

Response to Mighty Earth Promises, Promises report

11 July 2022

Today a report has been published concerning the progress of significant soy buyers and traders to deliver verified deforestation- and conversion-free soy to the market. This goal is aligned with the ambition of retailers to move as quickly as possible to where all production is produced in this manner, and that sustainable soy is the norm regardless of customer demands. Allegations made by Mighty Earth towards the identified traders, particularly those related to illegal deforestation, raise serious concerns that retailers will be engaging the traders on to understand what actions are being taken to address them.

Delivering upon our shared goal requires collaboration and partnership. Mighty Earth's report provides an additional reference point for understanding the progress companies are taking to transform their supply chains as part of new monitoring, reporting and verification systems that are being established through delivery partnerships in which companies made deforestation and land conversion commitments, like the [UK Soy Manifesto](#) and [CGF Forest Positive Coalition](#). These groups are separate from the Retail Soy Group and have implementation road maps that move at the pace that is reflective of the market and position of their signatories, many of which include Retail Soy Group members. Where our members operate in markets that have yet to establish market-wide commitments, similar aspirations and policies are being put in place to move in this same direction.

We're pleased to see that Mighty Earth's recommendations for retailers are consistent with these delivery group roadmaps, as contractual requirements and supply chain transparency are core elements of the transition plans that have been created through these multi-stakeholder initiatives. The signatories to those commitments go beyond retailers to include supply chain partners, from poultry producers to sandwich manufactures, and present a strong consistent market signal that has been led in part by retailers. Many of the commitments and actions that Mighty Earth has highlighted as being needed are codified within these sector agreements based on RSG advocacy thanks to collaborative cross supply chain work to define these critical priority points of action.

Up until October 2021, it wasn't clear to retailers what the necessary components of successful strategies would be in the delivery of this goal as many different theories of change were being proposed. Whilst some stakeholder groups and institutions would advocate for the use of certification schemes, others would request the avoidance of high-risk suppliers or regions regardless of whether certification was available as a solution or not. Against this backdrop, the Retail Soy Group convened a working group to bring together a range of stakeholders to understand their view on what good practice looks like. The output of this working group is a series of principles that have been suggested for companies to adhere to as they develop their strategic transition plans.

Mighty Earth was a member of that working group and is therefore aware that the Retail Soy Group is not a commitment-driven organisation, and we do not have a membership requirement for any roadmap to be implemented by companies that are part of our group. We exist as a space for retailers to collectively understand what the market is telling them needs to happen, and to act as a single voice for retailers in the forums where sustainable soy is part of the discussion. By harmonising the vision of civil society groups through the working group, our points of advocacy in the development of broader sector initiatives – such as the Dutch and UK Soy Manifestos – have been clearer. This output has also been helpful in our recommendations and feedback to the European and British governments as they develop effective due diligence requirements for our members.

The report issued by Mighty Earth today incorrectly attributes the outputs of the working group to a shared commitment and roadmap by RSG members. In advance of its publication we notified Mighty Earth of this inaccuracy. However, despite their acknowledgement of the incorrect attribution of company commitments to the Retail Soy Group and several

corrections made to address this, the report continues to reference this document as an adopted commitment and roadmap, which it is not.

There remains much work to do in developing the robust monitoring systems that will enable the effective verification of progress towards our mutual vision for deforestation- and conversion-free soy being the market norm. This report adds an important reference point for the development of cross-sector systems to identify and respond to events such as these more quickly. Whilst the transition plans have been developed to move the entire market forward, reports such as this highlight how we all must act quickly and ensure critical milestones are not missed.



Achieving deforestation- and conversion-free soy value chains

Principles of successful strategies for downstream sellers of livestock products

OCTOBER 2021



In collaboration with:



Foreword



Over the past decade there have been a variety of mechanisms that have been deployed by businesses to address the continued challenge of deforestation and conversion associated with soy production. Sadly, few of these efforts have lived up to the promise that they once had for sector wide transformation.

In January 2021 this ad-hoc working group was convened to identify and align on the core components of strategies that are needed to most quickly, and scalably, address these risks. Although there has been, and continues to be, considerable progress within initiatives such as the Accountability Framework initiative (AFi), which we reference throughout this document, the need this group is responding to provides a summary reference point that is aligned between multiple stakeholders of what good looks like.

Whilst we originally convened this forum to help identify the certification standards that would be deemed credible responses to this challenge, new research and evidence shined a light on the effectiveness of these systems in delivering sectoral change at the scale needed to address this challenge. If there is just one thing that readers should take away from this document, it is that companies need to rapidly shift from developing niche supply chains to ensuring that the companies within their supply chains are effective agents of change.

It is important to note up front that many of the features of the tactics and approaches referenced do not currently exist, such as what a 'high risk' supplier or supply chain is in practice. The absence of these features, however, should not be a barrier to taking action to develop them whilst implementing the components that are possible today.

The principles of effective policies are here. It's incumbent upon all of us to work as quickly as possible to implement them fully before we lose any more of our Earth's vital ecosystems.

Will Schreiber

Representative for the Retail Soy Group



Despite commitments by companies and governments, millions of hectares of forests and other natural ecosystems are being destroyed every year to clear land for soft commodity production and meet an ever-growing demand – including for soy used as animal feed.

If we're to reduce our global footprint, limit global warming to 1.5°C, and reverse global biodiversity loss [by 2030](#), we must immediately halt deforestation and conversion of other natural ecosystems. Incurion of soy production into native vegetation often goes hand in hand with severe [violations of human rights](#), threatening the territories, livelihoods, and even lives of Indigenous peoples and local communities. Halting deforestation and conversion is also fundamental in protecting ourselves from the emergence of new infectious diseases and future [pandemics](#).

