

# The Sustainable Soy Sourcing Guidelines

Second Edition



Developed by the retailer and manufacturer members of The Consumer Goods Forum, who are working collaboratively to drive the implementation of sustainable value chains throughout the consumer goods industry and around the world. Learn more at [www.tcgfsustainability.com](http://www.tcgfsustainability.com).





# Soy Be

## About The Consumer Goods Forum

The Consumer Goods Forum (“CGF”) is a global, parity-based industry network that is driven by its members to encourage the global adoption of practices and standards that serves the consumer goods industry worldwide. It brings together the CEOs and senior management of some 400 retailers, manufacturers, service providers, and other stakeholders across 70 countries, and it reflects the diversity of the industry in geography, size, product category and format. Its member companies have combined sales of EUR 2.5 trillion and directly employ nearly 10 million people, with a further 90 million related jobs estimated along the value chain. It is governed by its Board of Directors, which comprises 50 manufacturer and retailer CEOs.

For more information, please visit: [www.theconsumergoodsforum.com](http://www.theconsumergoodsforum.com).



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**beans**



# 1. Introduction

Following its 2010 Deforestation Resolution<sup>(1)</sup>, The Consumer Goods Forum (CGF) recognises its responsibility to ensure that the sourcing of soy does not contribute to deforestation, and has consequently taken action in drafting the ‘CGF Sustainable Soy Sourcing Guidelines’ for our Industry. These sourcing guidelines give recommendations on how to address deforestation and other key sustainability issues associated with the production of soy. The CGF recognises the complexity and length of the soy supply chain and calls upon other stakeholders along the supply chain to work together to implement the CGF Sustainable Soy Sourcing Guidelines. These parties include (but are not limited to) growers, commodity traders, feed manufacturers, agricultural organisations and NGOs, etc.

The CGF Sustainable Soy Sourcing Guidelines should be considered ‘a living document’ and will be updated for latest developments every other year.

For more information, please visit: [www.tcgfsustainability.com](http://www.tcgfsustainability.com).

## 2. Approach

A twin track approach is recommended for the implementation of commitments to sourcing deforestation-free<sup>(2)</sup> soy. This aims to halt illegal deforestation through accelerating the implementation of relevant legal frameworks in soy producing countries (such as the Forest Code within Brazil), while ensuring the parallel development and implementation of measures to exclude all deforestation from soy supply chains.

For companies who have committed to achieve deforestation-free soy, the CGF recommends the following steps:

1. Conduct a materiality or priority assessment to determine the appropriate scope of their soy sourcing policy (Section 3);
2. Develop soy sourcing policies to exclude soy from illegal sources (Sections 4 and 5),
3. Require their suppliers to source deforestation-free sustainable soy no later than 2020 (Section 5);
4. Promote transparency through the supply chain and work with upstream suppliers and other stakeholders to verify progress towards deforestation-free soy (Section 6);
5. Disclose time-bound company policies, goals, etc. that support deforestation-free soy in their supply chains, and report progress against these (Section 6).
6. Individual companies can set out their own requirements, which may include higher standards than the minimum recommended in these guidelines.

(1) For the text of the Resolution, please see Annex 1

(2) “Deforestation-free” is defined throughout the document as adhering to the principles of “zero net deforestation”. For a full definition, please see Annex 2

## 3. Scope

For individual members, the scope of this proposal is to be determined depending on the use of soy in their respective businesses. This should consider embedded soy (e.g. in compound feed for animal products) as well as direct use in products.

For the CGF's purposes, the scope of this proposal on soy used includes (but is not limited to) the following categories:

### **Direct Use Soy:**

Soy as a product or as an ingredient in food and non-food products.

- Cooking oil, margarines
- Soy milk
- Fresh – Edamame
- Soy sauce
- Bean curd – Tofu
- Soy oil
- Additives
- Glycerides/ Lecithin / Tocopherols

### **Embedded Soy:**

Soy used in feed mix for animal products.

