



# Embedded soy: from understanding the challenges to taking action

**GUIDANCE**

**proforest**

# Introduction

The widespread use of soybean meal in global animal feed increases companies' exposure to the risk of non-compliance with responsible sourcing commitments and market regulations. As companies gain deeper insights into the soy footprint of various products, they are increasingly concerned about understanding the soy embedded in animal products and by-products. **How can companies navigate the complexities of their embedded soy supply chains to address environmental and human rights risks at production level?** This guidance aims to support companies to take initial steps towards understanding their embedded soy sourcing and take action at production level. It complements the Soy Toolkit Discussion Paper titled '[Estimating the Embedded Soy Footprint of Animal-Based Products](#)'<sup>1</sup>.

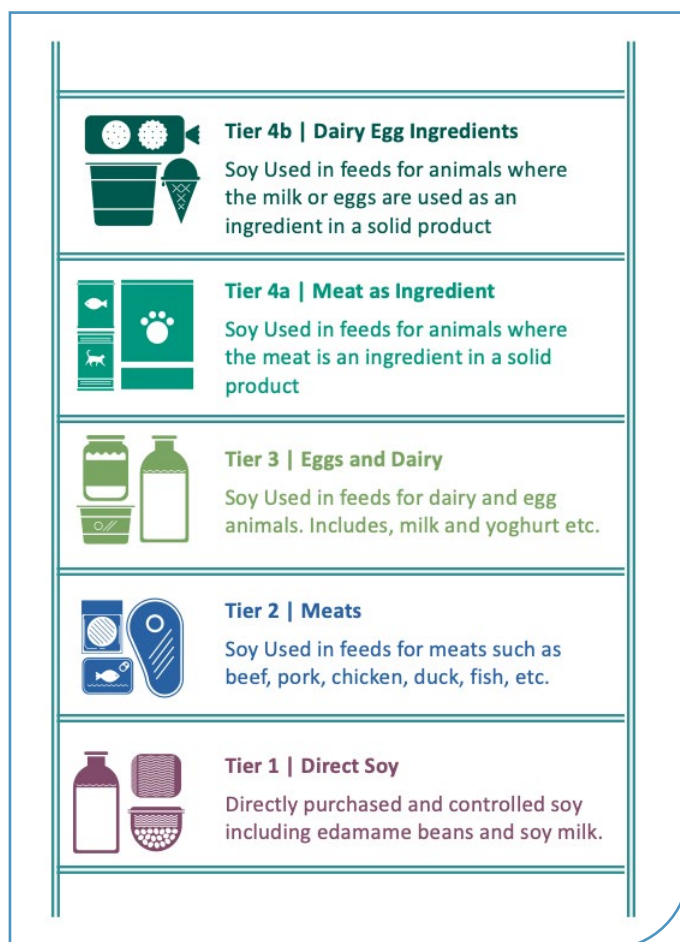
The guidance highlights three key points, and explains how companies can understand and assess their embedded soy, and engage with the challenges it poses:

- 1) The versatility of soy leads to complex supply chains with multiple tiers, making it challenging to trace its origin, especially in processed products.
- 2) Companies can follow a structured set of steps, tailored to their current stage in the responsible sourcing journey, to transition from initial unawareness to being fully prepared for action, through identifying products containing embedded soy and assessing potential soy origins.
- 3) With these results, companies can establish interim milestones to advance their responsible sourcing efforts, actively engage with suppliers and sector initiatives and support landscape initiatives to address sector challenges effectively.

## What is embedded soy?

Embedded soy relates to the soy that was used to feed animals, whose products and by-products are then included in companies' supply chains. When a company buys chicken that was raised on soy-based feed, they are 'embedding' soy in their supply chain, despite not directly purchasing the soy itself. To initiate the identification of products sourced by a company that may have embedded soy, the Consumer Goods Forum (CGF) offers a framework known as the 'Soy Ladder.'<sup>2</sup>

This ladder categorises products into five tiers based on similar characteristics, with soy usage occurring at corresponding points in the supply chain.



**Figure 1.** Soy Ladder. Based on the diagram from the KPMG and IDH Sustainable Trade Initiative: Soy Reporting Initiative

<sup>1</sup> Proforest (2021) "Estimating the embedded soy footprint of animal-based products"

<sup>2</sup> KPMG, CGF (2015) "A Framework for the measurement of soy usage in consumer goods businesses"

## Why is it important to understand embedded soy?

Currently, approximately 76% of soy production is utilised as a low-cost, high-quality protein source for animal feed in meat, dairy and egg production. About 20% is consumed as edible oils and human food products, such as tofu, soy milk and tempeh. The remaining 4% is used for industrial purposes, primarily in the form of biodiesel<sup>3</sup>. Given the downstream destinations of soybean products after processing and transformation, companies that hold 'No-deforestation and conversion' and 'No-human-rights-violations' commitments specifically for their direct soy purchases may only be addressing a small fraction of their overall soy exposure (or footprint). To develop a comprehensive understanding, companies should evaluate their soy footprint, which calculates the soy equivalent volumes sourced across various product categories beyond direct soy. This assessment can help identify products that may have greater exposure to risks at production-level and inform subsequent steps in their responsible sourcing strategy for embedded soy (see Box 1).

