



Model Policy

Contents



Introduction	3
Why a model policy is needed	4
Ambition.....	5
Governance.....	6
Scope	7
Supplier Requirements.....	8
DCF Material Hierarchy	10
Monitoring, Reporting and Verification.....	12
Building Resilience.....	17
Reporting	19

Introduction

Soy expansion in South America is the largest single agricultural driver of land-use change in tropical ecosystems. Retailers indirectly source this soy through meat, dairy, and processed products. Retailers have been at the forefront of efforts to remove deforestation and conversion from their supply chains. The policies and approaches adopted by retailers cascade through complex supply chains and ultimately reach producers and landowners, even when they can be more than ten tiers away from the retailer.

Retail Soy Group members have sought to move the market together by having shared commitments and ambitions for supply chain transformation. Progress has been made, but the transformation of soy supply chains remains incomplete as the limits of what retailers can achieve on their own as a sector has become clearer.

Soy is a critical feed ingredient in global livestock production, linking food and consumer goods sold around the world to critical landscapes in South America where tropical forests and native vegetation are being cleared. The challenge is no longer about recognition; it is about delivery.

This model policy sets out a practical framework for retailers to implement credible soy sourcing strategies that are consistent with global deforestation and conversion-free (DCF) goals, emerging due diligence requirements, and the Accountability Framework initiative (AFi). It is hoped that this model policy provides the consistency and clarity needed for retailers, and other downstream companies, to adopt effective approaches and strategies to ultimately deliver on our shared goal: a market where DCF soy is the market norm.



How to use this document

This model policy provides a best practice framework and provisions for implementing a complete approach to addressing deforestation and conversion in retail supply chains.

It provides examples of components and provisions, but it **does not represent a singular commitment or requirement** for Retail Soy Group members to adopt under a shared commitment.

As often more than 95% of soy dependencies in food retail products are via animal feed, the policy focuses most on supporting the production areas and supply chains connected to livestock products.

Why a model policy is needed

Over two decades of deforestation initiatives have taught us that fragmented approaches and voluntary commitments alone cannot end forest loss. The soy sector has improved traceability and visibility, yet global deforestation continues at roughly 3–4 million hectares per year.

Soy plays a complex role in this story. It is an efficient crop that supports livelihoods and trade, but its expansion into native vegetation displaces biodiversity and releases carbon. Nearly 80% of soy is used for animal feed, meaning the connection between consumer demand and land conversion is often hidden from view.

This model soy policy aims to:

1. Help retailers integrate deforestation- and conversion-free soy into their supply chains.
2. Provide a shared baseline of expectations for suppliers and traders.
3. Link company action to landscape-level transformation.



Ambition

1. Develop and maintain a deforestation- and conversion-free supply chain across all operations to ensure there is no market for materials linked to land use change.
2. Address the drivers of land use change in South America through collaboration and incentives to promote an inclusive approach with landowners that values nature.
3. Integrate and align deforestation, climate, biodiversity, and human rights strategies to ensure a consistent and efficient framework for supplier action and engagement is deployed.



Why this matters

Deforestation causes greenhouse gas emissions, threatens water cycles, and increases volatility in crop supply and prices.

Implementation

Embed ambition in board-level policy; publish measurable milestones; align public targets with AFi and SBTi FLAG frameworks.

Risks of inaction

Retailers face legal, reputational, and financial exposure under EU and UK due diligence rules if deforestation is not addressed comprehensively.

Governance

The **Board** is ultimately accountable for the delivery of this policy. It approves the policy and implementation plan and reviews them at least once a year. The Board receives progress reports and KPI updates and ensures that the approach aligns with all legal due diligence obligations in the markets where the company operates.

The **Executive Committee** is responsible for operational oversight. It coordinates work across procurement, technical, sustainability, and compliance teams to ensure that delivery is consistent and efficient. The committee approves supplier engagement plans and reviews performance and risk updates before they are submitted to the board.

Implementation is managed by a **cross-functional operational team**. This team includes representatives from procurement, technical, sustainability, communications, and finance. The team is responsible for turning the policy into practical actions, maintaining internal alignment, and ensuring that procedures and systems support the commitments set out in the policy.