We need swift and far-reaching action. Previous measures such as improving individual supply chains and resorting to segregated 'clean' niche supplies have not proven effective. We will only achieve change at the necessary scale through broader supplier engagement and more ambitious sectoral collaboration.

The [Amazon Soy Moratorium](#) offers a real-world example of the kind of leadership and ambition of which we need more. Despite all odds, over the last 15 years, it has drastically reduced deforestation and conversion due to soy in this vast region. We also need to see the wider soy industry replicate the [salmon sector's recent shift](#) from certified 'clean segregated supplies' to 'cleaning suppliers'. Three soy traders who supply the salmon industry are becoming conversion-free suppliers, taking action across their entire operations to halt deforestation and conversion, with a 2020 cut-off date and robust monitoring, verification and reporting. This is the kind of paradigm shift we need.






We welcome the principles outlined in this document and urge companies to embrace them, follow their guidance, and demonstrate much greater leadership in halting deforestation and conversion. This should include strengthening engagement with suppliers and traders, requiring and supporting ambitious action across entire operations, to eliminate all direct and indirect impacts.

The current crisis must serve as a final wake-up call to reverse nature loss and safeguard our common future.

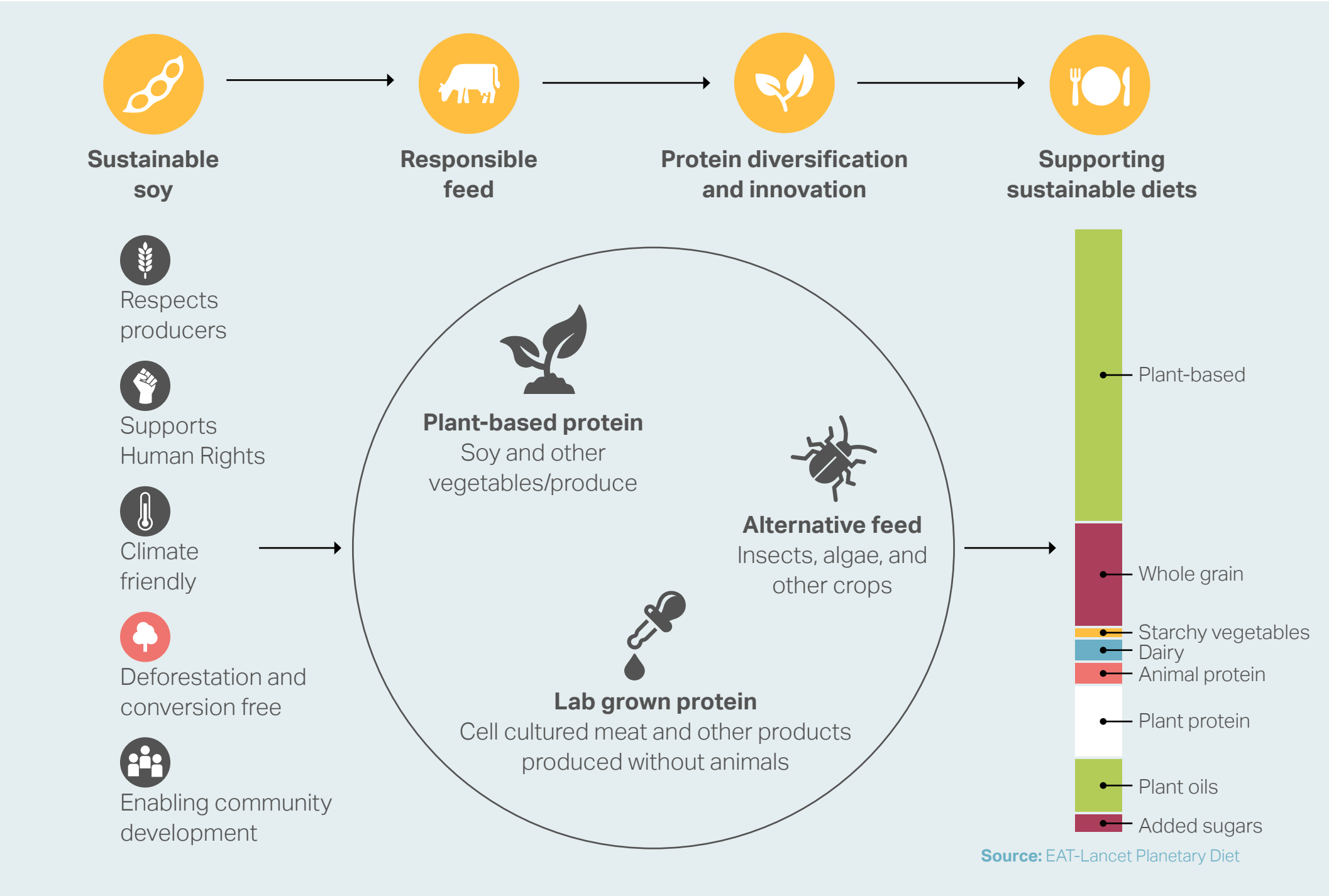
Jean-François Timmers

WWF's advocacy manager on deforestation- and conversion-free supply chains and former WWF global soy lead

Contents

Deforestation- and conversion-free in context.....	4
Introducing the principles.....	5
Expectations for implementing change	7
Business checklist.....	8
Principles of deforestation- and conversion-free.....	9
 Credible Commitments	10
 Transparency.....	12
 Engagement, not exclusion.....	13
 Collaboration	15
 Sustainable diets	16
Role of certification	17

Deforestation- and conversion-free is only one part of a responsible food strategy