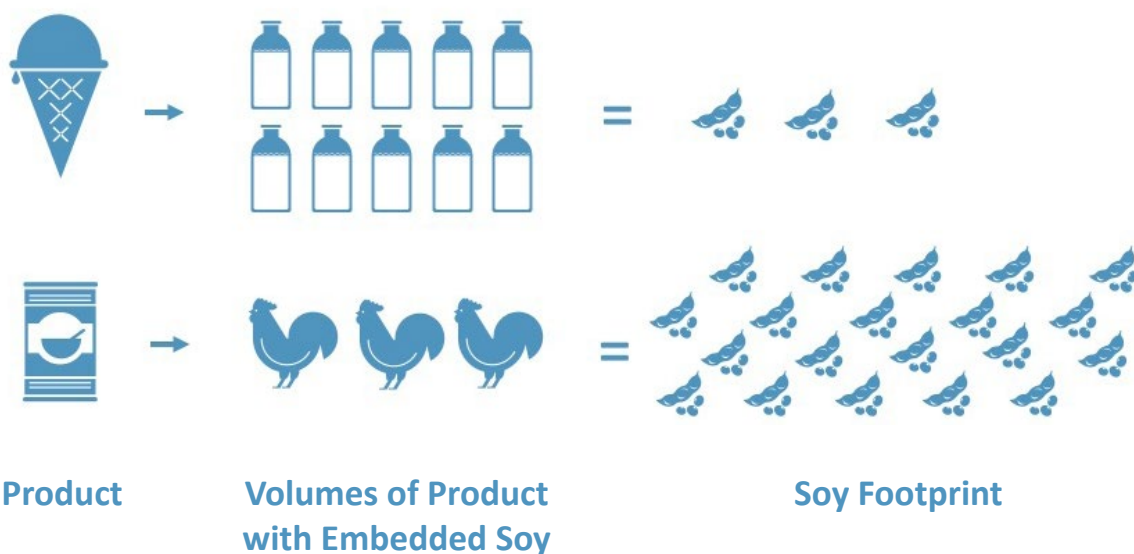
### Box 1. Prioritising products through the lens of an EU food manufacturing company

A food manufacturing company based in Germany seeks to determine which brand to prioritise in their embedded soy responsible sourcing journey: their ice cream brand or their soup brand. The key ingredients in these products that may contain embedded soy are the dairy milk in the ice cream and the chicken meat in the soup.

The company purchases approximately 100,000 tons of dairy milk for ice cream production and 30,000 tons of chicken meat for the soup brand. Initially, the company assumes that the dairy milk has the highest embedded soy footprint due to the larger volumes. To validate this assumption and stratify products to initiate supplier engagement, they decide to use the [RTRS Calculator](#), a quick and straightforward tool.

They identified that their sourced poultry has an approximate soy footprint of 20,000 tons, while their dairy milk has a footprint of roughly 3,100 tons, both calculated using economic allocation factors. The company realised that their supplier engagement efforts should initially focus on poultry sourcing.

This approach is advantageous in their early stages, as they have three times more dairy milk suppliers compared to poultry suppliers. By calculating the soy footprint, they were able to develop a plan to target actions where they are most needed first, thereby utilising internal resources more efficiently.



<sup>3</sup> Hannah Ritchie (2021) "Drivers of Deforestation"

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# Key challenges in sourcing embedded soy products responsibly

The key challenges faced by companies vary based on the characteristics of their supply chains and may impact progress in responsible sourcing of embedded soy products. The three key challenges relate to supply chain complexity, low levels of understanding in the sector, and a lack of traceability.



## Supply chain complexity:

- Soy, being an exceptionally versatile crop, leads to intricate supply chains even in the case of direct purchases.
- In the soy supply chain, multiple tiers can exist between the soy producer and the Tier 1 supplier of a buyer of animal products, including traders, crushers, feed manufacturers, farmers, and first aggregator of animal products.
- Moreover, additional tiers may separate that first aggregator of animal product from downstream buyers who purchase highly processed meat/dairy products (e.g., chicken broth) or animal by-products (e.g., cattle offal). This will be visualised in a later figure in this guidance (Figure 4).

## Low sector understanding

- Companies may often lack awareness regarding which products contain soy or may have used soy embedded as part of its production processes.
- If not physically present, it is more challenging for companies to enquire with their suppliers about the presence and proportion of soy embedded in sourced products.
- Companies often find it difficult to monitor soy that they do not directly purchase, particularly in the context of animal feed.

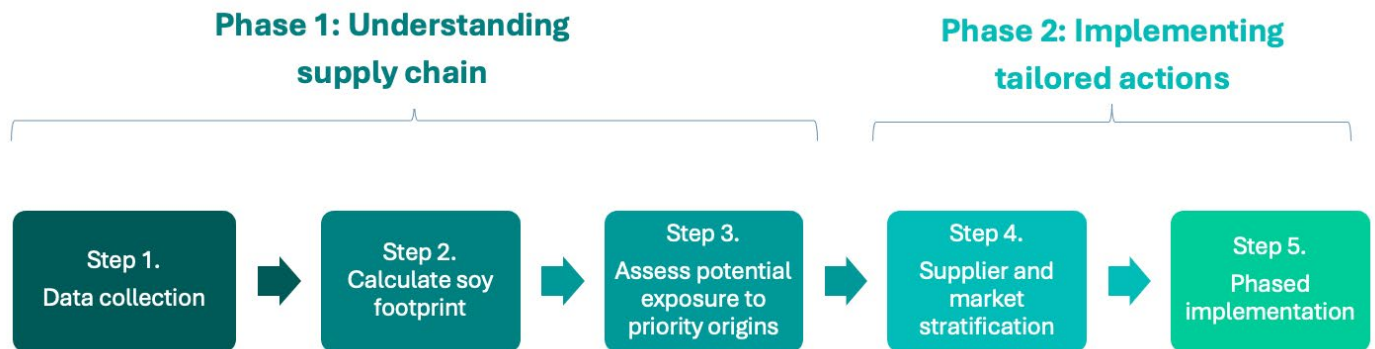
## Lack of traceability

- The complexity of the supply chain, combined with limited sector understanding and the significant distance of downstream players from soy production areas, impedes progress in tracing the origin of soy embedded in animal products.
- Furthermore, the varying proportion of soy in these products is influenced by feed composition. The composition of feed is not entirely soy and must be accounted for. Many different soybean-derived products lack proper conversion factors, highlighting the need for further research to address this gap. Gaining this understanding would necessitate tracing back to the feed manufacturer or another supply chain actor with this knowledge.