External stakeholders may be invited to review progress on an annual basis. Their role is to provide independent, non-binding recommendations that help strengthen the policy, improve its implementation, and ensure that it reflects current evidence and best practice.

Why this matters

Clear accountability, roles, and responsibilities need to be identified to promote the effective implementation of this policy.

Implementation

A RACI framework should be developed showing Board-level accountability through to implementation teams. Key Performance Indicators and incentives should be described within the governance framework.

Risks of inaction

Without senior-level oversight, initiatives may be deprioritised within wider work plans. This would expose the business to potential due diligence liabilities, inefficient and inconsistent supplier engagement, and/or failing to identify and manage supplier risk.

Scope

This policy applies to:

- All soy and soy-derived materials, including meal, oil, lecithin, and hulls.
- Embedded soy used as animal feed in meat, dairy, eggs, and aquaculture.

Outside of scope:

- Non-food derivatives (e.g. cosmetics) that contribute less than 10 tonnes to our overall soy footprint.
 - Suppliers that are assessed to be out of scope due to low volumes will be re-assessed every three years.

Why this matters

It is expected that all animal feed (embedded soy) - where more than 95% of retail soy is likely to sit - is fully covered, across all types of soy

Implementation

Policy scope explicitly included in external and internal statements and positions. A glossary of terms referencing the Accountability Framework initiative (AFi) to be provided.

Risks

- Having a specified exclusion is not considered acceptable by the AFi without having an explicit assessment and reasoning through a double materiality assessment.
- More complex products and supply chains need to be separately planned for implementation outside of the scoping section.

Supplier Requirements

All suppliers must:

1. Publish DCF policies consistent with AFi principles
2. Comply with relevant regulations (e.g., EU Deforestation Regulation)
3. Include land use change cut-off dates no later than 30 December 2020
4. Report annually on their policies and compliance

Soy-buying suppliers must:

- A. Source soy in compliance with material hierarchy
- B. Identify the first importer of soy into their respective market / region
- C. Provide sub-national level production traceability of all soy purchased

Other livestock-based material suppliers must:

- A. Specify the use of DCF feed by farmers
- B. Identify the feed mills in our supply chain

Product manufacturers must:

- A. Identify the livestock producer, or livestock-based material supplier

Strategic suppliers must also:

5. Adopt and verify Science-Based Targets (SBTi FLAG targets)
6. Contractually agree to the supply of DCF products

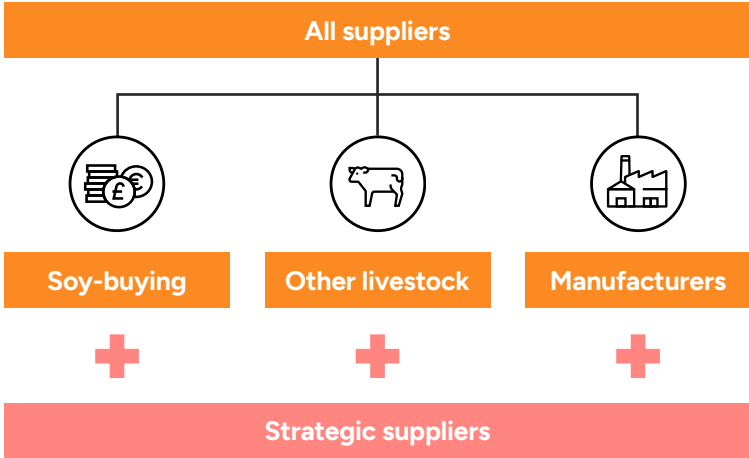
Definitions

Soy-buying supply chains: Suppliers that directly purchase and handle soy as a raw material on its own or in compound feed.

Other livestock-based material supply chains: Suppliers that directly purchase livestock-based products (e.g. meat, dairy, fish, eggs) from farmers or production groups.

Product manufacturers: Suppliers that buy livestock-based products from other manufacturing businesses.

Strategic suppliers: Companies identified by retailers as being of unique importance to their supply base due to volume, contractual terms, or other preferential criteria that enables a deeper connection between the retailer and the supplier.