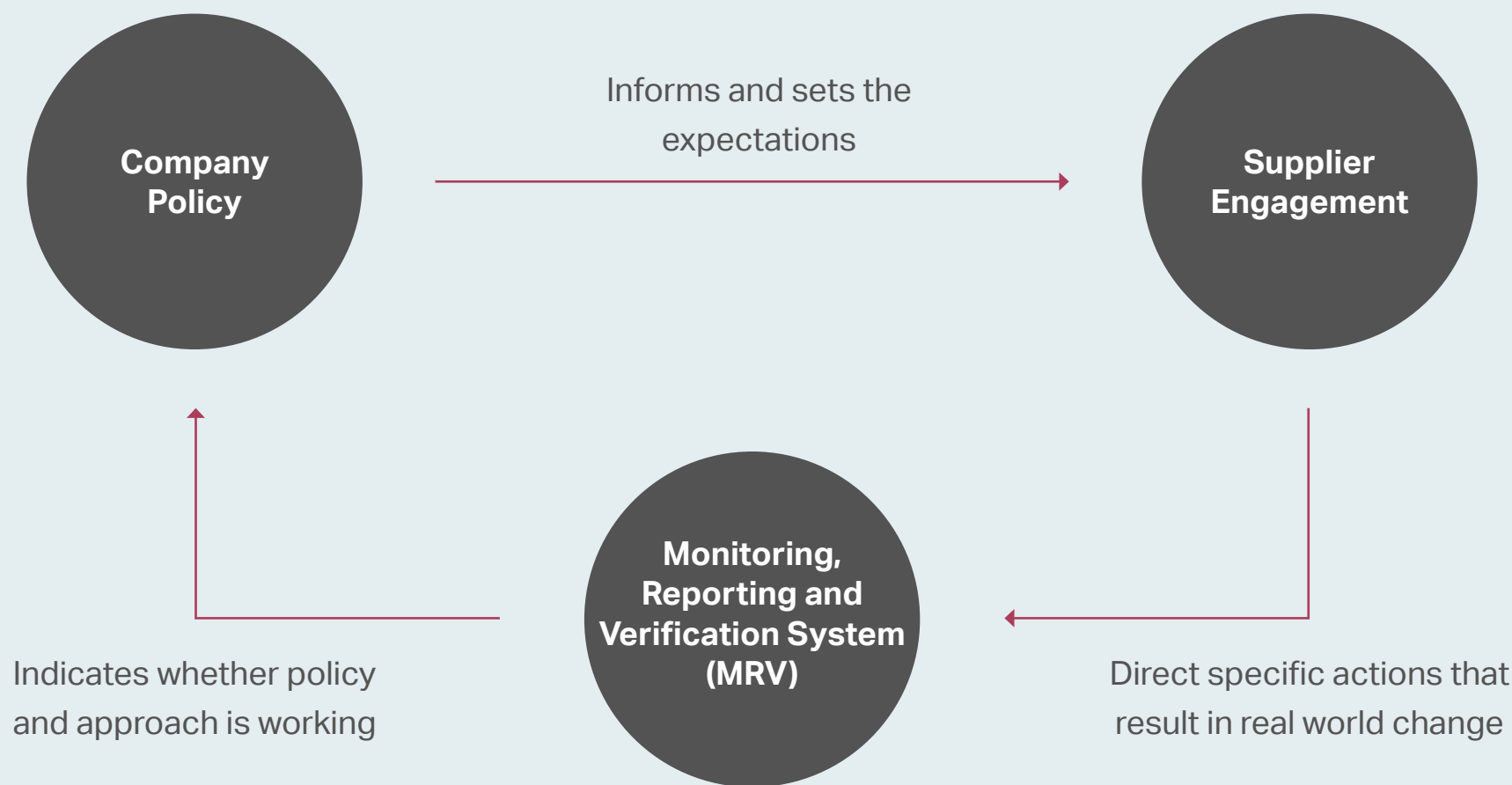
→ A responsible soy strategy is part of a bigger food system transformation, that is also focused on principles of circularity and reducing the need for animal feed. Sustainable soy also consists of different elements, of which deforestation and conversion free is one part. There are many components that should be considered when developing a responsible food strategy, including respecting producers, supporting human rights, fighting the climate and nature crises, halting deforestation and conversion, and enabling community development

It is essential that strategies do not consider these components in isolation from one another to ensure that unintended trade offs and consequences do not make the situation worse. We achieve little by shifting from soy to another feed ingredient that may have similar or different challenges that go unchecked. So whilst it is important to reduce our dependency on soy as one of the mechanisms to alleviate pressure within production areas, we should take considered approaches to evaluating alternatives before substituting it for another material.

The principles and pathways presented in this document provide the basis for ensuring that each element is considered within company strategies. They are interdependent on one another and should not be implemented in patchwork frameworks.

Introducing the principles

There are four core elements that every company should have as part of its strategy:



Collaboration with peers, producers, policy makers, and civil society organisations

➔ Soy production is a critical part of our global food system. It is an efficient crop that has supported the economic development of regions around the world.

Commodity supply chains are inherently complex, with many different actors and markets influencing their production and supply. In the case of soy, there has been a misalignment between the downstream actors that are requesting action on deforestation and conversion free production and those where the market demand for soy overall is greatest.

All soy supply chains must be free of all natural ecosystem conversion, including deforestation and land use change, and human rights abuses as a general basic principle and widely shared fundamental ethical value. This is also critical to preserving the long-term viability of the industry itself, as deforestation and conversion are already leading to increasing droughts and extreme weather events in production areas, which affect crop productivity and quality.

The changes that are needed to support a more sustainable production system will not occur overnight. There is much work to be done in aligning supply chains on the principles articulated in this document. By providing the starting point for defining what successful strategies require, companies can now see the immediate steps that must be taken to transform the sector.

Principles for achieving deforestation free strategies

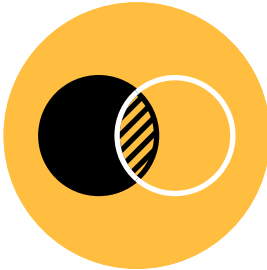
1. Credible Commitments



Every company should have effective policies regarding the sustainable production of soy that use the definitions, principles, and guidance agreed within the Accountability Framework initiative.

