

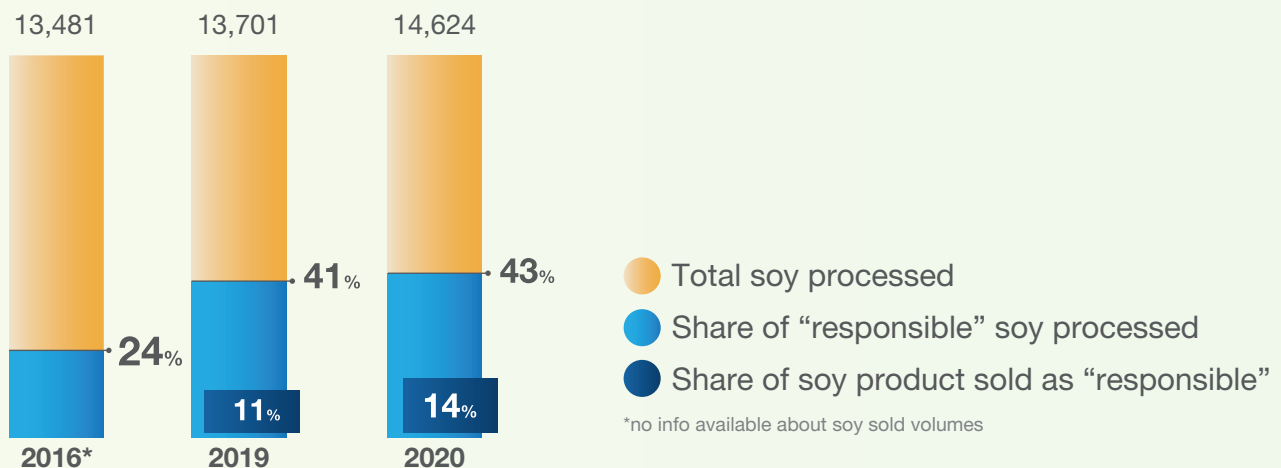
FEDIOL data collection¹ on FEAC Soy Sourcing Guidelines' compliant soy

FEDIOL assessed the volumes of FEAC Soy Sourcing Guidelines' (SSGs) compliant soybeans used (bought and sold as meal or oil in the EU) in 2020 by member companies.

The assessment is based on company information collecting EU aggregate numbers of soybeans that meet any of the FEAC SSGs benchmarked schemes.

19 schemes have been positively benchmarked by the International Trade Centre (ITC)² according to the 2015 FEAC SSGs.

Outcome of the 2020 monitoring of FEAC SSGs' compliant soy



FEDIOL data collection with participating member companies - EU28 - 1000 tons

- In 2020, **43%** of the soy processed by EU crushers was compliant with one of the schemes benchmarked according to FEAC SSGs. This is a 79% increase as compared to the 2016 number.
- The amount of FEAC SSGs' compliant soy product FEDIOL companies sold (as verified or certified) to customers reached **14%**, with a 3% points' increase as compared to 2019.



There is still a gap of 29% points between the amount of soy processed and the soy product sold (as verified or certified) by EU crushing companies. The vast majority of customers is not willing to buy soy meeting sustainability criteria, including no-deforestation criteria, if it entails having to pay a premium.

In this case, crushers sell the soy product as «standard», although it is verified or certified, and have themselves to support the premium paid for the soybeans to their suppliers.

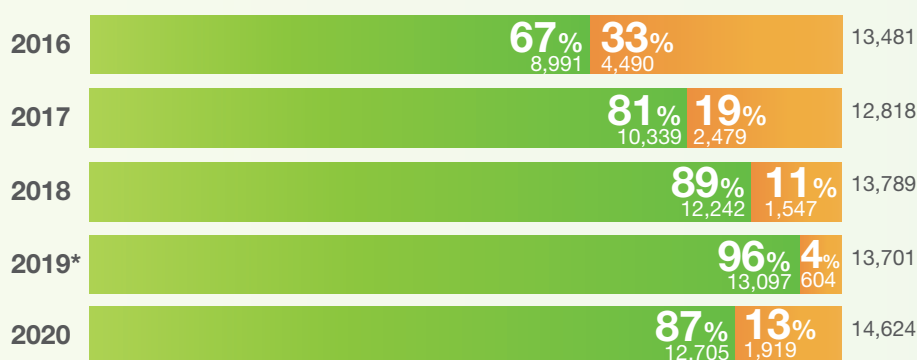
¹In 2020, the share of soybean crushed in the EU-28 by FEDIOL members represented 88% of the total EU-28 soybean crush
²<https://sustainabilitygateway.org/european-feed-manufacturers-federation-fefac-soy-benchmarking-tool/>

Sourcing of soy associated with low or high risk of deforestation

FEDIOL assessed the soybean sourcing of member companies based on their geographical knowledge of the origin of their supplies and the collection of their aggregated volumes of soy processed in the EU.

For the purpose of this assessment, soybeans associated with a low risk of deforestation - even if not all supplies may be verified or certified - cover: EU, Ukraine, USA, Canada, Brazilian soybeans under the Amazon moratorium or under valid sustainability / no-deforestation certification, Argentina origin outside Gran Chaco area.

Low deforestation risk soybeans 2020 monitoring



- Soy with low risk of deforestation
- Soy with possible high risk of deforestation

*2019 showed a deviation from the usual pattern: the political context influenced trade by increased availability at lower price of US soybeans, leading EU crushers to source more from those low-risk areas.

FEDIOL data collection with participating member companies - EU28 - 1000 tons

- ▶ In 2020, **87%** of the soy processed in the EU was sourced from areas and regions with a low risk of deforestation.
- ▶ It shows a **20%** points' increase of processed soy with low deforestation risk as compared to 2016 with a slight reduction compared to 2018, a year with very similar trade patterns.



For crushers, the geographical area from which to source soy is seasonal. Northern and Southern hemisphere alternate as new harvests arise. Availability and price determine the most economically viable option. Soy can be sourced from areas where the risk of deforestation is higher, in which case more efforts would be implemented to provide evidence that the supplies are not associated with deforestation.



≠ deforestation

= controls in place

to provide assurances that soy is not linked to land conversion

The key soy players² have worked on enhancing traceability, increasing scrutiny, engagement with farmers to change practices, towards producing more without land conversion.

²See Soft Commodities Forum report.
<https://www.wbcso.org/Programs/Food-and-Nature/Food-Land-Use/Soft-Commodities-Forum/News/Soft-Commodities-Forum-expands-area-of-work-urges-long-term-incentives-for-soy-producers>