- Poultry products
- Pork products
- Beef products
- Other meat products
- Farmed seafood products
- Dairy products
- Egg products

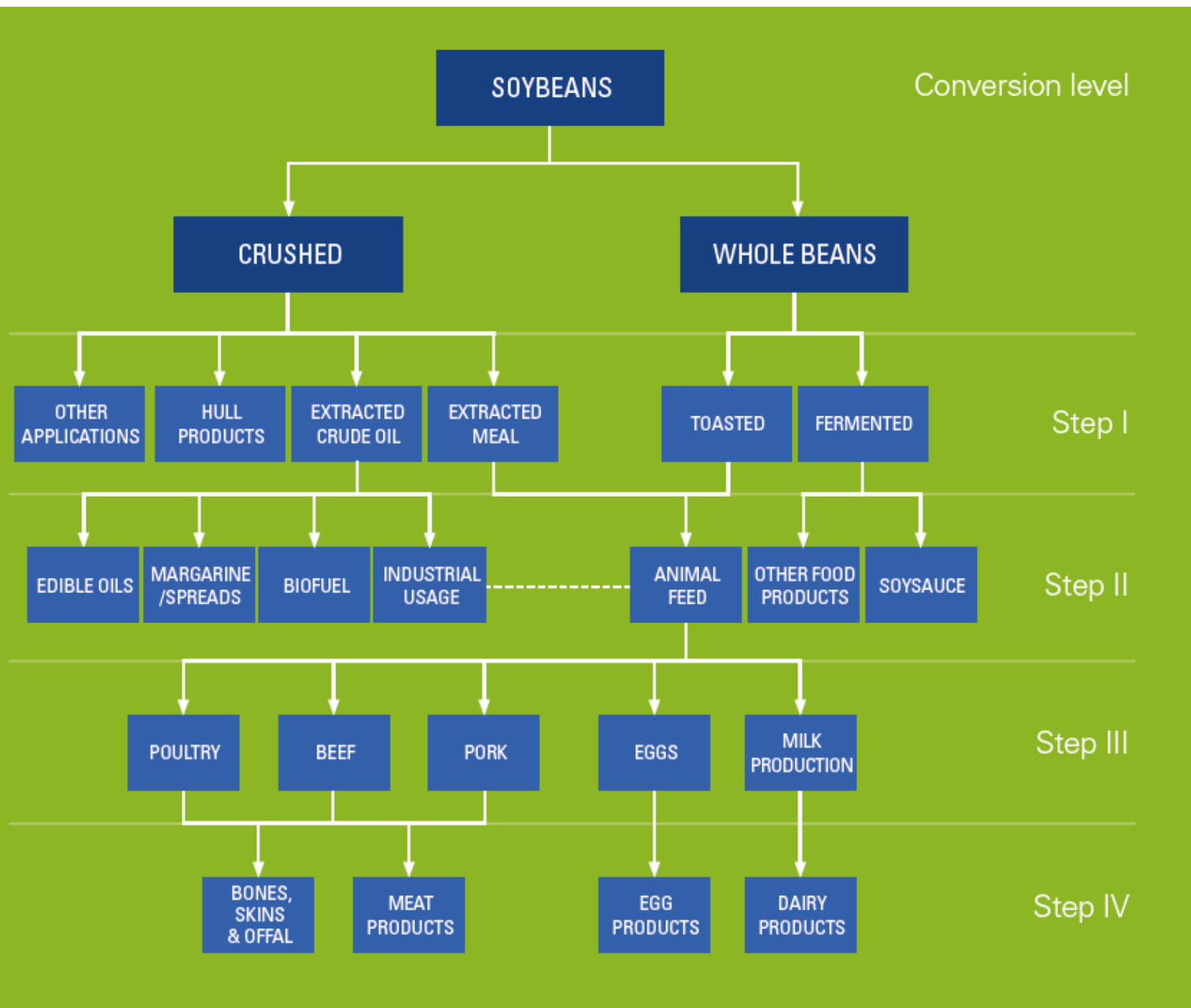
### **Other Soy (Containing and Derived) Products:**

For retailers, the scope for products applies to private label brands. For an overview of products derived from soy, please see Figure 1.

It is recommended that companies conduct a materiality assessment across the breadth of their product sourcing to determine the appropriate scope of their individual company sourcing policies. CGF has developed a [Soy Measurement Ladder Framework](#) (Table 1) to assist companies with understanding where soy may be present in products and assessing materiality relative to total soy use. For more information, please refer to the CGF [Soy Measurement Ladder Framework](#).



