



Soy traceability and supply chain transparency

The Soy Toolkit simplifies the wide array of existing tools and initiatives by highlighting those most relevant to a company’s sustainability journey, shedding light on the ways they can be used to meet soy sourcing goals. This document summarises the key points on soy traceability from the full briefing note, available at www.soytoolkit.net

- Traceability of soy is important to enable companies to assess whether their procurement policies on deforestation and other environmental and social issues are being met at the production level.
- The further downstream companies are, the more they need to rely on upstream suppliers’ actions to achieve traceability.

Key steps, tools and approaches for traceability and supply chain transparency

01 Define what traceable means

Define basic traceability requirements based on where companies sit in the value chain and best practices.



Upstream companies

Possibly prioritise traceability where there is higher risk of policy non-compliance.

Reach production level first for direct soybean purchases and then for indirect purchases (for example, when buying from a silo or a cooperative).



Downstream companies

Possibly start on products with a greater soy footprint and shorter supply chain.

Have incremental granularity, which may begin with country level and progress to biome, state, municipality and then crusher level.

Conversion factors to estimate the Soy Footprint are available on:

UK Roundtable on Sustainable Soya – Annual Progress Report (2019)

Consumer Goods Forum – Calculation guidelines for the measurement of embedded soy usage in consumer goods businesses (2016)

Profundo – Mapping the soy supply chain in Europe (2015)

Traceability to farm

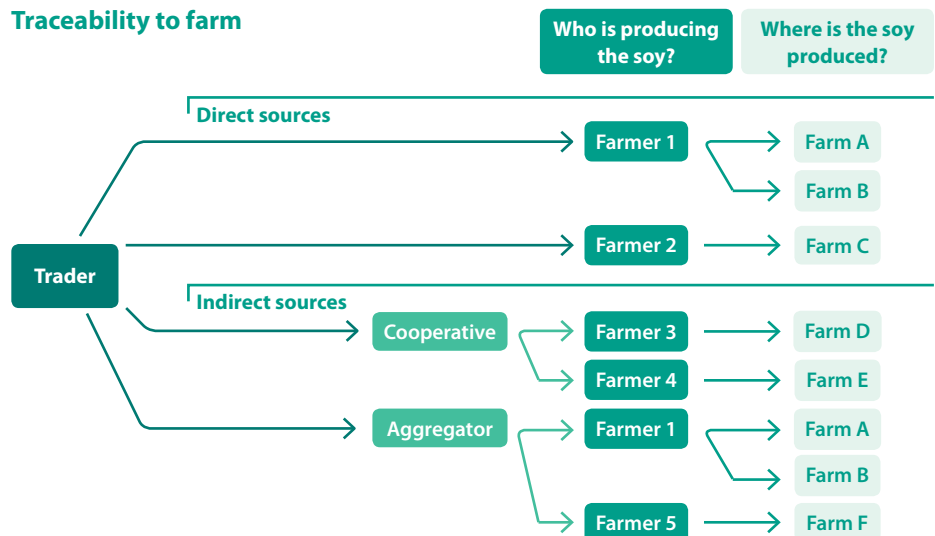


Diagram based on Fig.1 from the WBCSD SCF Progress Report: https://docs.wbcsd.org/2019/12/WBCSD_Soft_Commodities_Forum_progress_report.pdf

02 Gather information from your direct suppliers

Collaboration is key to the success of a traceability programme. Companies should engage with direct suppliers to explain why traceability is needed and what information suppliers are expected to share.

Good practice for upstream companies

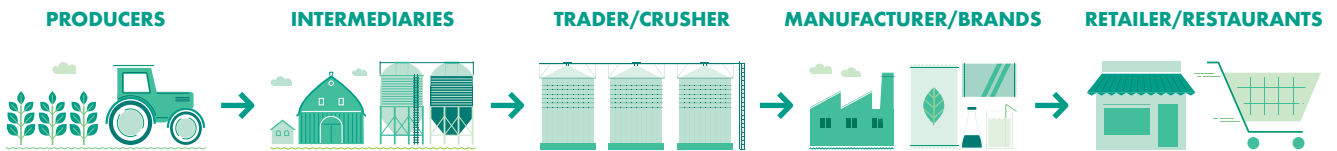
- ✓ Soybean farm name
- ✓ Volume sourced
- ✓ Rural environmental registry
- ✓ Certification (if any)

Good practice for downstream companies

- ✓ Supplier name
- ✓ Type of supplier: trader, crusher, food processor
- ✓ Volume sourced
- ✓ Country of soybean origin
- ✓ Traceability to first aggregator-level (e.g. silo, crusher) (%)

03 Map your supply chain

After gathering information from direct suppliers, companies can then map their supply chain. A set of approaches and tools can be used, such as open platforms, supplier programmes, own traceability systems or contract a ready-to-use system.

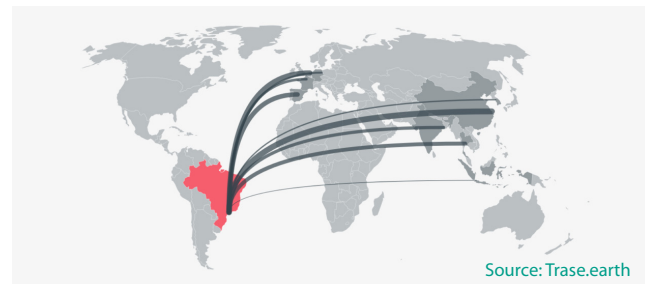


Upstream companies can use the **Brazil Rural Environmental Registry National System** to get farm boundaries (www.car.gov.br).

Downstream companies can use **Trase** (www.trase.earth) to understand municipality-level origin of soy. This allows them to understand if soy is coming from municipalities with high deforestation rates which informs further actions and engagement with their upstream suppliers (traders).

04 Categorise volumes purchased and validate the information

Define as 'known' the volumes of soy that can be traced back to the production / municipality / regional level and as 'unknown' soy that cannot be traced back. Companies may want to validate information provided by suppliers using a due diligence process.



05 Monitor traceable volumes

The soy market is dynamic, which means frequent changes in the supply base and volumes sourced. To deal with that, companies can set up a system to update and review the volumes reported as 'known' at regular intervals, according to the prevailing purchase model.

BUNGE	Bunge's KPIs on traceability: <ul style="list-style-type: none"> % volume traced to farm in risky areas % volume traced to elevator for indirect sourcing
--------------	--

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 (GEF) through World Wildlife Fund (WWF)