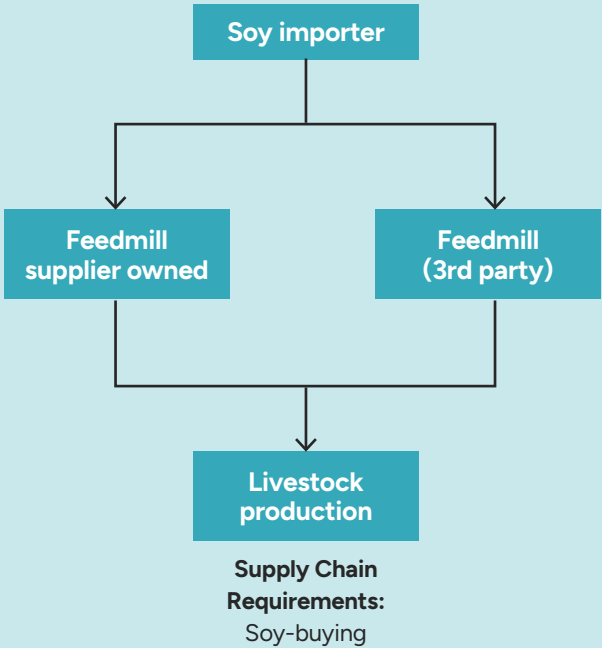


Supplier actions relative to their supply chain structure

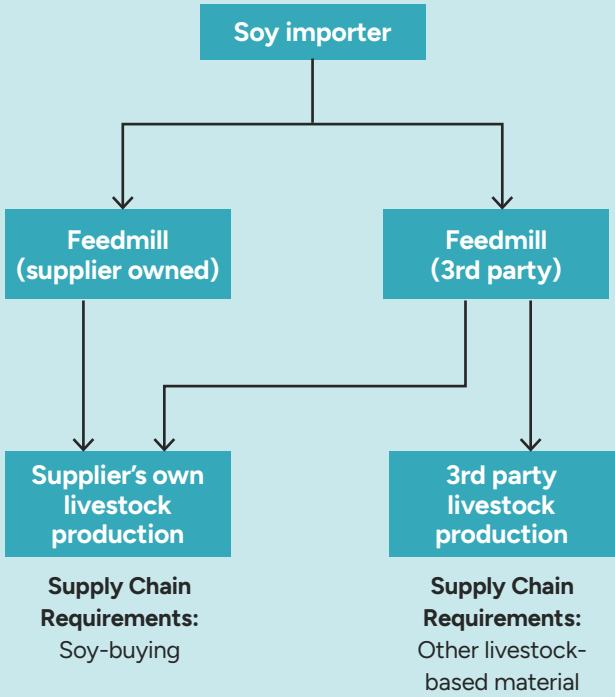
The requirements presented reflect the variable nature of purchasing control and compliance levers available to suppliers. An overriding expectation is that the market-demand for compliant soy needs to reach the first buyers and aggregators of soy in producing markets. The further away a company is from the businesses engaged in those primary soy commodity purchases, the more challenging it is to have the data and evidence of compliance procedures in place to verify the material attributes of the supply chain.

In practice, the roles and supply chain pathways described in this policy may vary within individual supplier businesses as they operate multiple supply chain models. Where this is the case, the requirements for the supplier will be applied for each of the sourcing models they utilise.

Example 1: Livestock producer buys and mixes its own feed. Some additional feed is bought via third-party feedmills. 100% of this supply chain model is considered being a “soy-buying” supply chain.



Example 2: Livestock producer buys and mixes its own feed. Some additional feed is bought via third-party feedmills. Additionally, other products (e.g. additional chicken meat, eggs) are purchased via third parties that are not part of their own production unit. The supplier is expected to comply with all requirements for its activities for its soy-buying supply chains and separately will be expected to adhere to the requirements of being a livestock-based product supplier.



DCF Material Hierarchy

All soy-buying livestock producers directly contracting with retailers are expected to ensure all soy used in animal feed is sourced using the best available option - as soon as it is available on the market – using the order of preference for supply.

