

Responsible Soy

Issy-les-Moulineaux, July 2022

In July 2020, Sodexo formalized its commitment to protect Forests and Peatlands, within the framework of our Better Tomorrow 2025 roadmap, with an initial focus on palm oil, paper, soy and beef. This paper specifically covers the soy roadmap. For more information on Better Tomorrow 2025 roadmap and other commodity specific commitments and actions please refer to the section at the end of the document.

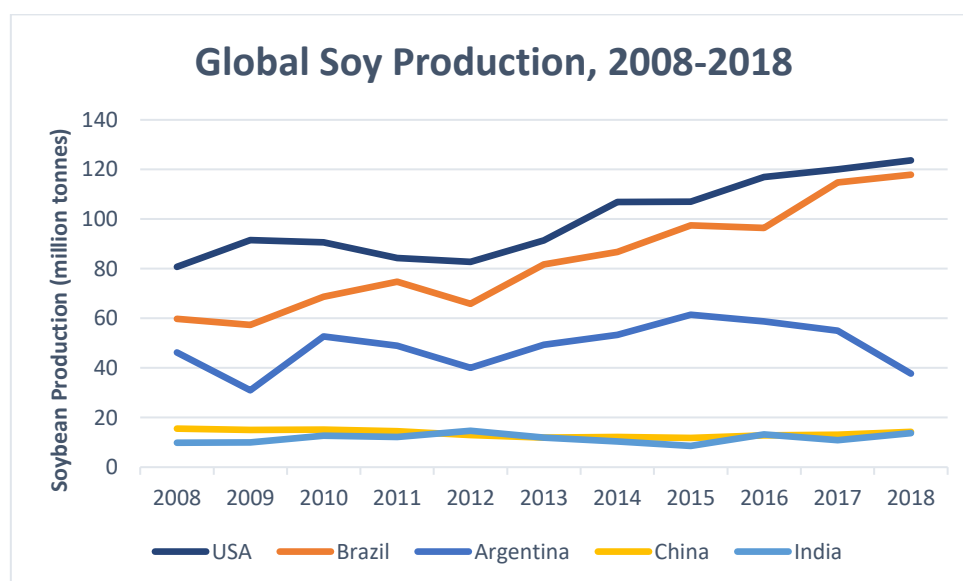
What's the specific context?

Background on soy

Soy is one of most valuable crops in the world and is the most efficient source of protein per hectare. Globally, over 75% of soy is used to feed animals (chickens, pigs, chickens, fish, cows, etc.). China is the largest soybean consumer in the world and consumes over half of the world's production, approximately 90% of which is used for animal feed. Europe is the second biggest importer of soymeal, consuming 12% of global production, approximately 90% of which is used for animal feed.

Over the past decades, demand for animal-based proteins has continued to grow leading to a 60% increase in soy production between 2008 and 2017.

Soy production is expanding most rapidly in South America, which accounts for over 50% of the world's soy production. Over the last twenty years, production has increased 500% in Brazil and by over 700% in Argentina.



Source: [FAOSTAT](#)

Impacts of Soy Production

Soy production, along with cattle ranching, is the primary driver of deforestation and conversion in South America yet only 3-4% of soy is covered by a certification that considers deforestation. Deforestation and land use change forms a significant portion of emissions from livestock production, which is responsible for 14.5% of global greenhouse gas emissions.

In chicken production, land use change due to soy production is responsible for 18% of the greenhouse gas emissions ([FAO, 2013, p 47](#)).

In pork production, land use change due to soy production is responsible for 12% of the greenhouse gas emissions associated with the production of pork ([FAO, 2013, p 18](#)).

In addition to deforestation and conversion there are other significant environmental impacts associated with soy production: Habitat loss, Chemical/fertilizer use, Pollution of water and Top-soil erosion.

