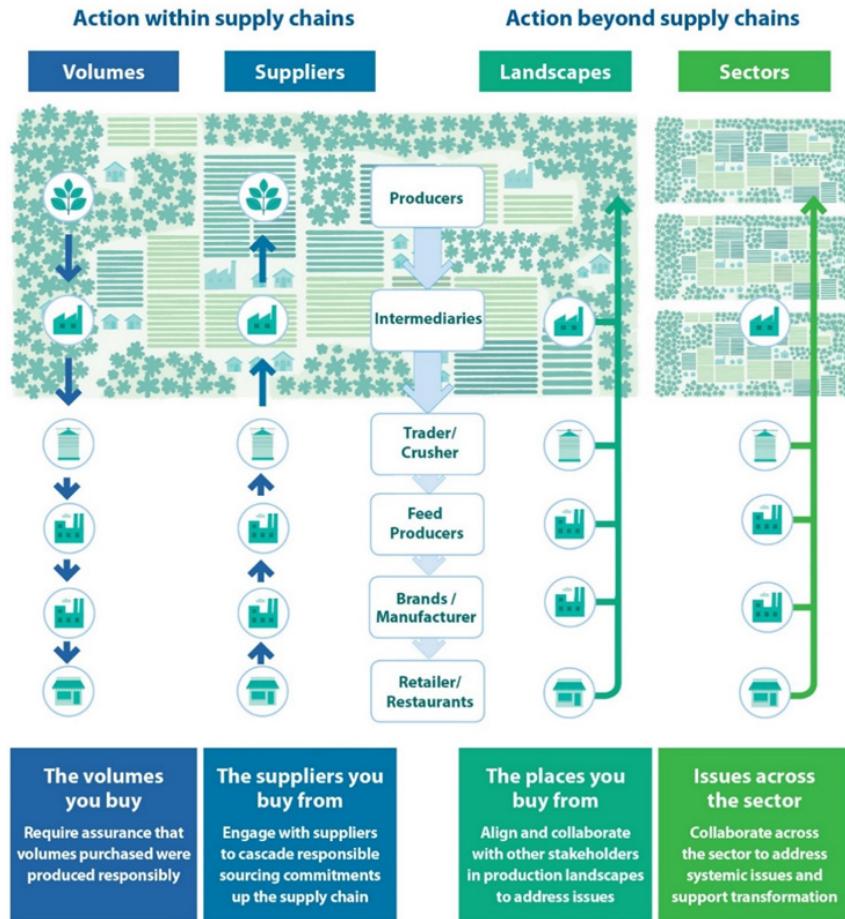
This process is not an end in itself. Understanding how and where soy is produced, and its risks are only a tool to enable companies to take positive action towards compliance with their commitments. All the information gathered through traceability and risk analysis is used to prioritise suppliers for engagement. The purpose of this exercise is not simply to avoid risk, but to take a risk-based approach to prioritisation. High risk areas and suppliers have the biggest potential for positive change and, therefore, they can be a good starting point to focus action.

4. Further engagement with suppliers

At this stage, companies should be working with their direct suppliers to raise awareness and invite them to adopt similar soy sourcing policies, which will allow a downstream company to start cascading their commitments along the supply chain. It is increasingly recognised that, in order to fully deliver responsible sourcing commitments in soy, it is important to act both within and beyond companies' own supply chains (Figure 3).

For this reason, companies have been increasingly engaging with other companies and stakeholders to identify opportunities to implement wider actions at a landscape or sectoral level that are able to achieve scale and to address issues which cannot be resolved through individual supply chains. In practice, these methods for delivering on responsible sourcing commitments are interlinked and complementary, and companies need to determine how to combine them in order to achieve the highest positive impact.

Figure 3: Methods towards the implementation of responsible sourcing commitments for soy



Source: Proforest Responsible Sourcing and Production Briefings:

[Agricultural Commodity Responsible Sourcing \(ACRES\): taking action within and beyond supply chains.](#)

For example, a company may combine the purchasing of certified volumes from a credible certification scheme (Volumes) with the use of soy scorecards to evaluate the performance of their suppliers (Suppliers). In the longer term, the company can decide to also implement actions beyond its supply chain to deliver commitments at scale, supporting jurisdictional programmes in high-risk areas (Landscapes) and getting involved in sector-wide collaborative initiatives (Sectors).