Commitments must include the presence of a cut-off date (August 2020 at the latest) after which the legal or illegal conversion of natural ecosystems is prohibited. Companies should require direct and indirect suppliers to have aligned public commitments, as well as to have time-bound action plans for delivering against them.

2. Transparency



Sourcing transparency should be provided by each link in a value chain.

Transparency must be underpinned by reliable and robust mechanisms for monitoring, reporting, and third party verification. This transparency is critical to understanding progress with the time-bound policies they have in place.

3. Engagement, not exclusion



Deliberately excluding suppliers or regions at risk of deforestation and conversion should not be the primary way of achieving a sustainable soy supply chain, and companies and financial institutions should only keep this as a last resort should all other options be exhausted.

High-risk producers and regions must be engaged as a priority, before any exclusions are considered.

4. Collaboration



Since conversion drivers are systemic, collaboration is essential to eliminate deforestation and conversion.

Biome, landscape, and large scale jurisdictional-level solutions in sourcing regions where the risk of deforestation is the highest should be the first and foremost strategic priority of any company, regardless of its place in the supply chain. How this manifests in a specific business should be reflective of its position in the system and its levers of influence.

5. Sustainable diets


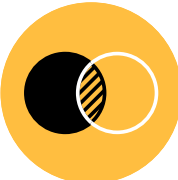





Promoting sustainable diets and diversifying ranges should be prioritised.

Reducing global demand for soy will help address some of the drivers for land conversion and deforestation. However the alternatives to its use must represent a genuine lower impact whilst also supporting a reduction in the overall demand for soy.

Expectations for implementing change

→ Supply chains need to change as quickly as possible to deliver consistent demand throughout the system. Whilst some businesses may have established ways of working with their suppliers, others may be just getting started. The steps to the right provide a reference point for the different levels of engagement that are considered effective, starting with what is considered minimum good practice, up to best practice. Companies should move as quickly as they can to best practice.

	Step 1	Step 2	Step 3 (by 2023 at the latest)
 1. Credible Commitments	Publicly available and including a clear cut-off date of August 2020 at the latest respecting existing regional agreements Livestock-specific roadmap for compliance	Suppliers expected to match commitments Monitoring, reporting and verification system implemented	Commercial penalties for non-compliance Grievance mechanism in place Roadmap for mainstreaming sustainable diets
 2a. Transparency Livestock Producers and Downstream Actors	Soy footprint Trader disclosure Communication of expectations to suppliers	Deforestation- and conversion-free requirement codified in supplier contracts Public disclosure of requirement for suppliers to match commitments	Non-conformance remediation actions taken Proportion of suppliers implementing equivalent policies
2b. Transparency Traders	Soy footprint Origin (country), including volumes covered by Amazon Soy Moratorium Risk assessment process and outcomes	100% of direct sourcing deforestation and conversion free to farm level verified 100% of indirect direct sourcing origin disclosure from sub-region to market	100% of direct and indirect sourcing origin disclosure to farm level 100% direct and indirect sourcing verified deforestation- and conversion-free
 3. Engagement, not exclusion	Risk assessment methodology Engagement in high-risk areas	Disclosure of KPI performance and actions taken by your company	Financial mechanisms or support provided to soy producers
 4. Collaboration	Membership of multi-lateral initiative (e.g. Amazon Soy Moratorium, Cerrado Working Group, Soy Transparency Coalition , Forest Positive Coalition)	Public advocacy for production and demand-side policies and regulations that will accelerate protection and restoration of forests and other natural ecosystems	Mobilising financial and/or technical support for expanded production on existing agricultural or degraded land
 5. Sustainable diets	Offering meat-alternative products Promoting feed innovation	Campaigns and promotions	Targets to increase sales of meat-alternative products to encourage higher plant-based protein in household diets

Business Checklist

Tool		Action	Further information	Related principle
Company Policy	✓	Publicly available commitment to no legal or illegal deforestaion or land conversion	AFi - Core Principles	1. Credible Commitments
	✓	Cut-off date for conversion (regionally specific and latest August 2020), with biome specific dates separately articulated	AFi - Cut Off Dates	1. Credible Commitments
	✓	Applies to all sourcing areas, company operations, and business units	AFi - Self Assessment Tool	1. Credible Commitments
	✓	Applies to suppliers at their group level irrespective of your specific company supply chain		
	✓	Includes a timebound plan for delivery		
	✓	Targets to increase meat-alternative sales	Eating Better	5. Sustainable Diets
Supply Chain Requirements	✓	Code of conduct / contractual commitments with clear requirements that cover the same scope as these principles	AFi - Supply Chain	1. Credible Commitments
	✓	Compliance mechanism with consequential action to respond to supplier’s performance	AFi - Supply Chain	2. Transparency
	✓	Transparency of importer/trader a condition of supply on an annual basis, at the minimum		
	✓	Incorporates feed disclosure and promotes innovation		
	✓	Risk assessment methodology, incorporating both Direct and Indirect sourcing		
Monitoring, Reporting, and Verification System	✓	Tools in place to monitor supply chain following the definitions and guidance of the Accountability Framework initiative	AFi - Monitoring & Verification	2. Transparency
	✓	Public grievance mechanism & action log for Direct and Indirect sourcing		
	✓	Direct and Indirect suppliers publicly identified, along with risk classification, supplying at least 80% of soy volume	UN Guiding Principles Reporting Framework	
	✓	Assessment of outcomes and effectiveness of policy and system with third-party verification		
Public Reporting (at least annual)	✓	Sub-national regional sourcing volumes to final direct soy buyer in value chain (e.g. feed mill)	AFi - Reporting	2. Transparency
	✓	Non-conformances with policies identified and supply chain, including names of actors and what actions have been taken		
	✓	Assurance process for reviewing disclosures		
Positive partner for change	✓	Actively contributing to multilateral initiatives with long-term commitments to invest in responsible production	AFi - Collaboration	4. Collaboration

Principles



Principle 1: Credible Commitments



Every company should have effective policies regarding the sustainable production of soy that use the definitions, principles, and guidance agreed within the Accountability Framework initiative in its public policies.