Figure 1: Soy Product Flows<sup>(3)</sup>



(3) Source: A Framework for the Measurement of Soy Usage in Consumer Goods Businesses, CGF.  
[http://www.theconsumergoodsforum.com/files/Publications/201509-CGF\\_Soy\\_Ladder\\_Framework\\_to\\_Measure\\_Soy\\_Usage.pdf](http://www.theconsumergoodsforum.com/files/Publications/201509-CGF_Soy_Ladder_Framework_to_Measure_Soy_Usage.pdf)

**Table 1: Soy Measurement Ladder<sup>(4)</sup>**

<b>Tier 5</b> Sundry indirect (embedded) soy and soy derivatives		This is all other soy or its derivatives that may be in the supply chain including lecithin in chocolate, soy oil in margarine as well as soy by-products in personal care and household products. This tier also includes soy used to rear cows for leather, gelatine etc. although this is often seen as a by-product. Note that these still form part of the ingredient list for the product – directly purchased derivatives by manufacturers still fall into Tier 1.
<b>Tier 4b</b> Eggs and dairy in processed food products		The soy used in feed animals where the eggs and/or dairy ends up in food products such as cakes, smoothies, ice cream etc where each individual component is less than 95% of the total product.
<b>Tier 4a</b> Meats in processed food products		The soy used in feeds for animals where the meat ends up in food products such as ready meals, sausages etc where that particular meat is less than 95% of the finished product.
<b>Tier 3</b> Eggs and dairy		The soy used in feeds for egg laying chickens/ducks, dairy cows, dairy goats etc. Includes products such as yoghurt, milkshakes etc. where more than 95% of the product is eggs or dairy.
<b>Tier 2</b> Raw meat feed		The soy used in feeds for meats such as beef, pork, chicken, duck, fish etc.
<b>Tier 1</b> Directly purchased soy and its derivatives		Directly purchased and controlled soy. This includes soy bought by a commodities desk, used in manufacturing or within pure soy sold on the shelves (such as edamame beans and soy milk). It also includes any directly purchased soy derivatives such as lecithin, soybean oil and methyl soyate. For the purposes of simplicity, a de minimis rule applies where any product with more than 95% soy within it (e.g. flavoured soy milk), can be reported in Tier 1, where separating out the data is impractical. It is expected that many manufacturers of pet foods and other products will be buying some amount of soy directly.

(4) Source: A Framework for the Measurement of Soy Usage in Consumer Goods Businesses, CGF.

[http://www.theconsumergoodsforum.com/files/Publications/201509-CGF\\_Soy\\_Ladder\\_Framework\\_to\\_Measure\\_Soy\\_Usage.pdf](http://www.theconsumergoodsforum.com/files/Publications/201509-CGF_Soy_Ladder_Framework_to_Measure_Soy_Usage.pdf)

## 4. Risk Criteria and Classifications

Following its Deforestation Resolution, the CGF and its members pledge to help achieve zero net deforestation. This means we prohibit production on land with native forests, riparian vegetation, natural wetlands, steep slopes and areas designated by law to serve the purpose of native conservation and/or cultural and social protection, or High Conservation Value (HCV)<sup>(5)(6)</sup>, with a conversion cut-off date not later than 2009 or later where sufficient mechanisms are in place to ensure the protection of priority areas. The RTRS mapping approach is an example of such a mechanism.

Certain regions are developing jurisdictional or landscape approaches to protect ecosystem biodiversity and these will be reviewed for acceptability once sufficient details are available.

While soy can originate from many parts of the world, forests, savannah and grasslands in South America are currently at greatest risk from soy production. The priority areas for protection are therefore the Amazon, the Cerrado, the Atlantic Forest, the Gran Chaco, and the Chiquitano<sup>(7)</sup>(see Figure 2). This will be reviewed periodically by the CGF soy working group and if other regions or criteria need to be included the Risk Criteria and Classifications will be updated.

Considerations for selecting priority areas include:

- Presence of native forests, riparian vegetation, natural wetlands, steep slopes, and areas designated by law to serve the purpose of native conservation and/or cultural and social protection or HCV;
- Risk of conversion due to soy;
- Input from relevant stakeholders (eg NGOs, producers).

