

TESCO EXTERNAL REQUIREMENT

Title: Tesco Zero Deforestation Soymeal Requirements	
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Document Overview

Tesco previously committed to achieving zero deforestation soy in our supply chain by 2020. Subsequently, Tesco committed to moving beyond this to sourcing all soy from verified zero deforestation areas by 2025. These requirements are intended to ensure that all of our suppliers are well positioned and aligned with Tesco for the upcoming transition to sourcing only deforestation and conversion free soy by 2025.

The materiality of soy used in our supply chain is its indirect use as soymeal in animal feed (soybeans crushed into soymeal). Suppliers who provide Tesco with products in scope of these requirements must read this document and understand their responsibilities.

Tesco teams will ensure that relevant suppliers are aware of these requirements and provide guidance and support in achieving compliance with them.

Business Unit/Market of sale	Business Area Main Area/Sub Area
United Kingdom	Food: Food General
Republic of Ireland	
Hungary*	
Czech Republic*	
Slovakia*	

** Although this policy applies to Tesco Group including our Central European Business, we know that many suppliers in Central Europe will not be able to comply with these reporting requirements in the 2021/2022 reporting period. As such we plan to use Q1/Q2 of 2022 to build capacity amongst these suppliers in order that they are ready to report fully for the 2022 year.*

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1. Summary Actions & Timetable

Component	Action Required	Timetable
Supplier Annual Reporting	We require that you report to us on the volume and sub-national origin of soy in our supply chain and follow the protocol for soy from 'High-Risk' origins (see p.13)	31st January 2022
Sourcing from Verified Deforestation and Conversion Free (DCF) Areas	If applicable, collect and submit supporting evidence to show that volumes of soy are from Verified Deforestation and Conversion Free Sourcing Areas (see p.7)	31st January 2022
Certification of soy volumes	Ensure all 'High-Risk' soy volumes, (including volumes used in animal feed), supplied to Tesco are covered by one of the schemes and certification standards listed below (see p.5)	1st March 2022
Your own Soy Sourcing Policy and Roadmap	We also now require you to have your own credible soy sourcing policy in place and to tell us about your Roadmap for sourcing sustainable soy in the current year and going forward to 2025 (see p.7)	30th June 2022

2. Purpose & Scope

These requirements have the following objectives:

- Achieve zero deforestation soymeal in our supply chain.
- Promote the development of more effective options for sourcing zero deforestation soymeal.
- Promote an industry transition plan for the sourcing of zero deforestation soymeal.
- Support the development of resilient agricultural supply chains for livestock production.

Soybean derived materials have a wide range of applications in our supply chain as indicated by the CGF Soy Sourcing Ladder below.

Consumer Goods Forum Soy Sourcing Ladder



Products in Scope of these Requirements

These requirements apply to suppliers providing Tesco with Tesco own-brand products in **Tier 2, 3, 4a or 4b** that have been fed on soymeal (see above CGF Soy Sourcing Ladder for definition of Tiers).

Products not in Scope of these Requirements

These requirements do not apply to soy in Tiers 1 and 5 because soy used for these tiers does not represent the material impact (e.g. represents only 1% of our soy footprint). Additionally, Tier 1 soy does not usually originate from high-risk deforestation locations. These requirements do not apply to additives (as these would fall under Tier 5), only to primary ingredients used

A definition of which ingredients are classed as 'additives' is included in Appendix 1.

3. Requirements

3.1 Tesco Verified Zero Deforestation Soy Benchmark

There are a wide range of different certification standards related to soybean production and sustainability. To enable implementation of our zero-deforestation soymeal strategy, we have completed a benchmark of the different standards. To meet the benchmark **all five** of the below requirements must be met:

- 1) Complete certification standard is publicly available;
- 2) Meets the European Feed Industry's (FEFAC) benchmark¹, specifically FEFAC SSG benchmarked standard achieving the no-deforestation criteria, with a cut-off date before 2020 that is delivered in a Mass Balance or Segregated chain of custody to the feed mill
- 3) Have a clear requirement on 'zero deforestation and conversion of native habitat', including no deforestation and conversion;
- 4) Independent 3rd party verification;
- 5) Linked to a specific region of production, either through a chain of custody certification able to be evidenced beyond the point of import, or through a recognised Area Mass Balance scheme.