Commitments must include the presence of a cut-off date after which the legal or illegal conversion of natural ecosystems is prohibited.

➔ The [Accountability Framework Initiative \(AFi\)](#) consulted a range of stakeholders to align on the definitional and functional elements needed by the sector to ensure consistency within the strategies of different actors. Since its launch in 2019, there has been clarity around the approaches needed for goal-setting, implementation and the monitoring of ethical supply chains. Crucially, the AFi includes a series of definitions for the terms that are often included and referenced within policy documents.

Every company should point to the agreed definitions as the basis for any policy or strategy it has in place to address deforestation. This inclusion reduces the potential confusion related to the breadth or depth of a commitment or action.

A global cut-off date of 2020 has been used to underpin a number of agreements – including the [New York Declaration on Forests \(Goal 2\)](#). This date should be applied where no local agreement has been made to reflect the historical development of agriculture in producing regions.

Supply chains will require some time to adapt to any new requirements or to ensure sufficient monitoring and verification is in place to assess compliance. Many companies also buy soy in the futures market 18-24 months in advance of delivery. Taking these factors into account, a cut-off date must apply to all purchasing contracts made after the agreement has been reached; it does not need to apply to existing commercial contracts issued on the futures market where these have been agreed prior to the establishment of this criteria.

Area	Priority Elements (see AFi CP1 and AFi CP3)
Content	<p>A. Commitments cover all operations, sourcing areas, suppliers, business units and financing.</p> <p>B. The definitions of deforestation and conversion are aligned with the AFi, which refers to both illegal and legal gross deforestation and conversion.</p> <p>C. The policy commitments to respect human rights are in line with the UNGP, the UN Declaration for Human Rights, and the ILO fundamental conventions. Companies further commit to ensuring their direct and indirect suppliers utilise free, prior, and informed consent (FPIC) with land owners.</p> <p>D. The policy specifies a clear cut-off date after which deforestation or conversion is considered non-compliant. The cut-off date reflects existing industry initiatives (e.g., Amazon Soy Moratorium), in line with the AFi Operational Guidance on cutoff dates, or be August 2020, whichever is earlier.</p> <p>E. Inclusion of target dates and action plans that reflect the urgency of achieving the over-arching goal.</p>
Governance	<p>F. Senior leadership includes a position or committee with responsibility for oversight of policy and commitments.</p> <p>G. Deforestation- and conversion-free metrics are included in core business indicators and performance KPIs.</p> <p>H. The plan is reviewed and updated, if necessary, on a regular basis.</p> <p>I. Public reporting of progress, at least annually</p>

Principle 1: Credible Commitments

Policies should require direct and indirect suppliers to have aligned public commitments to halt deforestation and conversion and to respect human rights, as well as time-bound action plans.

These should include credible actions and systems across their entire operations and sourcing landscapes. Companies should implement robust supplier management systems and processes to respond to supplier performance and ensure compliance with these commitments. Progress should be encouraged through incentives and lack of improvement (or worse performance) should be responded to.

➔ Livestock producers and buyers of livestock products should systematically assess their suppliers' performance towards addressing deforestation, conversion and human rights abuse across their operations; and ask them to improve their performance. Progress should be encouraged through incentives and lack of improvement (or worse performance) should be responded to with sanctions. These incentives and sanctions may be commercial or non-commercial.

Soy buyers should adopt both commercial and non-commercial action to maximise the impact of commitments. Commercial action may include adjustments to product specifications or supplier qualifications that can be operationalised through codes of conduct, contract clauses or contract renewals. These mechanisms can be used at all stages of the buying process. Non-commercial action may include public letters and calls to action or capacity building activities.

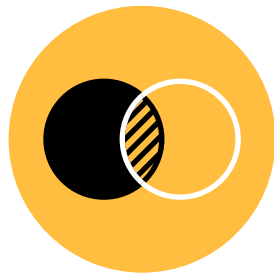
A key example of commercial action that downstream indirect soy buyers should consider adopting is inserting clauses in contracts with all direct suppliers to specify compliance with deforestation and conversion-free commitments (including clear cut-off dates of August 2020 or earlier) as a condition of supply, as implemented by eight French retailers in 2021.

Companies need to have both proactive and reactive supplier engagement practices – to prevent but also resolve and remediate any environmental or social harm.

When non-compliance is identified, buyers should engage and support the supplier to implement a time-bound plan to address the problem. There should, however, be limits and consequences depending on the severity of the non-compliance, the supplier's degree of culpability and the supplier's commitment and capabilities to move towards compliance. For more information, please refer to the Accountability Framework's [operational guidance on supply chain management](#) (Section 3).