Preference	Sourcing & Description	Chain of custody		Assurance		Certification Options					Origin
		Segregation at point of import	Mass Balance after company purchase	3rd Party Review	Published Outcome	RTRS	Proterra	FEFAC SSG (2023)	VISEC	AIC Programme (EUDR)	Import Documents
1.	Chain of Custody Segregation (2020 cut-off or earlier)	✓		✓	✓	✓	✓	✓			
2.	Traced to a jurisdiction with no post-cutoff date conversion Jurisdictions meeting this requirement regularly monitored	✓									✓
3.	Verified deforestation-free via legal due diligence in consuming market Soy verified deforestation-free at farm-level is kept physically separated from unverified material	✓		✓	✓				✓	✓	
4.	1. Source via a trader control system Importer or trader: <ul style="list-style-type: none"> a. DCF commitment being delivered b. Reference date of 31 Dec 2020 with 98%+ volume compliance c. MRV aligned with AFI using Soft Commodities Forum methodology 2. Provide DCF producer incentive through a credible mechanism		✓	✓	✓	✓	✓	✓			✓

Trader Control Systems

Responsible traders are those that satisfy the two requirements under this proposed model policy.

DCF Commitment

Traders must have a commitment aligned with the Accountability Framework initiative.

- Cut-off date:
 - » Aligned with **regional agreement** (e.g. 2008 for Amazon)
 - » **High-risk areas:** 31 December 2020
 - » **Not high-risk areas:** 31 December 2029
- Target date: 2025 or earlier in high-risk areas, 2030 for the rest of world
- Scope: All purchases (direct & indirect)



MRV

Reporting on progress, with assurance, is an important aspect of ensuring

- Nearly all* purchases are compliant with the commitment (>98%)
- Purchasing controls in place to prevent non-compliance
- Monitoring systems in place
- Full company commitment compliance reported semi-annually
- High-risk area DCF performance is independently assured using the Soft Commodities Forum methodology and risk assessment framework

High risk areas are being linked to the Soft Commodities Forum methodology to avoid additional methodologies and reporting requirements.

Focus on limited scope of this approach will be addressed via the Soft Commodities Forum.

*"Nearly all" is defined and explained further in the Accountability Framework initiative operational guidelines as being where any gaps relative to 100% compliance of purchased materials should be for a legitimate reason (eg, producer in active remedy/restoration process) and transparently disclosed in compliance reporting.

A red tractor with a sprayer attachment is working in a soybean field at sunset. The tractor is moving from left to right, leaving a trail of dark soil behind it. The field is filled with rows of green soybean plants. The sky is a mix of orange and blue, indicating the time is either dawn or dusk. The overall scene is peaceful and productive.

Monitoring, Reporting and Verification

Monitoring, Reporting and Verification

We recognise that not all suppliers have equal access to traceability information. Therefore, monitoring, reporting and verification (MRV) requirements are tiered according to supplier position and visibility in the soy value chain.

The objective is to:

1. Provide **consistent minimum reporting expectations** across all supplier types;
2. Ensure **progressive improvement** toward DCF sourcing;
3. Enable verification through **proportionate, risk-based monitoring**.

Category	All Suppliers	Strategic Suppliers	Soy-buying Suppliers (>100 tonnes of soy)	Other Livestock (>1,000 tonnes of product)	Manufacturers (>1,000 tonnes of livestock-based products)
Deforestation Policy	Yes	Yes	Yes	Yes	Yes
Due diligence practices and risk mitigation	No	Yes	Yes	Yes	Yes
Volume disclosure	No	Yes	Yes	Yes	Yes
2nd tier supplier disclosure	No	Yes	Yes	Yes	Yes
DCF Status	No	Yes	Yes	Yes	No
Sub-national soy production area	No	-	Yes	No	No
First importer of soy to market	No	-	Yes	No	No
Feed mills supplying soy-products	No	-	Yes, for livestock	Yes	No

Monitoring, Reporting and Verification (Soy-buying)