These challenges may hamper a company's ability to progress in their journey towards understanding their products with embedded soy. Nonetheless, there are certain steps a company can take to gradually progress towards addressing risks where they are most prominent, at production level.

# Starting the journey towards responsible sourcing of embedded soy

Companies exhibit varying levels of maturity in their responsible sourcing journey of embedded soy, due to factors like early awareness, adoption of responsible practices, supply chain integration, and access to supplier data. The journey starts with understanding their supply chains, to the extent that supports informed, prioritised decision-making and implementation of tailored actions.



## Phase 1: Understanding the supply chain

Phase 1 focuses on gathering the crucial information required to make well-informed decisions for future actions. Companies may opt to bypass this phase if they possess sufficient information and a clear understanding of how to stratify products and markets based on their potential exposure to priority origins. However, it is advisable to follow the steps outlined in Phase 1 when understanding is limited to ensure the company is investing and taking action in areas where it is most needed.

### Step 1. Data collection

**What does this entail?** Determining the scope of products that are likely to contain the highest volumes of embedded soy amongst all the products the company sources, and which the company can prioritise for further analysis.

**What type of data should a company collect?** Companies should identify products and volumes sourced that may contain embedded soy, considering:

- **Direct purchases of animal products**, e.g., chicken meat (CGF Soy Ladder Tier 2) or dairy milk (CGF Soy Ladder Tier 3)
- **Purchases of processed animal products**, e.g., chicken meal (CGF Soy Ladder Tier 2) or powdered milk (CGF Soy Ladder Tier 3)
- **Purchases of finished products** that contain animal products as ingredients, e.g., soup with chicken broth (CGF Soy Ladder Tier 4a) or ice cream which contains dairy milk (CGF Soy Ladder Tier 4b)

**How can this be done?** If the list acquired from previous points is too long, then a company can prioritise further considering, but not limited to, four factors: 1. volumes purchased, 2. higher soy content (i.e., first direct purchases, then processed animal products and finally finished products), 3. market significance, and 4. supply chain integration.

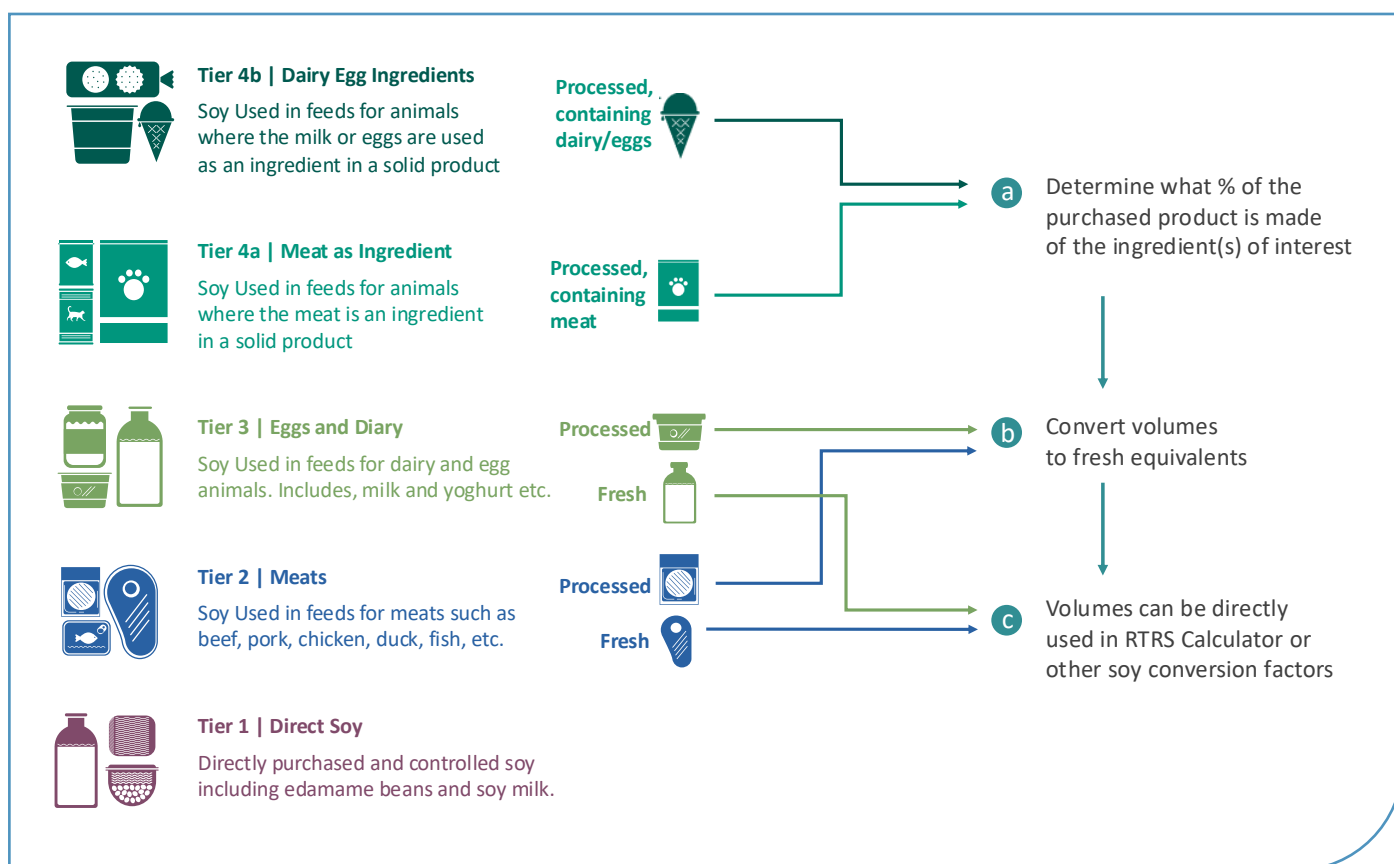
**Supply chain integration** refers to companies fulfilling multiple roles within the supply chain. For instance, a company with slaughterhouse operations that works with long-term relationships with animal farmers and controls or even produces the feed used by farmers has an integrated supply chain, whereas a company solely operating a slaughterhouse is not.