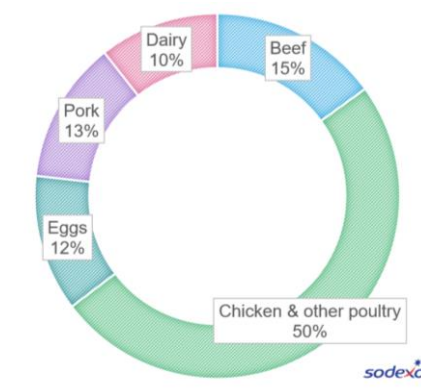
There are also significant social impacts associated with soy production and deforestation:

- Land rights conflicts
- Bonded and child labor
- Displacement of indigenous cultures
- Deterioration of water quality for drinking and fish, the most common source of protein in many affected areas

Sodexo's Commitment to Responsible Soy

Sodexo buys a very small volume of soy directly, 99% of Sodexo's soy footprint is embedded in the animal products that we buy. To understand Sodexo's soy footprint, we worked with WWF, our technical partner on this topic, to estimate the soy embedded in the products Sodexo buys using purchasing volumes and soy factors provided. As can be seen below, 63% of the Sodexo's soy footprint is contained in poultry and eggs we buy. As we trace our supply chain, we will progressively release additional details and figures.

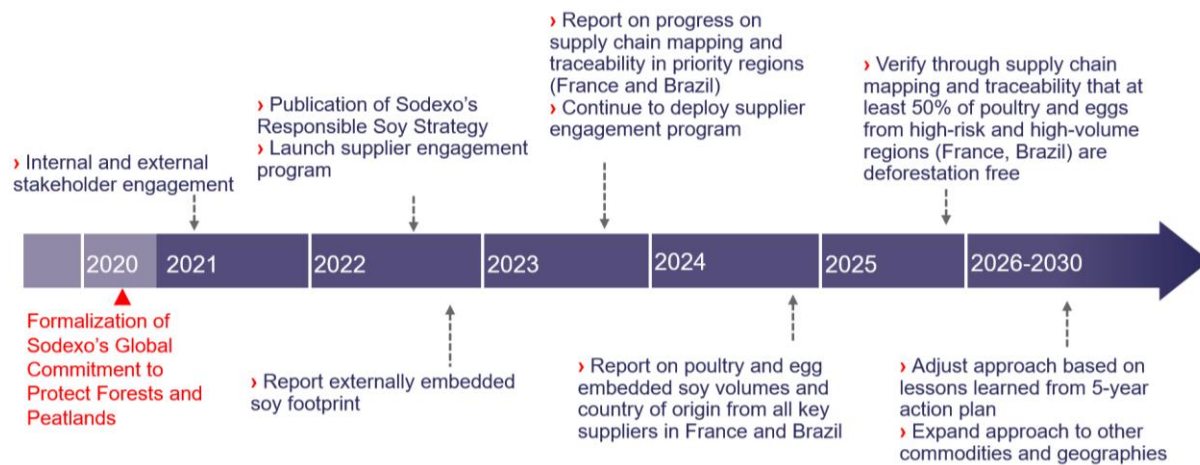
Sodexo's Indirect Soy Footprint, by product (2021)



Within the framework of our [deforestation-free supply chain commitment](#), Sodexo is committed to ensuring only responsible soy¹ is embedded in the primary meat, poultry, fish, dairy and egg products it sources by 2030.

To achieve this commitment, Sodexo will follow roadmap below:

¹ See the glossary for the definition of Responsible Soy



Sodexo's Implementation Strategy

Sodexo has a two-pronged approach to deforestation that applies to the soy strategy: (1) reduce pressure on natural ecosystems from agriculture (2) improve sourcing of verified deforestation-free products.

1. Reduce pressure on natural ecosystems from animal agriculture

Sodexo is engaged by:

- Creating and promoting delicious [plant-based meals](#) to our guests
 - If the world adopted a plant-based diet we would reduce global agricultural land use by 75% (from 4 to 1 billion hectares).
- [Reducing food waste](#) by 50% by 2025

2. Improve sourcing of verified deforestation-free products

There is not a single solution to creating deforestation and conversion free soy supply chains; the challenges are different in each region and only a very small percentage of soy is covered by certifications. Furthermore, no single actor can solve a systemic issue such as deforestation and conversion alone; collaboration is required.