Currently, the following standards meet the above requirements. Standards are listed in descending order with the highest preference schemes first and the lowest preference schemes last

1) Physically certified to feed mill

- ISCC Plus
- Proterra (MB or SG)
- RTRS (MB or SG)

2) Physically certified to UK (chain of custody system does not extend beyond point of import)

- ADM v2
- Cargill Triple S

3) Farms are certified in connected supply chain sourcing region to Tesco, but no chain of custody is present

- RTRS Regional Credits
- CRS Area Mass Balance

Suppliers can comply with these requirements with any of the above standards. This benchmark will be reviewed annually, including evaluation of 3rd party verification requirements (see p.22 for links to more information on these schemes).

Supply Chain Certification Models

Supply chain certification models

There are a range of acceptable supply chain certification models that support the production of certified soybeans and enable the certification claim to be passed along the supply chain. The schemes are as follows (in ascending order of robustness):

- Area Mass Balance (AMB)
- Mass Balance (MB)
- Segregated (SG)

For definitions of the above please see Appendix 2.

Accountability Framework Initiative (AFI)

Tesco also supports the AFI as a complement to the above certification standards. In respect of compliance with these requirements we expect suppliers to have a strategy and implementation plan that has been developed with reference to AFI guidance (see more detail below).

3.2 Soymeal from a Verified Zero Deforestation Area

In addition to certification, soybeans can also be produced within a verified zero deforestation soybean production area. This can be achieved through multi-stakeholder collaboration and agreement on sustainable land use planning and deforestation for a given jurisdiction. Currently though for these requirements we only recognise that soybeans grown in the Brazilian Amazon and compliant with the terms of the Amazon Soy Moratorium can be accepted as being from a verified zero deforestation area.

If our product suppliers can provide satisfactory verification of the percentage of soymeal originating from the Brazilian Amazon within their overall Brazilian sourcing, this percentage of soymeal will not require certification as outlined in these requirements. If this cannot be verified, then the supplier will need to meet the certification requirements detailed in this document. We continue to encourage leadership from our supply chain to support certification of soybeans from the Amazon to address other sustainable agricultural issues.

3.3 Principles of a credible strategy for DCF Soy by 2025

Tesco's vision for soymeal in our supply chain is that all soymeal is from a verified zero or zero-net deforestation source and available from mainstream physical supply chains by 2025. Every company will operate a unique supply chain that will provide both opportunities and barriers.

Regardless of where any company sits, a deforestation/conversion strategy will only be deemed to be credible when there is evidence of action in each of the principles below.

Principle 1: All soy supply chains must be free of all deforestation, conversion, and human rights abuses as a general basic principle and widely shared fundamental ethical value. This is a fundamental step toward achieving climate and biodiversity targets. Credible soy policies should not be restricted to niche markets or geographies, and suppliers across soy supply chains must adopt and implement robust policies across all their operations.

Principle 2: Since conversion drivers are systemic, collaboration is essential to eliminate deforestation and conversion. Biome-level solutions in priority regions where the risk of deforestation is the highest should be the first and foremost strategic priority of any company, regardless of their place in the supply chain. How this manifests in a specific business should be reflective of their position in the supply chain and their levers of influence.

Principle 3: Every company should align, and use, the definitions agreed within the [Accountability Framework Initiative](#) in their policies and supplier requirements. A cut-off date (i) is required for

allowable conversion or deforestation; (ii) must be regionally relevant; and (iii) must not exceed 1st January, 2020.

Principle 4: Companies should not deliberately exclude suppliers or regions at risk of deforestation and conversion as a core plank of their strategy but should keep this as an option should all other options be exhausted. High-risk producers and regions must be engaged and not avoided or excluded.

Principle 5: Material certified by a credible certification scheme is a means to reducing and eliminating deforestation from supply chains.

Principle 6: Sourcing transparency should be provided by each link in a value chain that is underpinned by reliable and robust mechanisms for monitoring and verification.

Principle 7: Companies should implement robust supplier management systems and processes to respond to supplier performance and ensure compliance with the commitments. Progress should be encouraged through incentives and lack of improvement (or worse performance) should be responded to.

When assessing the adequacy of Tesco’s supplier’s strategies, we will look for the evidence of the components described in the table below, these are considered to be the foundations of any organisation’s strategy to ultimately develop a market where sustainable soy is the norm. A credible strategy should include each of these items.