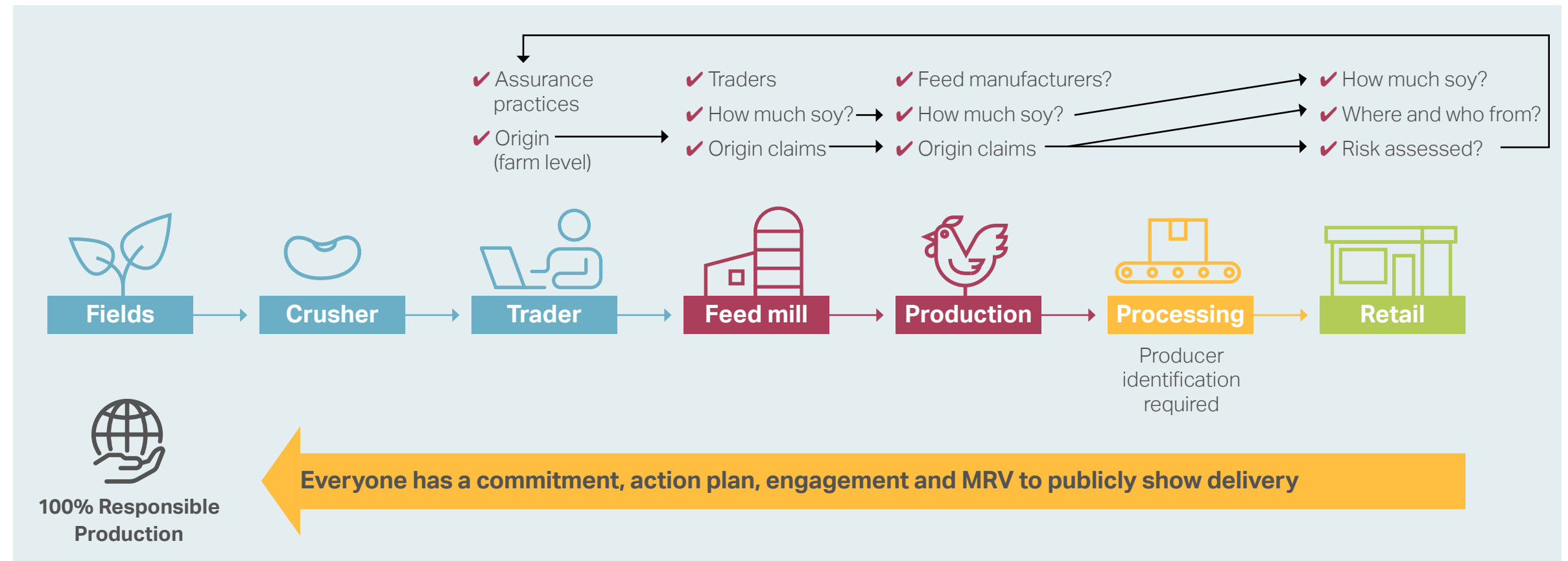
For further guidance, see [AFi Core Principle 5](#) (supply chain assessment and traceability) and [Core Principle 6](#) (managing compliance).

Principle 2: Transparency



Sourcing transparency should be provided by each link in a value chain.

Transparency must be underpinned by reliable and robust mechanisms for monitoring, reporting, and third party verification (MRV). This transparency is critical to understanding progress with the time-bound policies they have in



➔ Any strategy that effectively addresses this area will require transparency of upstream supply chain actors. Due to the complexity of how the soy, feed, and livestock production system works, this information becomes less available as companies get further removed from primary production of soy or livestock. An effective monitoring, reporting, and verification system will require effective transparency across an entire value chain.

Every link in the soy value chain – from producer to retailer – has the information needed to provide a full value chain disclosure if the actors upstream make the requisite information available. On this basis, it is

critical that companies require that transparency be included within sourcing contracts to allow for the linking of information between each company. As the focus is on responsible supply chains, disclosure at the levels described above will enable a transparent supply chain to the level where compliance with company policies can be known. These are intended to provide a basic level of transparency that should be expected. Company monitoring, reporting and verification systems will necessarily extend beyond these levels to reflect the nature of company specific configurations, scale, and influence.

For further guidance, see [AFi Core Principle 5](#) (supply chain assessment and traceability).

What are the components of an MRV system?

M

Monitoring

Methods for assessing social, environmental, and land-use outcomes related to direct and indirect supply chain actions according to your requirements.

R

Reporting

Communication of actions taken to deliver against policy, and the indicators which demonstrate performance.

V

Verification

Achievement of the commitment (and progress toward it) is validated through verification processes conducted according to norms of good practice for: credibility, rigor, transparency, and independence.

Risk assessment

Determining exposure and compliance with policies to the point where attainment can be reasonably assessed

Traceability

Visibility and records of supply chain flows

Transparency

Disclosure of degree to which supply chain actors are delivering on roadmap expectations, including volumes considered deforestation- and conversion-free

Supplier performance

Visibility and records of suppliers' responses. Includes both concerns identified for specific suppliers (e.g. lack of policy, disclosure) as well as the remediation actions taken by your company

Direct Suppliers (non-livestock rearing)

- ▶ % matching company commitments
- ▶ % with plans in place to address transparency
- ▶ % of on track with plans to address transparency
- ▶ % with an MRV in place for their own supply chain
- ▶ % of suppliers with >80% of volume meeting company commitments
- ▶ % of total volume with transparency to traders

Livestock producers, direct or indirect

- ▶ Disclosure of feed manufacturers or soy traders and volumes in supply chain
- ▶ Volume assessed to sub-national level
- ▶ % matching company commitments
- ▶ % with plans in place to address direct and indirect supply chains
- ▶ % with an MRV in place for their own supply chain
- ▶ % on track with plans to address direct and indirect supply chains
- ▶ % considered high risk, with definition of risk
- ▶ Grievances logged by your company against the supplier, or its suppliers
- ▶ Remediation actions taken by your company in response to issues raised

Principle 3: Engagement, not exclusion



Deliberately excluding suppliers or regions at risk of deforestation and conversion should not be the primary way of achieving a sustainable soy supply chain, and companies and financial institutions should only keep this as a last resort should all other options be exhausted.

High-risk producers and regions must be engaged as a priority, before any exclusions are considered. However, if the company decides to exclude suppliers or regions once the engagement fails, it should go public with this decision in order to demonstrate the seriousness of their commitments.