(5) Including grassland with high biodiversity value

(6) Please see <http://www.hcvnetwork.org/> for a working definition of HCV

(7) WWF, 'The Growth of Soy, Impacts and Solutions', 2014



Figure 2: Landscapes at Risk from Soy Expansion<sup>(8)</sup>



(8) Source: Soy and Deforestation, WWF, [http://wwf.panda.org/what\\_we\\_do/footprint/agriculture/soy/soyreport/soy\\_and\\_deforestation/](http://wwf.panda.org/what_we_do/footprint/agriculture/soy/soyreport/soy_and_deforestation/)

## 5. Verification

In November 2010, the CGF's Board of Directors agreed to a Resolution on achieving zero net deforestation by 2020. To comply with this resolution, member companies should verify that the soy used in their supply chains is deforestation-free, as soon as possible, but by 2020 at the latest. In addition, the CGF asks companies not to source soy from production on land with native forests, riparian vegetation, natural wetlands, steep slopes and areas designated by law to serve the purpose of native conservation and/or cultural and social protection or High Conservation Value (HCV).

Where feasible, members can directly verify their supply chain for deforestation-free soy (particularly for farms and mills in the process of becoming certified). One approach is to map the soy supply chain to gain transparency at the farm level, and then assess farms against these sourcing guidelines. Members should ensure suppliers continuously monitor and verify their performance against these guidelines. Members should also verify such monitoring and performance by independent assessments.

There are a range of verification mechanisms that may be used to reduce the risk of the sourcing of soy contributing to deforestation in companies' supply chains.

### A. Using Standards and Certifications

The CGF encourages members to verify that the soy they are sourcing is deforestation-free. This can be done through the use of standards and certifications. These standards are specified via a benchmarking of soy standards against the Retailers' Soy Group's (RSG) minimum criteria for responsible soy on the International Trade Centre's (ITC) Standards Map. The RSG defines as credible only those standards that meet the following criteria:

- be transparent and have been developed through a recognised multi-stakeholder process;
- require third party audits by independently accredited certification bodies; and
- only certify inputs that meet equivalent responsible production standards.

Standards, which are internationally applicable, that currently comply with RSG requirements are:

- Round Table for Responsible Soy (RTRS)
- ProTerra
- Sustainable Agriculture Network (SAN) Sustainable Agriculture Standard adopted by the Rainforest Alliance
- International Sustainability & Carbon Certification ISCC PLUS (ISCC 202) with voluntary add-ons 202-01 and 202-02.

Companies can use the above standards or equivalent to verify deforestation-free soy. Although these CGF sourcing guidelines focus primarily on deforestation, other aspects are addressed by the above standards. Please note that this list is not exhaustive, as other mechanisms exist that may be used to reduce the risk of the sourcing of soy contributing to deforestation.

In addition, CGF encourages its members to support collaborative initiatives like the Soy Moratorium in



Brazil, in which multiple supply chain, NGO and government actors work together to ensure that pledges to exclude Amazonian deforestation from soy supply chains originating in Brazil are enforced.

## B. Verifying Legality

While deforestation-free soy is the priority, and companies should aim to implement measures to achieve deforestation-free soy in their supply chains as soon as possible, the CGF realises that these guidelines apply to a broad range of companies with different levels of influence and varying complexity of supply chains.

**Companies that are not yet able to achieve full coverage of deforestation-free standards should, as a minimum first step, exclude soy from illegally-deforested land in their supply chains. To move towards deforestation-free soy supply chains, these companies should, by 2017, publish a time-bound implementation plan to remove deforestation from their global soy supply chains by 2020. This plan should be public and include intermediate KPIs against which companies should report. In this way, excluding illegal-deforestation from a company's supply chain can be seen as a stepping stone towards the goal of deforestation-free global soy supply chains.**

A company may use the following standards to verify that soy from illegally deforested land is excluded from its global supply chain. They support implementation of the Brazilian Forest Code (*particularly registration with CAR*) by all producers and sourcing of only Forest Code-compliant soy. These standards are specified via a benchmarking of soy standards against the European Feed Manufacturers Federation (FEFAC) guidelines on the International Trade Center's (ITC) Standards Map. The full list of standards and certifications can be found here: <http://www.standardsmap.org/fefac/>.

