

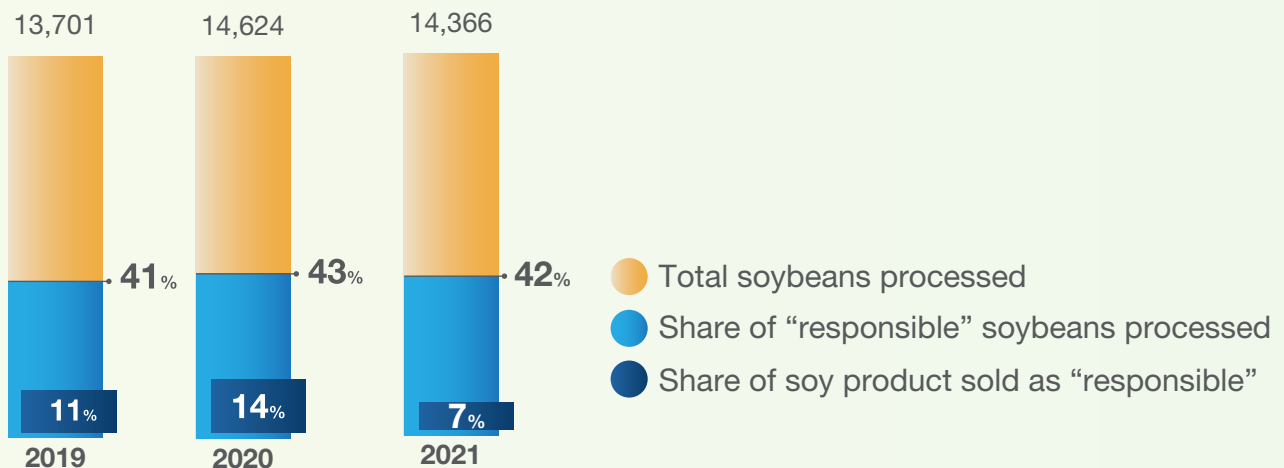
FEDIOL data collection¹ on FEFAC Soy Sourcing Guidelines' compliant soybeans

FEDIOL assessed the volumes of FEFAC Soy Sourcing Guidelines' (SSGs) compliant soybeans used (bought and sold as meal or oil in the EU) in 2021 by member companies.

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

In 2021, 19 schemes were positively benchmarked by the International Trade Centre (ITC)² according to the 2015 FEFAC SSGs.

Outcome of the 2021 monitoring of FEFAC SSGs' compliant soybeans



FEDIOL data collection with participating member companies - EU27+UK - 1000 tons

- ▶ In 2021, 42% of the 14,366,000 tons of soybeans bought and processed by EU crushers was compliant with one of the schemes benchmarked according to FEFAC SSGs. This is in the range of the 2020 volumes.
- ▶ The amount of FEFAC SSGs' compliant soy product FEDIOL companies sold (as verified or certified) to customers dropped to 7%, down from the 14% reached in 2020.



The gap between the amount of soybeans processed and the soy product sold (as verified or certified) by EU crushing companies has increased from 29 to 35% points.

The vast majority of customers are not willing to buy soy products 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 cover for the premium paid for the soybeans to their suppliers.

¹ In 2021, the share of soybean crushed in the EU27+UK by FEDIOL members represented 88% of the total EU27+UK soybean crush

² <https://sm.sustainable-trade.org/wp-content/uploads/2021/04/Schemes-Programmes-positively-benchmarked-against-the-FEFAC-Soy-Sourcing-Guidelines-2015.pdf>
For more info: <https://sustainabilitygateway.org/european-feed-manufacturers-federation-fefac-soy-benchmarking-tool/>

Sourcing of soybeans 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 soybeans 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 2021 monitoring

	2016	2017	2018	2019	2020
Soybeans with low risk of deforestation	8,991 67%	10,339 81%	12,242 89%	13,097 96%	12,705 87%
Soybeans with high risk of deforestation	4,490 33%	2,479 19%	1,547 11%	604 4%	1,919 13%
Total	13,481	12,818	13,789	13,701	14,624

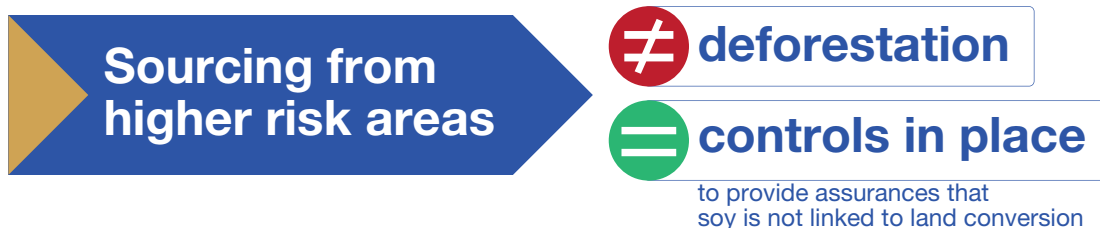


FEDIOL data collection with participating member companies - EU27+UK - 1000 tons

In 2021, **79%** of the soybeans processed in the EU was sourced from areas and regions with a low risk of deforestation, hence **21%** from regions with high deforestation risk yet with active engagement to reach deforestation-free sourcing (see below).



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



The key soybean players part of the Soft Commodities Forum (SCF), have pledged to make their soy supply chains free from deforestation. In June 2022, SCF members have disclosed³ their individual performance of verified deforestation- and conversion-free soybean volumes sourced in 2021 within the SCF's 61 focus municipalities. They have developed a collective protocol to engage with their indirect suppliers to increase their capacity to monitor own suppliers. They are engaged in landscape interventions involving financial incentives to support farmers toward sustainable land-use practices and forest protection.

³Soft Commodities Forum progress report: <https://wbcspdpublications.org/scf/>