Component	Description
Sector engagement	Active and visible support by the company within multilateral initiatives working towards these principles. Membership should be with forums that have aligned goals and transparent reporting of progress against the goals. Membership should go beyond mere participation in discussions and include requirements around demonstrable action intended to reach beyond the company’s own supply chains to support biome-wide solutions and a shift towards a mainstream, deforestation- and conversion-free soy industry. (Principle 1).
Deforestation and conversion free soy sourcing policy	Adopt a clear and unambiguous policy to deliver deforestation-, conversion- and human rights abuse-free soy, covering all direct and indirect soy supplies. The policy must utilise the

	Accountability Framework Initiative definitions and should follow the operational guidance therein (see Principle 3).
Cut-off date for conversion and transparent monitoring and verification systems to ensure compliance with the cut-off date.	Set and clearly articulate clear cut-off dates (respecting previously agreed biome-wide dates or 2020, whichever is earlier) after which no deforestation or conversion may occur, as well as transparent monitoring and verification systems to ensure compliance with the cut-off date, for all soy sourced from deforestation and conversion-risk geographies (see Principle 3).
Support of soy producers and production on already deforested or converted agricultural land	Engagement of the supply chain to support or mobilise financial and technical incentives for deforestation and conversion free producers in high-risk production landscapes, to support the expansion of soy production on existing, cleared agricultural land (see Principle 4).
Use of certification as a transition towards full implementation of 100% deforestation and conversion free purchasing or sourcing policy.	Evidence of a benchmarked physical supply chain certification for 100% of a supply chain up to a point where the company can ascertain compliance with deforestation, conversion and human rights policies. This may be, for example, the importer, feed mill, or livestock production system where the producer sources soy directly from the importer, but only under the condition that direct and/or indirect suppliers have effective control mechanisms and monitoring at the supply-base level. (see Principle 5).
Transparency requirements	Production origin disclosure at the farm level (exporter) or sub-national regional level (downstream user). Requirement for transparency of all soy volumes sourced from direct and indirect suppliers up to a point where compliance with commitments can be ascertained, or where the extent and nature of issues that must be resolved can be determined and addressed. This may be provided by the final direct soy buyer on a mass balance basis provided it is relevant to the specific supply chain to the point of import within the livestock production market (see Principle 6).
Annual reporting of progress	Origin and certification status of soy to be annually disclosed to the sub-national regional level indicating the proportion of soy that is verified deforestation free (see Principle 6).
Require suppliers to take action across their entire operations to eliminate	Require all suppliers to adopt and implement equivalent deforestation- and conversion-free and human rights policies

deforestation, conversion and human rights abuses	for their entire supply chain, regardless of the buyer/market and of the commodity (see Principle 7).
Supply chain management and non-compliance remediation	Engage with direct suppliers to implement and support compliance of indirect suppliers through purchase control systems, support mechanisms and incentives. Support, monitor, and oversee the enactment of fair remediation and/or other compensation measures from non-compliant suppliers. Eliminate recurrent non-compliant and serious human rights abusers from the supply base. Include contractual deforestation-, conversion- and human rights abuse-free with explicit cut-off dates and monitoring and reporting systems in the specifications of purchasing contracts with direct suppliers, and implement policies to ensure direct suppliers include such requirements for indirect suppliers (see Principle 7).

VERIFIED can include verification from current certification approaches but allows space for new approaches to sourcing, such as the development of verified sourcing areas/jurisdictions.

PHYSICAL means schemes that connect the physical trade flows from certified farm to its use as soymeal in livestock production (e.g. this does not require physical segregation of the actual soymeal but ensures all physical actors in Tesco’s soymeal supply chain are sharing responsibility and building their capacity to manage and engage with sustainable soymeal supply chains).

To achieve Tesco’s 2025 commitment, we have created the above requirements which are based on the following key assumptions:

- Zero deforestation B&C supports the development of AMB/MB supply chains;
- AMB/MB supports the development of physical supply chains and/or targeted impact of specific areas in our supply chain;
- AMB/MB certification provides a stronger foundation for the development of area verification/jurisdictional approaches (e.g. a critical mass of certified farmers in a given area to support a sustainable land use planning agreement for their area);
- Jurisdictional/area verified approaches enables transformation of the industry to achieve zero deforestation.

These requirements are informed by and align closely with reporting standards under development with the Consumer Goods Forum Forest Positive coalition and the Retail Soy Group, both of which Tesco plays an active role in. As such, suppliers should feel assured that these requirements are indicative of the direction of travel of retail and manufacturing sectors more broadly.