Category	Requirement	Evidence/Data	Verification method
Deforestation Policy	Obtain written confirmation that direct suppliers have DCF requirements	Policy documents or supplier declaration	Annual disclosure / confirmation to 3rd party for evidence validation
Due diligence practices and risk mitigation	Use a recognised methodology (AFI, Soft Commodities Forum) to identify high-risk sourcing areas. Document mitigation or engagement activities.	Public 3rd party assurance of effective purchasing controls and management	Annual disclosure to 3rd party for evidence validation
Volume disclosure	Report total soy volume (tonnes) by origin, sourcing model, and verification status.	Supplier annual declaration	Annual disclosure to 3rd party for evidence validation
2nd tier supplier disclosure	Names of all supplying raw material suppliers	Supplier annual declaration	Self declared
DCF Status	Ensure all soy purchases are using one of the pathways on the deforestation- and conversion-free (DCF) prioritised pathway.	As relevant for each pathway	Annual disclosure to 3rd party for evidence validation
Sub-national soy production area	Trace soy purchases to sub-national origin (e.g. municipality, province, or state). Identify country of origin for 100% of volume.	Supplier declaration; trade documentation; EUDR due diligence statement; purchase records	3rd party review or retailer verification every 2 years
First importer of soy to market	Names of soy importers to region or market where it is purchased by the business	Supplier annual declaration	Self declared
Feed mills supplying soy-products	Identify and disclose all feed mills supplying soy-based feed	Supplier annual declaration	3rd party review or retailer verification every 2 years

Monitoring, Reporting and Verification (Other livestock)

Category	Requirement	Evidence/Data	Verification method
Deforestation Policy	Obtain written confirmation that direct suppliers have DCF requirements	Policy documents or supplier declaration	Annual disclosure / confirmation to 3rd party for evidence validation
Due diligence practices and risk mitigation	Use a recognised methodology (AFi, Soft Commodities Forum) to identify high-risk sourcing areas. Document mitigation or engagement activities.	Public 3rd party assurance of effective purchasing controls and management	Annual disclosure to 3rd party for evidence validation
Volume disclosure	Report total product volume (tonnes). If soy use is known, report this by origin, sourcing model, and verification status.	Supplier annual declaration	Annual disclosure to 3rd party for evidence validation
2nd tier supplier disclosure	If <u>feed</u> is procured by your business, names of all supplying raw material suppliers. If <u>livestock products</u> are procured by your business, names of key suppliers.	Supplier annual declaration	Self declared
DCF Status	Disclosure of the proportion of supply from farming groups in the supply chain that specify deforestation- and conversion-free (DCF) using one of the prioritised pathways.	As relevant for each pathway	Annual disclosure to 3rd party for evidence validation
Feed mills supplying soy-products	Identify and disclose all feed mills supplying soy-based feed to livestock producers	Supplier annual declaration	3rd party review or retailer verification every 2 years

Monitoring, Reporting and Verification (Manufacturers)

Category	Requirement	Evidence/Data	Verification method
Deforestation Policy	Obtain written confirmation that direct suppliers have DCF requirements	Policy documents or supplier declaration	Annual disclosure / confirmation to 3rd party for evidence validation
Due diligence practices and risk mitigation	Use a recognised methodology (AFi, Soft Commodities Forum) to identify high-risk sourcing areas. Document mitigation or engagement activities.	Public 3rd party assurance of effective purchasing controls and management	Annual disclosure to 3rd party for evidence validation
Volume disclosure	Report total soy volume (tonnes) by origin, sourcing model, and verification status.	Supplier annual declaration	Annual disclosure to 3rd party for evidence validation
2nd tier supplier disclosure	Names of all supplying raw material suppliers	Supplier annual declaration	Self declared
Feed source control	Require livestock suppliers to purchase feed only from mills meeting retailer's DCF traceability expectations.	Contract clause or supplier code of conduct	Random verification or assurance audit



Building Resilience

Building Resilience

We will:

1. Advocate for effective regulation in both producer and consumer markets that focus on conserving native forests and vegetation and providing the due diligence structures needed to promote a private sector role in their delivery
2. Specify enforceable DCF standards in contracts
3. Support landscape-level Payment for Ecosystem Services (PES)* schemes (e.g. USD ## per hectare)
4. Invest in scalable initiatives linking producer incentives to verified conservation

*Payment for Ecosystem Services: Direct financial contributions to producers in exchange for the conservation, regeneration, or expansion of native vegetation and forests. This is usually supplied through a production area programme (e.g. Responsible Commodities Facility) that has public criteria and an independent monitoring, reporting and verification system to demonstrate credible impact.

Why this matters

Recognises retailer power to influence beyond their supply chains. As they are far from the production landscape, indirect action via brand and market presence may have a large impact on the overall production system.

Implementation

Joining and/or participating multi-stakeholder and pre-competitive forums to collectively pool resources and actions.