## Step 2. Calculate the soy footprint

**What does this entail?** Calculating the soy footprint focuses on quantifying how much soy, in any of its forms, was used to produce a product, i.e., the soy equivalent volumes. If companies prioritise products based on purchased volumes rather than their soy footprint, they may inadvertently focus on products that do not significantly mitigate their highest potential exposure to environmental and human rights risks at the production level.

**How can this be done?** The optimal approach for calculating a company's soy footprint depends on the available data and the intended purpose. Generally, after identifying products in scope, a company can select the most appropriate method based on the type of product they are working with:

- **Direct purchases of animal products:** Use the [RTRS Soy Calculator](#) tool or other soy conversion factors directly – Starting point c. in Figure 2.
- **Purchases of processed animal products:** Convert volumes to fresh equivalents (e.g., powdered milk to fresh dairy milk) before using the RTRS Soy Calculator or other soy conversion factors – Starting point b. in Figure 2.
- **Purchases of finished products:** Determine the percentage of the purchased product volume which is made of the ingredient of interest (e.g., chicken broth in the soup), convert to fresh volumes (e.g., chicken broth to fresh chicken meat), and then use the RTRS Soy Calculator or other soy conversion factors – Starting point a. in Figure 2.



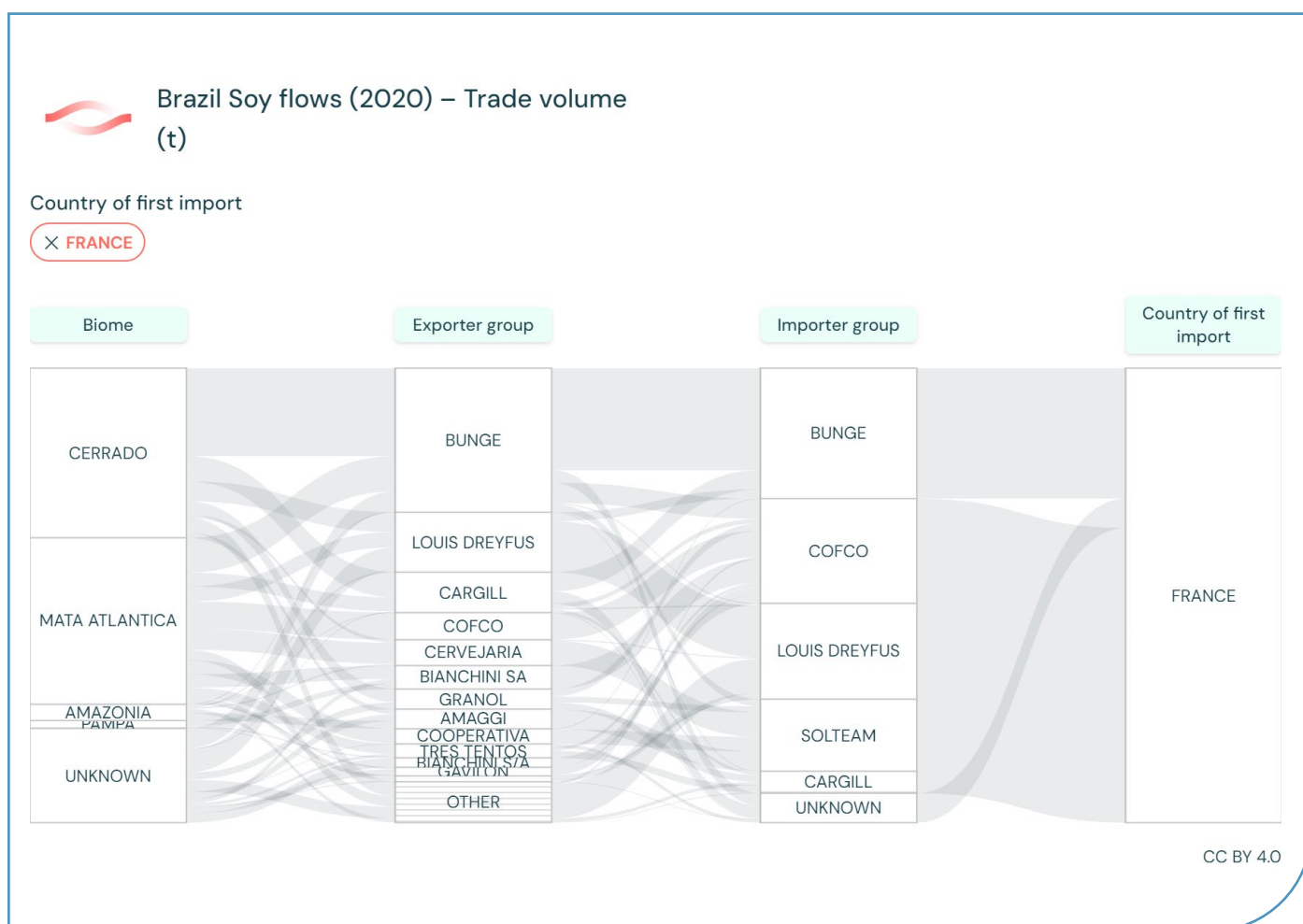
**Figure 2:** Overview of the steps required to calculate a product's soy footprint, determined by its tier in the CGF Soy Ladder. The decision-making process will depend on whether the product is fresh or processed, with the latter, having to go through additional steps to reach the final calculation.