Direct and indirect suppliers of companies must be engaged to support their transition to compliance through purchase control systems, support mechanisms and incentives. Non-compliant direct and indirect suppliers must be engaged to require, support, monitor, and oversee the enactment of efficient corrective and remediation actions. These actions may include restoration of ecosystems and/or other compensation measures, and remediation of any associated human rights abuses and co-harms. Suppliers may be suspended as necessary during the process to avoid continued harm, but only be excluded permanently in case of severe and/or recurrent non-compliance or serious human rights abuses.

Although deforestation and conversion risk is widespread in soy sourcing areas but particularly acute in a few regions (e.g. the [Cerrado](#) and [Chaco](#) in South America, and the Northern [Great Plains](#) in North America), if companies aim to solely 'clean' their own supply chain, then the market restriction that would occur for those engaged in irresponsible practices would not exist with another buyer. Sector transformation therefore requires that good companies operate in risky environments by supporting the social and economic development of regions in sustainable ways. The strategies companies adopt therefore must reflect the support needs of regions at risk of deforestation and conversion.

The focus should be using existing agricultural or degraded land for soy production and expansion, regardless of whether this is in South America, North America, Asia, or Europe.

It is recognised that there may be times when individual actors or

governments may systematically break these principles. In such a situation supply chains may need to deploy tactical targeted measures, such as commercial or financial actions, to exercise a political or demand-related pressure to change course. If commercial/ financial actions are taken, it is important that market actors publicly communicate their decisions, in order to increase the leverage towards progress in these high-risk regions. Real-world illustrations of economic consequences to repeated destructive practices are critical to encouraging all stakeholders to contribute to better environmental and social outcomes.

Whilst these actions may be needed in extreme circumstances, they should not be the primary focus of any company's strategy, and re-entry expectations should be articulated alongside any other actions. In other words, a company strategy should not be to cease sourcing from South America or any other high-risk sourcing regions as the primary way of achieving a sustainable soy supply chain.

The definition of high and low risk areas should be developed along with transparency requirements so that it is understood how scopes may be different and how actions are aligned with different geographies. Suitable monitoring and verification systems should be in place to support these characterisations, and collaboration with civil society and academia is critical to ensuring a more consistent technical approach.

Principle 4: Collaboration



Since conversion drivers are systemic, collaboration is essential to eliminate deforestation and conversion.

Biome, landscape, and large scale jurisdictional-level solutions in sourcing regions where the risk of deforestation is the highest should be the first and foremost strategic priority of any company, regardless of its place in the supply chain. How this manifests in a specific business should be reflective of its position in the system and its levers of influence.

➔ Physical supply chain certification makes up approximately 1% of global soy production. Whilst it is currently possible to develop bespoke supply chains that can claim to be deforestation and conversion free at the point of origin, operating in this way will not address the wider production system as global demand for soy continues to increase.

The Amazon Soy Moratorium has demonstrated that when a multilateral agreement is brokered, ecosystems can be protected whilst continuing to enable the expansion of farming systems to meet growing commodity demands. Achieving biome, landscape, and large scale jurisdictional-level solutions that do not displace land conversion burdens to new frontiers should be the top priority for any business seeking to develop a credible sustainable soy strategy.

There are a number of existing collaborations and initiatives that have been formed to specifically address the way in which companies can work to make sustainable soy production the norm in growing regions.

The private sector must be actively engaged in developing these solutions. Without direct support and appropriate supply chain incentives, it is unlikely that any of these will be successful.

Many downstream companies currently do not have the transparency needed to identify the specific areas their supply chains are connected to. By actively engaging their direct and indirect suppliers demonstrable impact can be achieved in addressing this challenge, even if the specific connection to the company is not possible. This must be enabled by cascading explicit deforestation and conversion

free policies up to producers and traders, and jointly supporting solutions in the areas most at risk of deforestation and conversion. In this respect, supporting these goals is of greater importance in demonstrating a company’s actions to transform the sector than investing in bespoke supply chains (see [AFi CP 10](#)).

Approach	Description	Example
Biome agreements	Multi-stakeholder initiatives to define acceptable practices, cut-off dates, and monitoring mechanisms.	Amazon Soy Moratorium
Landscape and large scale jurisdictional approaches	Community-level agreements between governments, growers, civil society organisations, and soy buyers to have effective monitoring and support for responsible production. These tend to be ‘bottom up’ and take account of locally relevant situations.	Source Up Produce, Conserve, Include
Direct payments	Agreements that transfer funds to producers that agree to protect their land in a region. The premium may or may not be optional, but will require a degree of monitoring and verification to ensure protections are in place. Funding should be agreed for long-term funding over many years to ensure the value of the land is protected.	Responsible Commodities Facility CONSERV
Legal protection	Local, State/Province, or National rules designating land as being protected. Deforestation and conversion of legally protected land in producing farm would therefore result in illegal production.	Brazil Forest Code

Principle 5: Sustainable diets



Promoting sustainable diets and diversifying ranges should be prioritised.

Reducing global demand for soy will help address some of the drivers for land conversion and deforestation. However the alternatives to its use must represent a genuine lower impact whilst also supporting a reduction in the overall demand for soy.

➔ Approximately 77% of soy production is currently being used to feed livestock. It is clear that society's consumption of meat products is unsustainable in some countries, with overconsumption of animal-based proteins.

Rebalancing diets to reduce the amount of meat and dairy products to more sustainable levels is therefore an important priority for society that companies can take the lead on by:

Diversifying their portfolio

Offering alternative protein options as part of a mainstream product portfolio.