For a more in-depth discussion on this topic, we recommend the [Soy Toolkit Briefing Note 3: Engaging suppliers: working with suppliers to implement responsible sourcing commitments](#) and the [Discussion Paper: Working at scale to implement soy sourcing policies](#), both available on www.soytoolkit.net.

5. Monitor and report on progress

It is important to monitor, verify and report progress both internally and externally, not only to track progress and review goals and strategies, but also to make the process transparent to different stakeholders. Monitoring, verification and reporting help to ensure credibility and accountability for commitments and implementation.

The first step in monitoring is to define what will be monitored and what the monitoring is expected to deliver based on the company's policy commitments and implementation plan. This includes both progress in executing planned activities and overall performance in delivering the commitment. The roles and responsibilities and types of monitoring required will vary for actors at each point of the supply chain. Upstream companies, closer to the production level, will be able to collect information directly from producers (their direct suppliers). Downstream companies have less direct influence over soybean producers, but they can and should exert an important indirect influence, and monitoring of progress should be done via suppliers. The subsequent step is to decide which Key Performance Indicators (KPIs) will be monitored and reported on to capture the progress and the outputs of policy implementation actions taken. A monitoring system should be developed with all this information, including: the tools that will be used for monitoring, who will gather and analyse the data, the frequency of monitoring, and how the monitoring data will influence practice, provide transparency and allow accountability of commitments made.

Companies should also develop a plan for internal reporting, focused on monitoring progress towards the company's commitments and internally reviewing their plans and policies. It is also increasingly important to be able to communicate with a wide range of stakeholders including customers, financiers, shareholders, governments, civil society and campaigners. Thus, developing an external reporting plan is essential. Monitoring and reporting practices should also support a process of periodic review of the implementation plan, which can involve the incorporation of new activities to build on the progress achieved.

There are increased efforts for monitoring and reporting to be aligned across the supply chain, so that roles and types of support at the different stages of the supply chain are clear and companies can benefit from their direct suppliers' efforts and data. For this reason, effective collaboration across the supply chain is key at this stage.

The UK Roundtable on Sustainable Soya produces a progress report on an annual basis. This report provides an update on the national uptake of sustainable soy and insights on the progress of members of the Roundtable. Each year, members will submit a completed 'matrix of progress', providing information across four topic areas: assessment, policy, timebound plans and transparency.

The most recent [progress report](#) found that 32% of soy consumed in the UK was covered by a deforestation and conversion free soy standard, a 17% increase from the baseline report. The report also found that 66% of members had a policy and timebound action plan in place, with a further 8% of members finalising policies and awaiting internal sign off. Of the members who did not yet have a plan in place all were buying book and claim certification to cover part (in some cases all) of their soya usage.

For a more in-depth discussion on this topic, we recommend the [Soy Toolkit Discussion Paper](#) Soy sourcing commitments: monitoring and reporting progress, available on www.soytoolkit.net.

Figure 4 Summary of the steps for delivering on responsible sourcing commitments in soy.



Where to go for more support

More information on the [UK Roundtable on Sustainable Soya](#) can be found on the Efeca website. Efeca is the facilitator of the UK Sustainable Soya Initiative which is supported by the [Partnerships for Forests Programme](#), funded by the UK Government. The Roundtable is free to join, and members receive news updates and support on developing sustainable soy policies and putting commitments into practice. Contact us via info@efeca.com.

More information is provided at www.soytoolkit.net. We are able to provide free-of-charge training and webinars for companies who need assistance with implementation of their responsible sourcing commitments for soy.

Contact us via soytoolkit@proforest.net.

References

¹UK Roundtable on Sustainable Soya, 2019. <https://www.efeca.com/soya-2019-annual-progress-report/>

² The platform is free to use for RTRS members but there is a small fee for non-RTRS Members



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