For detailed guidance on calculating the soy footprint of a product, please refer to the Soy Toolkit Discussion Paper titled "[Estimating the Embedded Soy Footprint of Animal-Based Products](#)".

### Step 3. Assess potential exposure to priority origins

**What does this entail?** This step involves achieving a certain level of traceability to identify the country where the animal was raised or to make an informed assumption about its origin. Understanding the animal’s country of origin can indicate that it was fed with feed manufactured in that country, using soy produced locally or imported into that country. Based on these assumptions and using trade data, a company can assess countries and even subnational regions from which soy potentially came. As different soy producing countries and regions have different levels of risk of non-compliance with corporate commitments and market regulations, this assessment can be used to identify exposure to high-risk or priority origins. This approach is not intended to support the reporting of compliant volumes but rather to prioritise products or volumes that require immediate action.

**How can this be done?** Global soy production, soybean export and import flows per country are widely accessible through credible trade data platforms, like [FAOSTAT](#), [ITC Trade Map](#), [USDA GATS](#). Data on subnational soy origins and their flows are available for a selected list of countries at [Trase](#). For example, if a company can trace the animal origin back to France, it is possible to analyse trade data to quantify the soybeans, soy meal and soy oil available in France – considering the quantities produced locally, imported and exported. This information can reveal how much was likely imported, for example, from Brazil. This data can then be combined with information from the Trase platform to identify how much of the Brazilian soy in the mix used in France was produced in Cerrado biome. As illustrated in Figure 3, the snapshot from the Trase platform depicts the flow of soybeans from key Brazilian biomes with high conversion risks, such as the Cerrado, to exporters, importers, and the destination country, France.

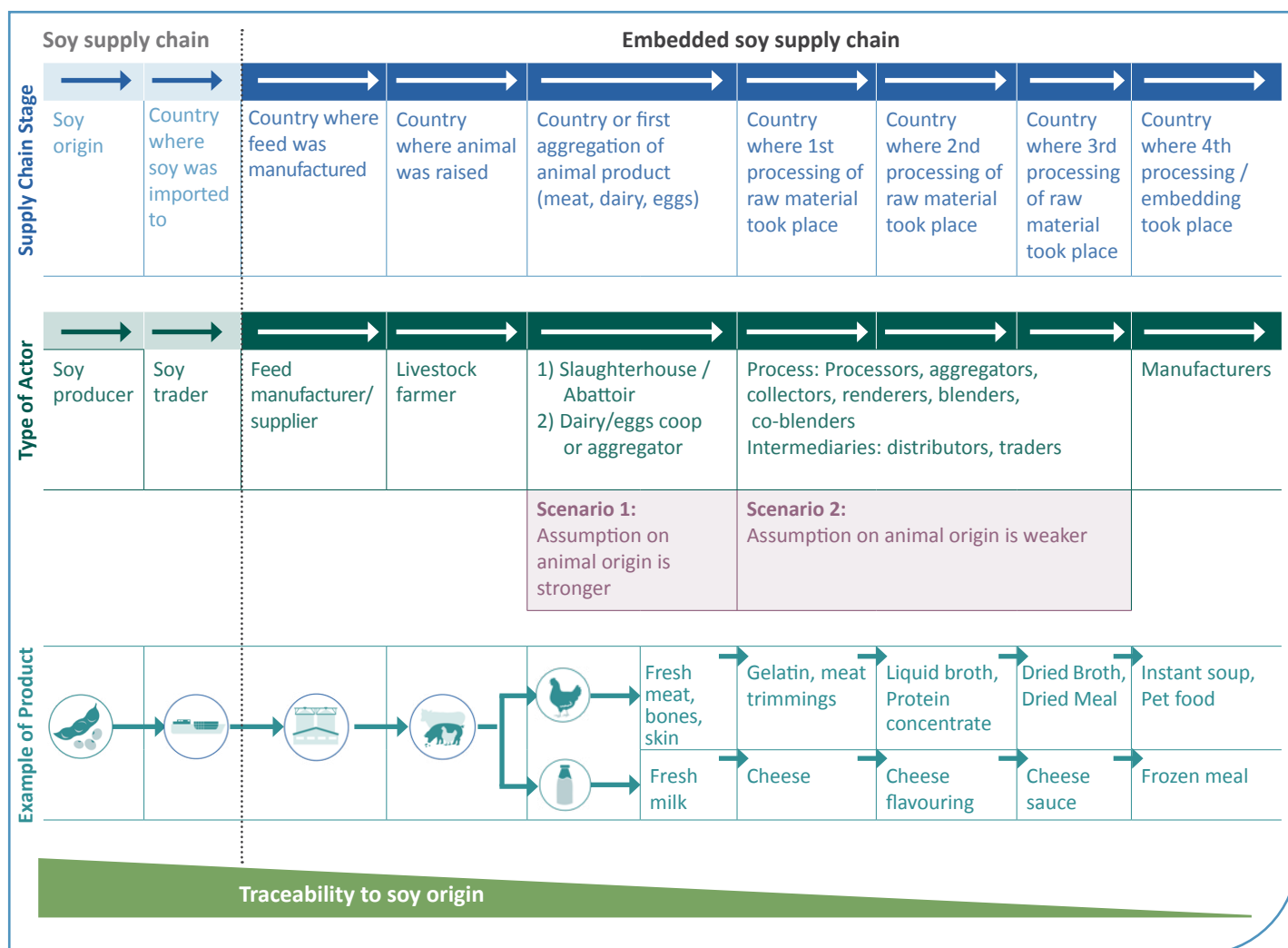


**Figure 3:** Trase is a key resource in the industry, offering a valuable tool for downstream companies. The Trase platform supports mapping connections between countries of first soy import, production municipalities, and biomes through trading companies, as illustrated in this snapshot.