Sodexo's responsible soy strategy is built on three pillars and underpinned by transparent reporting:



I. Map and Trace

- In collaboration with our suppliers and starting with the most relevant categories and in selected priority regions (as outlined in the roadmap above), we will progressively map all relevant supply chains to understand feed types, soy volumes, soy country of origin, and certifications.
- If the country of origin is at high risk of deforestation / land conversion (e.g. Brazil), then we will need state/municipality level traceability.

II. Work Collaboratively

Continue internal engagement with and training of the Supply Management team

- Building on past engagement on palm oil deforestation, actions may include webinars and/or e-learning modules on soy and deforestation and Sodexo's supplier engagement approach to mitigate this supply chain risk. The webinars and/or trainings will be embedded in Sodexo's supply management training platform.

Supplier Engagement

- Supplier training, awareness webinars and consultations
- Inclusion in animal protein RFPs questions on sustainable soy and traceability capabilities

Cross-industry and cross-sector collective action to drive systemic change in priority commodity supply chains

- The only way we will achieve our commitment is by engaging across the industry and across sectors. To this end, Sodexo has joined the following initiatives:
 - WWF France Soy working group
 - Consumer Goods Forum, Forest Positive Coalition
 - Cerrado Manifesto Statement of Support signatory
 - Trader engagement through the coalitions mentioned above
 - In addition, we encourage our suppliers to join cross-industry and cross-sector initiatives on deforestation.

III. Transition to sustainable soy or alternatives

- We encourage our suppliers to consider the following actions to demonstrate deforestation and conversion free animal feed and choose **the best fit for their local context**:
 - Mitigation and support: If the soy is grown in high-risk locations, adequate mitigation actions are required to support suppliers in the transition towards more sustainable practices, AND/OR
 - Sourcing of certified soy (e.g. physically certified RTRS), AND/OR
 - Sourcing soy from countries and regions with no deforestation risk (with a preference for local, if possible), AND/OR
 - Sourcing alternatives to soy in animal feed (e.g. grains, vegetable proteins, human food chain by-products, or incorporating insect proteins, algae and/or seaweed).

IV. Report Transparently

Data collection and regular reporting on progress at the group level (including disclosure of Sodexo Group's footprint, etc.)

- Sodexo will report progress through its website and annual universal registration document

What has been accomplished?

1. Reduce pressure on natural ecosystems from animal agriculture

- Non-exhaustive list of actions to date:
 - Sustainable food offers, for example: Green & Lean, Mindful, Modern Recipe, Origo
 - Innovative recipes: 300-plant based recipes developed in North America, Future 50 Recipes
 - Investment in start-ups: FoodCheri, a French food delivery company that promotes healthy, vegetarian and sustainable food.
 - Innovative suppliers: Impossible Burger, JUST eggs
 - Consumer awareness initiatives, for example: Meatless Mondays (started in 2011)
 - Sodexo is committed to reducing food waste by 50% by 2025. By implementing WasteWatch, Sodexo's global food waste prevention program, Sodexo has avoided millions of kilos of food waste.

2. Improve sourcing of verified deforestation-free products

- Supply chain mapping and traceability
 - In 2021, Sodexo worked with an external partner to map the supply chains of a selection of our animal protein suppliers in priority countries and identify the sources and level of risk associated with the soy present in their animal feed supply chains.
- Internal engagement with and training of the Supply Management team
 - Initial engagement with protein buyers of major Sodexo countries on the topic of soy and deforestation
- Supplier Engagement
 - While preparing our soy roadmap, Sodexo engaged with several key animal protein suppliers in Europe and South America in order to:
 - Raise awareness of our deforestation commitment
 - Ensure alignment in definitions and scope
 - Understand the actions being taken by our suppliers on responsible soy
 - Sodexo is currently developing a Supplier capacity building program for its egg and chicken suppliers in France and Brazil this year. The program will lead into this year's soy data collection and supply chain mapping process.
- Cross-industry and cross-sector collective action to drive systemic change in priority commodity supply chains
 - Sodexo was a part of WWF France's soy initiative launched in October 2018. This initiative brought together several actors in the French soy supply chain (distributors, processors, etc.) with the common goal to identify the best actions our industry can take to achieve a zero-deforestation supply chain.
 - Signed the Cerrado Manifesto statement of support
 - In 2021, Sodexo became the first food service company to join the Consumer Goods Forum Forest Positive Coalition
 - In 2021, co-developed with the WWF an industry statement on EU-level deforestation regulation