Example: Targets to increase proportion of meat-alternative sales (meat analogues and protein-rich-vegetables)

Communicating quality

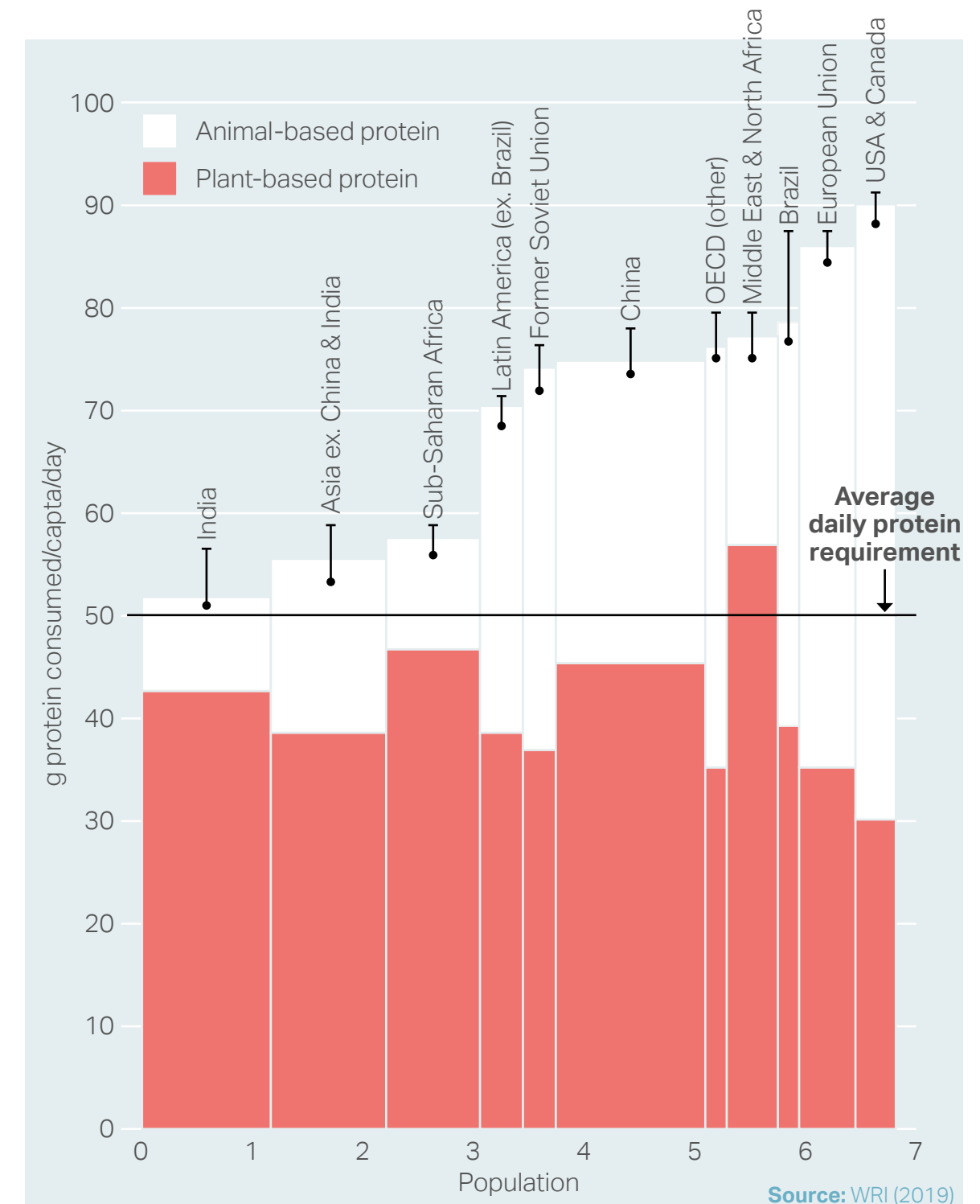
Communicating and demonstrating the benefits associated with paying more for a better, lower impact, product that is consumed less frequently.

Example: Implementing the [Better by Half](#) roadmap

Alternative feeds

Using soy replacements when they are proven to be a lower risk option and are combined with an overall reduction in the demand for soy.

Example: Rapeseed oil



Role of certification



The principles outlined in this document articulate the core elements that are required to demonstrate effective and credible action. Certification alone - even under identity preserved or segregated models - cannot drive the much-needed mainstream transformation in soy supply chains. It may well be that the same suppliers providing physically certified materials to the company are providing deforestation-linked soy to other less demanding clients or markets. It is therefore critical that companies engage their suppliers to require and support them to take action across their entire operations to end soy-driven deforestation and conversion, rather than only cleaning up their own supply chains.

As a supplementary step taken by supply chains, certification may play a role in providing additional evidence to support a third-party verified chain of custody to deforestation- and conversion-free regions within a specific supply chain, as well as promoting greater awareness of the benefits of responsibly produced soy across a range of other issues beyond deforestation- and conversion-free production. However, whilst this provides evidence that a company's products may be deforestation- and conversion-free, it is not a separate or singular track for delivering on the principles and practices a responsible company needs to be taking to demonstrate effective action.

A clean supply chain will not make sustainable soy the norm in the marketplace. Responsible companies need to be engaging both their direct and indirect suppliers to ensure that they are playing their part in effectively transforming the sector beyond what they could otherwise achieve on their own.

The use of certification by a company should not be seen as a replacement for the development of a credible Monitoring, Reporting, and Verification (MRV) system. Nor should it be considered as a substitute for having robust supply chain requirements and action plans in place in accordance with the other principles articulated in this document.

If a company elects to use certification to demonstrate its support for sustainable soy production, the following should be considered:

1. Acceptable standards are those that have been benchmarked to the [FEFAC Soy Sourcing Guidelines](#) (2021) to include the following features to be recognised as providing zero deforestation or conversion free soy:
 - Desired criterion 34 pertaining to conversion free soy
 - A relevant cut-off date (not later than August 2020)
 - Segregated chain of custody system from farm to feed buyer
2. Non-segregated chain of custody certification models should not to be used as evidence of deforestation- and conversion-free products.
3. Mass Balance and Book & Claim mechanisms under acceptable standards are only to be referenced as promoting sustainable soy production somewhere in a growing region.

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