**When and how to use this approach?** Companies that lack traceability data should conduct this type of analysis when they can strongly assume the rearing or slaughtering country of the animal. This helps identify the potential countries of soy origin and assess production-level risks using trade data. The distinction between strong and weak assumptions is crucial in various analytical contexts. Below are two scenarios illustrating this concept, based on traceability data acquired:

- **Scenario 1 - Traceability to Country of Animal Origin:** As illustrated in Figure 4 below, Scenario 1 is highlighted in the pink box in the middle of the diagram, indicating stronger assumptions of traceability to soy origin, referring to the position that a slaughterhouse or abattoir for meat products or the dairy cooperative for dairy products holds in the supply chain.
- **Scenario 2 - Traceability to Downstream Processor or Aggregator:** In Figure 4, Scenario 2 is shown in the pink box towards the right of the diagram, which is less reliable as it offers lower traceability. Assumptions about where the animal was reared or slaughtered are weaker. In such cases, companies should seek additional data from internal sources or suppliers.

Identifying suppliers with vertical integration can significantly enhance the availability of traceability data. Companies that are vertically integrated – for example, a single company that has feed manufacturing, livestock farming, and slaughterhouse operations – are likely to have specific control over the composition of the feed and the amount of soy used at various points in the supply chain.



**Figure 4:** This figure illustrates the various stages that may exist within the supply chain for products containing embedded soy, beginning with soybean production (far left) and culminating in the final product with embedded soy (far right). While certain products, particularly fresh ones, are less likely to be transported between countries, the possibility remains. This diagram underscores the high level of complexity inherent in the supply chain. Naturally, traceability to soy origin decreases as one moves from the origin (left) to the end product (right). The pink boxes delineate distinct scenarios and serve as a critical dividing point. Scenario 1 focuses on first aggregator of animal product, which operate under stronger assumptions regarding animal origin. In contrast, Scenario 2 refers to downstream processors or aggregators, where these assumptions are weaker.



## Phase 2: Implementing tailored actions

Phase 1 emphasises collecting the essential information needed to make informed decisions about subsequent actions. Phase 2 focuses on targeting actions that will be most efficient and ensure sustained progress.

### Step 4. Supplier and market stratification

**What does this entail?** Stratifying suppliers, markets, or both is advisable for companies lacking the resources or capacity to engage comprehensively across a broad scope simultaneously. While companies may develop their own stratification approach without calculating their footprint or potential exposure to priority origins, the results from the first three steps of Phase 1 provide a solid foundation for this stratification. This enables the identification of supplier, product or market with the highest footprint and potential exposure to priority origins, allowing for the targeted phased implementation of tailored actions.

**How can this be done?** Companies can stratify their suppliers from diverse starting points:

- **Market volumes:** Markets with higher soy volumes potentially exposed to high-risk or priority origins can serve as an initial filter when two or three products have similar potential exposure in these markets. For example, the Netherlands may have a larger exposure to priority origins like Brazilian biomes, such as the Cerrado, when compared with Norway, as seen in the trade data. Consequently, a company can identify the top products within the Dutch market, such as poultry, beef, and pork.
- **Product volumes:** As another starting point, if one product has the highest volumes potentially exposed to priority origins, companies can identify the top markets where this product is most prominent. For example, if poultry has a substantially higher potential exposure to priority origins than beef or pork, regardless of the market, focusing on this single product may be the most efficient approach.
- **Supplier volumes:** An alternative approach to analysing total market or product volumes is to focus on supplier volumes. If a company identifies a supplier that is prominent across multiple markets and products, particularly one with significant soy equivalent volumes, it can be highly efficient to engage directly with this strategic supplier. By fostering a strong relationship with such a supplier, a company can streamline its supply chain, enhance sustainability efforts, and achieve broader market influence.

The process of stratifying and segmenting suppliers should consider factors such as the level of integration in their operations, parent group and supplier size, and known or potential links to larger traders in the industry, amongst other important characteristics. The primary consideration is identifying where companies will have the most leverage to drive progress towards responsible sourcing of products with embedded soy. This process may also involve identifying the presence of soy sectoral initiatives within the markets under analysis. If a market has an active soy initiative and a company's supplier is participating in it, the company can leverage this involvement to take further action.

### Step 5. Phased implementation

**What does this entail?** This step focuses on how a company can continue to implement actions regardless of what stage in their embedded soy responsible sourcing journey they find themselves. The concept of a 'phased approach' is recommended since the embedded soy responsible sourcing process is intended to be incremental through continuous improvement.

**What types of actions can a company take?** The types of actions taken will depend on whether a company successfully navigated Steps 1-4 or encountered any obstacles along the way. If initial obstacles arise, such as low visibility of products potentially containing embedded soy within the company's operations (impacting Steps 1 and 2), or a lack of traceability data to establish strong assumptions on potential animal origin (impacting Step 3), companies should engage internally with teams such as manufacturing, research and development (R&D) and sourcing, or directly with their Tier 1 suppliers to gather the necessary minimum data.

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## Recommended Actions

The final section of this guidance offers a general overview of recommended actions for companies to undertake within, as well as beyond, their operations and supply chains. These actions may not be immediately applicable to all companies, as their relevance depends on how each company has navigated through Steps 1-4.