It is recommended that member companies use the specified standards or equivalent to verify legal production.

Companies should require that the Soy Sourcing Guidelines and Standards apply to suppliers at a group level (including all operations and landholdings, joint ventures and third-party suppliers).

## 6. Transparency (for individual members)

Transparency is a valuable tool in progressing sustainability objectives. It is crucial for building trust among customers, employees, investors and other stakeholders, as well as strengthening credibility. CGF members are encouraged to support platforms, tools and initiatives that enable transparency through the supply chain.

It is recommended that members publicly disclose their soy sourcing policies, goals and progress. Members are further encouraged to work with their supply chain partners to increase transparency in sourcing practices and the use of deforestation-free soy in the supply chain of their products.

## 7. KPIs (for the CGF Membership)

The goal for CGF members is to help achieve zero net deforestation by 2020 through the sourcing of sustainable commodities.

The KPIs in this section should provide an update on the status of the implementation of the Deforestation Resolution and should focus on the behaviour the CGF wants to encourage.

**The CGF are therefore suggesting the following KPIs:**

1. Number of CGF members for which the sourcing of soy is relevant with a public commitment on the sourcing of sustainable soy.
2. Number of CGF members for which the sourcing of soy is relevant that have published a time-bound implementation plan.
3. Number of CGF members for which the sourcing of soy is relevant that publicly report annually on progress towards meeting these guidelines.

## 8. Antitrust

All work of The Consumer Goods Forum is carried out in accordance with the CGF's Antitrust Guidelines, and in compliance with all competition laws, thus ensuring independence of activity, collaboration only on non-competitively sensitive issues, and confidentiality of information.

Participating companies will undertake their own decisions on IF and HOW to implement the elements of this proposal in their individual supply chains.



## 9. Contact

For more information on the CGF's soy work and its environmental sustainability pillar, please contact:

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# Annex 1:

## The CGF Resolution on Deforestation (November 2010)

“As the Board of The Consumer Goods Forum, we pledge to mobilise resources within our respective businesses to help achieve zero net deforestation by 2020.

We will achieve this both by individual company initiatives and by working collectively in partnership with governments and NGOs.

Together we will develop specific, time bound and cost effective action plans for the different challenges in sourcing commodities like palm oil, soy, beef, paper and board in a sustainable fashion. We will also work with other stakeholders – NGOs, Development Banks, Governments etc – to create funding mechanisms and other practical schemes that will incentivise and assist forested countries to conserve their natural assets and enable them to achieve the goal of zero net deforestation, whilst at the same time meeting their goals for economic development”.





# Annex 2:

## Definitions

### Zero Net Deforestation:

The CGF follows the [WWF definition of zero net deforestation](#):

“Zero Net deforestation” can be distinguished from "zero deforestation", which means no deforestation anywhere. "Zero net deforestation" acknowledges that some forest loss could be offset by forest restoration.

Zero net deforestation is not synonymous with a total prohibition on forest clearing. Rather, it leaves room for change in the configuration of the land-use mosaic, provided the net quantity, quality and carbon density of forests is maintained. It recognizes that, in some circumstances, conversion of forests in one site may contribute to the sustainable development and conservation of the wider landscape (e.g. reducing livestock grazing in a protected area may require conversion of forest areas in the buffer zone to provide farmland to local communities). However, zero net deforestation is not achieved through the conversion of primary or natural forests into fast growing plantations. Such conversion would count as deforestation in assessing progress against the target.

### High Conservation Value (HCV) Areas:

“High Conservation Value” areas refer to the areas necessary to maintain or enhance one or more High Conservation Values (HCV), where a HCV is a biological, ecological, social or cultural value of outstanding significance or critical importance. More detail is available through the High Conservation Value Resource Network via [www.hcvnetwork.org](http://www.hcvnetwork.org).





The Sustainable Soy Sourcing  
Guidelines are built on a global  
industry's commitment to achieve  
zero net deforestation by 2020.

It's time to source sustainably!

[www.tcgfsustainability.com](http://www.tcgfsustainability.com)



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