Progress to Date

Since the launch of the Tesco Zero Deforestation Soymeal Supplier Requirements, real progress has been made on moving towards a more sustainable soy supply chain. Key milestones have included:

2018 – Tier 2 chicken product suppliers report for the first time on their soymeal volumes and origin for the 2017 calendar period. FEMAS certification and B&C accepted as part of the requirements.

2019 – Reporting and certification requirements extended to all Tier 2 & 3 suppliers with soymeal in their supply chains in 2018, FEMAS no longer accepted as sufficient to demonstrate compliance. Tesco purchase RTRS Credits to equal the value of any South American volumes declared through the reporting process that were not certified to the previously accepted standards. Tesco becomes the first retailer to publicly disclose information on soy origin, traders and certification levels.

2020 – Reporting and certification requirements extended to all Tier 4a & 4b suppliers with soymeal in their supply chains in 2019. Tesco transitioned to the use of CRS AMB certificates for any South American volumes declared through the reporting process that were not certified to the previously accepted standards, based on the declared and estimated origin of these materials.

3.4 Supplier Annual Reporting Cycle Process Overview

The below provides an overview of the general steps suppliers will be required to complete annually to be compliant with these requirements. Please note, the year suppliers will be required to commence this process is specified below and based on their tier according to the Soy Ladder.

Step 1. Suppliers must report to Tesco, a) the country of origin and as much detail about the sub-national region of origin as possible (e.g. municipality), and, b) volumes of soymeal used in the production of Tesco-own label animal protein products in scope of these requirements from each country and sub-national region. This should be according to the previous calendar year of sales. Tesco Reporting Template will be provided.

Step 2a. For any volume of soymeal originating from South America or for any volumes where country of origin is unable to be identified, go to Step 3.

Step 2b. For any volume of soymeal originating from outside of South America, this is currently considered low-risk for deforestation. However, we still encourage leadership from our supply chain to support certification of soybeans grown in low-risk deforestation areas to address other important environmental and social sustainability issues associated with soybean production.

Step 3. Suppliers with soymeal in their supply chain originating from any country in South America that is not certified to a *Tesco Certified Zero Deforestation Soy Benchmark* approved standard must purchase equivalent volumes of MB/AMB credits/certificates from one of the Tesco approved standards. Where possible these credits/certificates should originate from the same country or countries (e.g. 10,000 tonnes of Brazilian soymeal requires 10,000 tonnes of MB/AMB soymeal from Brazil). Suppliers can purchase credits/certificates directly or indirectly from their feed manufacturers. If purchasing indirectly a reconciliation must be provided. *Note on B&C - As of January 1st 2021, suppliers are expected to have achieved 100% certified MB/AMB/SG, verified zero deforestation, or low risk origin soymeal sourcing. Therefore, B&C credit purchases will no longer be adequate to demonstrate compliance with Tesco's Requirements.*

Step 4a. If purchasing B&C credits, and therefore where the Requirements expectation has not been met, suppliers may be granted a one-year transition period (ending on 1st January 2022) in order to make the necessary change. This transition process should be managed through the development of a Tesco Soymeal Roadmap in partnership with relevant supply chain partners. A TSAP Template will be provided. Once completed, please send to Tesco for review.

Step 4b. If purchasing 100% AMB/MB/SG soymeal, the supplier should contact Tesco for opportunities relating to verified sourcing area projects currently being developed.

Objective of the Tesco Soymeal Roadmap

Suppliers will be required to develop an annual Tesco Soymeal Action Plan. These plans will require suppliers to develop the actions that they will take in order to achieve 100% MB/AMB soymeal and to achieve sourcing of 100% of soy from Verified DCF Areas by 2025. While MB and AMB soymeal is now available in some soymeal supply chains, in others there are currently both challenges relating to availability and cost. The objective of the TSAP is for suppliers to develop and implement actions to enable the required volumes of MB/AMB soymeal at an economically feasible cost in partnership with Tesco. Tesco strongly encourages our suppliers to work in collaboration with their soymeal supply chain partners to develop these actions plans and solutions. Tesco will assist in this process by providing templates, guidance notes and training.