To meet the imminent time-sensitive market regulations and their own commitments for soy sourced from priority origins, it is strongly recommended that companies proactively begin to understand products with confirmed or potential embedded soy.

By setting realistic interim milestones, companies can ensure they are well-prepared when these products become a priority post-2025. Interim milestones can guide companies' actions in their embedded soy journey, within their own operations, within their supply chain and beyond their supply chain.

### Actions within own operations

#### 1. Integrate embedded soy in the company's responsible sourcing strategy

Integrating a section focused on embedded soy within the broader responsible sourcing strategy can help the company think through how they can approach these types of supply chains, what existing systems, processes and strategies can be easily applied to embedded soy products, and which need to be adapted. This is particularly important for those companies that already source direct soy and have established commitments for these direct volumes. Their commitments should emphasise the critical importance of managing soy-related risks as a whole. Companies can set clear goals and targets looking at within and beyond supply chain actions and defining key performance indicators to measure progress even before establishing a concrete no deforestation and conversion commitment for products with embedded soy.

#### 2. Engage relevant teams

To develop such a chapter or strategy around embedded soy, key teams need to be engaged from the beginning. This will foster a company-wide understanding, buy-in and commitment to the embedded soy strategy in their wider responsible sourcing strategy. This can be done by conducting workshops, training sessions, and meetings to encourage collaboration between procurement, sustainability teams, supply chain experts and other relevant departments to ensure cohesive efforts. Providing capacity building for procurement teams sourcing animal protein products is crucial for establishing an effective engagement process to collect data and implement best practices in embedded soy.

#### 3. Develop commitments

While it is essential to set a target to achieve deforestation and conversion-free (DCF) sourcing for embedded soy products, as part of a company's entire soy sourcing footprint, it is crucial to first understand what is achievable and what is the level of the company's internal buy-in. Progress made across various fronts, both within and beyond a company's supply chain, should be utilised to identify the main gaps and inform the type of commitments that can be made.

### Actions within supply chain

#### 1. Supplier engagement

Developing a systematic approach to supplier engagement involves understanding a company's sourcing model and Tier 1 supplier base. This includes identifying the types of operations, levels of integration, and geographic locations of these operations, among other factors. With this information, companies can implement supplier segmentation and develop targeted plans considering their supply chain position and level of supply chain integration. Engaging with these types of T1 suppliers initially can help in understanding the structure and dynamics of suppliers at the Tier 2 level, Tier 3 level, and beyond.

When a company has sufficient leverage to engage with its Tier 1 suppliers and successfully acquire data, it can utilise self-assessment questionnaires to understand the T1's upstream suppliers, their knowledge of whether soy is included in the feed purchased, insights on whether the soy is domestic or imported, and information on any certifications or standards associated with the soy.

## 2. Increasing company leverage through supply chain partnerships

Where supply chain overlaps exist, forming partnerships with suppliers can enhance a company's leverage. Companies can partner to jointly request information on supply chains further upstream. This allows them to focus on tracing back to animal origin, at a minimum, and further to feed manufacturer, to understand the feed composition, soy presence and origin within the feed. Box 2 illustrates a case where soy has been confirmed as a component of animal feed and highlights how a supply chain partnership is promoting deforestation and conversion-free sourcing of that soy.

### Box 2. An example in the poultry industry

A feed manufacturing company and a poultry slaughterhouse are collaborating to establish a deforestation- and conversion-free soy supply chain into Europe. Their joint commitment ensures a DCF soy supply chain in poultry feed, with a cut-off date of 2020.

For sourcing from high-priority areas, the feed manufacturer has outlined three routes:

- 1) Certification under schemes positively benchmarked against the FEAC Soy Sourcing Guidelines.
- 2) Acceptance of soy certified or verified under supplier-owned schemes, provided definitions align with AFi standards, origin assurance is given, and third-party auditing is included.
- 3) Third-party verification for smaller suppliers unable to meet certification requirements, with the feed manufacturer offering annual verification to ensure soy is sourced from DCF fields.

This example demonstrates how partnerships within the supply chain can not only cascade the expectations of achieving DCF sourcing for products containing soy but also align on the methodologies and integrity required to achieve this DCF soy supply chain.

## 3. Advancing supply chain understanding and transparency

It is encouraged that companies regularly report on the progress made in understanding their supply chain, including the scope of the analysis, challenges encountered, and steps taken to address them. Whether companies decide to do so via public reporting or through sector group level reporting, enhancing transparency on progress not only enhances accountability and sparks motivation to take action, but also encourages dialogue between supply chain actors and industry peers, and fosters opportunities for further partnerships.

The [CDP](#), a global non-profit organisation established in 2000, initially focused on climate impact disclosure. It has since expanded to include deforestation and water security, supporting cities, states, and regions. For embedded soy, the CDP offers key indicators for monitoring the transition to DCF supply chains. Their recent publication<sup>4</sup> on cattle and soy producers highlights the need for comprehensive disclosure and engagement with suppliers and investees on underperforming KPIs. It also stresses the importance for traders to publicly communicate their DCF intentions, report impacts accurately, improve KPI performance, enhance supply chain engagement, and participate in landscape/ jurisdictional approaches.

<sup>4</sup> CDP (2024) "Commitments and Actions of Prominent Cattle and Soy Producers: An update on the state of deforestation- and conversion-free production among prominent cattle and soy producers"

# Actions beyond supply chain

## 1. Landscape investment

Production level investment, with landscape initiatives as one example, can lead to positive change by addressing the systemic issues affecting communities and ecosystems, for example by developing incentives to prevent ecosystem conversion. Tackling all commodity drivers of deforestation enables a shift of emphasis from DCF-volumes to a DCF-landscape, reducing leakage across commodities. Landscape initiatives also provide entry points for governments, suppliers, other economic actors, and funds to engage and support landscape transformation with long-lasting impacts.