Risks

- Focus may reduce efforts on supply chain specific action and product claims
- Wide coalition needed for these efforts to result in meaningful change
- Consistency with other private sector actions and industry groups



Reporting

Reporting



We will disclose our performance with delivering this policy in four areas annually:

1. Volume Compliance

We will report annual soy volumes (tonnes) using the standardised classification set out in the disclosure table. Our disclosure will be broken down across the compliance routes to distinguish between fully verified, risk-assessed, and unverified supply chains.

2. Investments and financial incentives to support producers

- **Initiative name and objective** (e.g., Responsible Commodities Facility, SourceUp compact)
- **Geographic location** (biome, country, municipality)
- **Funding value and type** (e.g., per-tonne levy, fixed annual contribution, outcome-based payments)
- **Duration or multi-year commitment**
- **Expected environmental and social outcomes** (e.g., hectares protected, communities supported)
- **How impact is monitored** and verified

3. Management systems and governance

- **Monitoring systems**, including how supplier data are collected, verified and stored
- **Supplier engagement processes**, including monitoring frequency and performance
- **Alignment with wider sustainability frameworks** (e.g. climate targets, nature strategies, human rights)

4. Grievances and remediation

- Source of grievance
- Summary of each case
- Findings from investigation
- Status of corrective actions, including suppliers engaged or suspended
- How grievance has informed policy or practice improvements

Compliance Route	Description	Volume (tonnes) %
Verified with segregated chain of custody	Segregated supply chain from farm to farm / factory	15%
Traced to a jurisdiction with no post-cutoff date conversion	Supply chain assessed to be sourcing from areas classified as being of negligible risk	25%
Deforestation free via due diligence	Evidence of segregated supply with legal statements showing deforestation free sourcing, but conversion free status is not claimed (e.g. EUDR)	12%
Trader control system	Soy present indirectly in animal feed or supplied as products from importers or traders delivering on a credible DCF commitment for all of their purchases (direct and indirect)	35%
Policy compliant		87%
Unable to verify	Require livestock suppliers to purchase feed only from mills meeting retailer’s DCF traceability expectations.	7%
Known non-conformance	Volumes connected to confirmed grievances or non-compliance	6%
Not verified		13%
Total		100%

Key Performance Indicators

Category	KPI	Owner	Data Source	Frequency
Policy and Coverage	Percentage of soy supply covered by a DCF commitment referencing AFi definitions	Implementation	Annual disclosure / confirmation to 3rd party for evidence validation	Annual
Traceability	Percentage of soy (direct and embedded) traceable to sub-national origin (e.g. municipality, state)	Sustainability	Annual disclosure to 3rd party for evidence validation	Annual
Policy Compliance	Percentage of soy assessed to be compliant with the policy	Sustainability	Annual disclosure to 3rd party for evidence validation	Annual
Supplier Engagement	Percentage of high-risk suppliers with time-bound remediation plans	Procurement	Annual disclosure	Annual
Investment and Impact	Annual investment in producer-support or PES schemes (USD / tonne and hectares supported)	Finance	Random verification or assurance audit	Annual
Grievances and Non-Conformances	Percentage of identified grievances resolved	Sustainability	Random verification or assurance audit	Quarterly
Disclosure	Publication of verified soy sourcing data in annual or sustainability report	Communications	Random verification or assurance audit	Annual
Governance Review	Frequency of Board reviews of soy policy	Board	Random verification or assurance audit	Annual

Example Grievance Log

Date	Grievance Raiser	Link to Grievance	Issue	Issue summary	Actions taken	Status
April 2022	Soil Association	Stop poison poultry	Production inputs	Use of highly hazardous pesticides in Brazilian soy production	Engagement with the Soil Association. Advocacy in multi-stakeholder forums for the inclusion of pesticide use in sustainability criteria for production standards.	Closed
July 2022	Mighty Earth	Promises, promises!	Deforestation	Deforestation and conversion linked to soy production in Brazil that occurred on farms after August 2020. Some deforestation alleged to be possibly illegal clearance.	RSG engagement with concerned shippers to determine what their internal investigations determined in response to the allegations. Confirmation that no clearance in supply chains was done illegally.	Closed

Join us



www.retailsoygroup.org

3Keel Group Ltd

7 Fenlock Court

Blenheim Business Park

Oxfordshire

OX29 8LN

T: +44(0) 1865 236500