Related Documents and Links

- Sodexo's Commitment to Protect Forests and Peatlands: <https://www.sodexo.com/files/live/sites/com-global/files/02%20PDF/Sodexo-Commitment-to-Protect-Forests-and-Peatlands.pdf>
- Carbon action plan: <https://www.sodexo.com/home/positive-impact/sustainability/reducingcarbon-emissions.html>
- Sustainable Eating: <https://www.sodexo.com/home/positive-impact/sustainability/sustainable-eating.html>
- Food Waste Prevention: <https://www.sodexo.com/action-on-food-waste>
- Consumer Goods Forum – Forest Positive Coalition: <https://www.theconsumergoodsforum.com/environmental-sustainability/forest-positive/>

Glossary

Responsible soy:

We view the following as essential to responsibly sourcing soy:

- The compliance with the laws of the country of origin for produced and purchased commodities. A special focus is placed on the following high-risk areas: Cerrado, Gran Chacco, Pantanal, Amazonia, Atlantic Forest.
- For all commodities produced in critical landscapes, the existing sector-specific cut-off dates must be respected. Any commodities coming from regions without a specific cut-off date must not come from ecosystems that have been converted or degraded after 2020. A non-exhaustive list of critical landscape includes: natural forests, High Carbon Stock (HCS), High Conservation Value (HCV), or peatland, any natural ecosystem (e.g. savannah, scrubland, wetland, grasslands);
- The recognition of customary, tenure, use, and other associated rights of local communities and indigenous peoples;
- The request for Producers to obtain FPIC prior to delineation of new plantations or initiation of new field operations;
- The prohibition of human or labor rights violations in line with international standards or respective country law (whichever standard is higher).
- In addition, Responsible Soy production respects the international standards or respective country laws as described in our Supplier Code of Conduct and producers obtain "free, prior and intent consent" before delineation of new plantations or initiation of new field operations.
- Operate a transparent conflict resolution system
- Doing business with upstream suppliers who in turn are committed to Forest Positive implementation across their business
- Focus on positive engagement with suppliers/traders and in landscapes where action is most needed to promote continuous improvement in high priority origins

For the following, we adopt the definitions of the Accountability Framework Initiative.

Deforestation: Loss of natural forest as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe and sustained degradation.

Deforestation-free: (Synonym: no-deforestation) Commodity production, sourcing, or financial investments that do not cause or contribute to deforestation.

Natural forest: A forest that is a natural ecosystem.

- Natural forests possess many or most of the characteristics of a forest native to the given site, including species composition, structure, and ecological function. Natural forests include:
 - Primary forests that have not been subject to major human impacts in recent history
 - Regenerated (second-growth) forests that were subject to major impacts in the past (for instance by agriculture, livestock raising, tree plantations, or intensive logging) but where the

main causes of impact have ceased or greatly diminished and the ecosystem has attained much of the species composition, structure and function of prior or other contemporary natural ecosystems.

- Managed natural forests where much of the ecosystem's composition, structure, and ecological function exist in the presence of activities such as:
 - Harvesting of timber or other forest products, including management to promote high-value species
 - Low intensity, small scale cultivation within the forest, such as less-intensive forms of swidden agriculture in a forest mosaic
- Forests that have been partially degraded by anthropogenic or natural causes (e.g., harvesting, fire, climate change, invasive species, or others) but where the land has not been converted to another use and where degradation does not result in the sustained reduction of tree cover below the thresholds that define a forest or sustained loss of other main elements of ecosystem composition, structure, and ecological function.