Similarly to transforming production landscapes, achieving traceability is a long-term process that demands short-term progress. As companies advance on traceability, they can increase investment in landscapes more connected to their supply chain, so they are contributing to the development of DCF production. Over time, a company will enhance its traceability capabilities to the extent that it can connect its supply chains to DCF landscapes. Where these landscapes have been continuously supported by a company's investments, a company will be able to make credible DCF claims.

A starting point can be nesting credits into landscape initiatives through credible and acceptable schemes such as RTRS. Given the diversity of producing landscapes, there is an opportunity to integrate a certification credit strategy. This approach provides positive market incentives for good practices already in place and shows a pathway for not-yet compliant farmers.

Investing at production level in parallel to their efforts to improve traceability helps companies demonstrate progress in connecting their supply with DCF and forest positive origins. This approach links responsible production and responsible sourcing by working downstream from the origin and upstream from the destination markets, ultimately converging in the middle. This is essential for embedded soy sourcing, where the time needed to achieve traceability and ascertain DCF status of sourced volumes should not delay but rather complement actions for the transformation of producing landscapes.

## 2. Sector collaboration

Joining industry groups or coalitions dedicated to responsible sourcing of embedded soy products enables companies to stay informed about sector-wide progress and collaboratively address challenges. Key sector spaces are the Round Table on Responsible Soy (RTRS), the Consumer Goods Forum Forest Positive Coalition (CGF FPC) Soy Working Group and the different Soy Initiatives focused on specific countries, products or industries (see Box 3).

### Box 3. Key sector spaces

There are several soy initiatives, such as the [UK Soy Manifesto](#), the [Soy Manifesto in France](#), the [Dutch Soy Platform](#), the [Sustainable Dairy Partnership](#), the [Retail Soy Group](#) among others. All of them are open or exclusive to private sector participation and focus on critical embedded soy supply chains in their markets, covering activities from collective supplier engagement, advocacy, knowledge sharing and implementation pilots. The [European National Soya Initiatives \(ENSI\)](#) is a neutral convenor for 10 different soy initiatives.

The [Round Table on Responsible Soy](#) (RTRS) is an international multi-stakeholder initiative dedicated to promoting sustainable soy production, processing, trade, and use. This is achieved through the development, implementation, and verification of their global standard for responsible soy production. By offering a robust certification scheme, acting as a convenor, and providing tools such as the RTRS Soy Calculator, RTRS strives to ensure that soy production is environmentally sound, socially equitable, and economically viable.

The [CGF-FPC Soy WG](#) developed a roadmap towards a Forest Positive future in soy supply chains, which includes commitments, actions and reporting KPIs on volumes, suppliers and priority landscapes. As part of the adaptation of this roadmap to embedded soy, FPC developed an approach to support reporting on progress towards connecting their supply with DCF and Forest Positive origins.

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## Key takeaways

This guidance provides a starting point for companies to understand and take action on their embedded soy. We offer three key takeaways from the guidance:

**Challenges for embedded soy:** The versatility of soy leads to intricate supply chains with multiple tiers, including traders, crushers, feed manufacturers, farmers and aggregators. This complexity makes it difficult to trace the origin of soy in products, especially when it involves highly processed products or animal by-products. Low sector understanding leads to a lack of awareness of soy embedded in products, such as the soy in animal feed, and companies find it challenging to monitor this. The complexity of the supply chain and the distance from soy production areas further impede the ability to trace soy's origin.

**Steps to transition from awareness to action:** Embarking on the journey towards responsible sourcing of embedded soy involves different phases. The initial phase focuses on understanding the company's supply chain by gathering crucial information to make informed decisions. This includes data collection to identify products likely to contain high volumes of embedded soy and calculating the soy footprint to quantify soy usage. With this information, companies can assess potential exposure to priority origins using trade data and platforms like Trase. The subsequent phase involves stratifying suppliers and markets to target actions efficiently. This approach ensures sustained progress by concentrating efforts on areas with the highest impact and need for responsible sourcing practices.

**Types of actions a company can take:** To meet time-sensitive market regulations and corporate commitments for soy from priority origins, companies should first understand which products contain embedded soy and set interim milestones to prepare for post-2025 priorities. Engaging suppliers to gather data on sourcing models and forming partnerships can enhance leverage and traceability. Regular reporting on supply chain progress fosters transparency and accountability. Beyond their own supply chains, companies should invest in landscape initiatives to address systemic issues like ecosystem conversion and deforestation. These initiatives also engage various stakeholders to support long-lasting transformation. Additionally, joining industry groups such as the Round Table on Responsible Soy (RTRS) and the Consumer Goods Forum Forest Positive Coalition (CGF FPC) Soy Working Group helps companies stay informed and collaboratively address challenges.

In summary, demonstrating progress involves a combination of robust traceability, on-the-ground investments, and transparent reporting. These steps are essential for managing risks, meeting sustainability commitments, and demonstrating accountability in the supply chain.

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The logo for Proforest, featuring the word "proforest" in a bold, lowercase, sans-serif font. The letter "o" is stylized with a horizontal line passing through its center. The logo is positioned on the left side of a rounded rectangular box.

Proforest is a global organisation with a single mission: To ensure agricultural and forestry production that delivers positive outcomes for people, nature and climate. We have more than twenty years of practical experience in supporting companies, governments, communities and partners, to establish responsible production and sourcing practices in Asia, Africa, Latin America and the Caribbean, Europe and North America. We work within and beyond supply chains: with technical expertise in implementation of responsible sourcing and production, collaboration, landscape and multi-stakeholder initiatives, capacity building, tools and training.

[www.proforest.net](https://www.proforest.net)