3.5 Requirements Timetable

2022 Requirements	Tiers	Timeline	Comment
<p>1. IDENTIFY: <u>All suppliers providing Tesco with animal protein products</u> that have been fed on soymeal must be able to identify country of origin and municipality of origin of the soymeal used in the <u>2021 calendar year</u>.</p>	Tier 2,3,4a, 4b	By January 31 st 2022	
<p>2. REPORT: Suppliers of <u>all animal protein products</u> must report to Tesco country of origin and as much detail about the sub-national region of origin as possible of the soymeal used in the <u>2021 calendar year</u>.</p>	Tier 2,3,4a, 4b	By January 31 st 2022	Reporting form provided by Tesco
<p>3. ACT: Suppliers of <u>all animal protein products</u> who reported any soymeal in their supply chain originating from any country in South America <u>used in the 2021 calendar year</u> that was <u>not certified</u> to a <i>Tesco Certified Zero Deforestation Soy Benchmark</i> approved standard must purchase equivalent volumes of MB/AMB credits/certificates from one of the Tesco approved standards.</p> <p>100% of this should be from the same country of origin as the physical soymeal used.</p>	Tier 2,3,4a, 4b	By 1 st March 2022	<p>Evidence of purchase must be provided to Tesco</p> <p><i>Suppliers can purchase MB/AMB credits/certificates directly or indirectly from their feed manufacturers. If purchasing indirectly a reconciliation must be provided.</i></p>
<p>4. PLAN: Suppliers of <u>Tier 2 and 3 products</u> with soymeal in their supply chain originating from any country in South America must report progress against their existing <i>Tesco Soymeal Action Plan (TSAP)</i> to achieve sourcing of soymeal from <u>verified zero deforestation areas by 2025, and work with Tesco to modify where appropriate based on their current trajectory</u>.</p> <p>Suppliers of <u>Tier 4a and 4b products</u> with soymeal in their supply chain originating from any country in South America must develop a <i>Tesco Soymeal Action Plan (TSAP)</i> to achieve sourcing of soymeal from <u>verified zero deforestation areas by 2025</u>.</p>	Tier 2,3, 4a, 4b	By 30 th June 2022	TSAP template provided by Tesco

Post 2022 Requirements

- **IDENTIFY:** All suppliers providing Tesco with animal protein products that have been fed on soymeal must be able to identify country of origin and municipality of the soymeal used in the previous calendar year.
- **REPORT:** All suppliers providing Tesco with animal protein products must report country of origin and municipality of origin for soymeal supplied to Tesco used in the previous calendar year.
- **ACT:** Suppliers of all animal protein products who reported any soymeal in their supply chain originating from any country in South America that is not certified to a *Tesco Certified Zero Deforestation Soy Benchmark* approved standard must purchase equivalent volumes of MB/AMB credits from one of the Tesco approved standards or soymeal from a verified zero deforestation area.
- **PLAN:** All suppliers providing Tesco with animal protein products with soymeal in their supply chain originating from any country in South America must have developed a *Tesco Soymeal Action Plan (TSAP)* including annual milestones, to achieve sourcing of soymeal from verified zero or zero-net deforestation areas by 2025, and be able to demonstrate progress against this plan.

4. Roles and Responsibilities

Role	Responsibility
Sourcing Manager	Support technical and buying teams in implementation of these requirements and ensuring suppliers comply to its provisions
Head of Environment	Coordinate integration of the Requirements across the business
Technical Managers	Ensure suppliers comply with these requirements

5. Glossary

Acronym	Definition
B&C	Book and Claim
MB	Mass Balance
AMB	Area Mass Balance
SG	Segregated

6. Associated Documents

Document No.	Document Title
N/A	Not applicable

7. Revision History

Date Effective	Version	Document Section	Change Summary
Oct 2018	1.0	All	New document
June 2021	2.0	All	Added terms to Glossary. Changed references to Policy to Requirements, sign posted requirements vs background more
July 2021	2.1	All	Reformatted and ordered to aid clarity and simplify

8. Appendices

Appendix I: Background Information

Tesco & Responsible Sourcing of Soy

Tesco is committed to zero deforestation in our sourcing of palm oil, soy, timber products and Brazilian beef. As members of the Consumer Goods Forum (CGF) we committed to achieve this by 2020. Now moving beyond 2020, Tesco have publicly committed to taking this further, looking at how landscape-based approaches can be used to have a greater influence beyond our direct supply chain.

Soy & Soymeal

Soy is a general term that relates to both soybeans and materials made from soybeans, including soy ingredients, soy oil and soymeal. As explained in Section 4, the scope of these requirements relates only to soymeal used in animal feed.

Sustainability & ‘Zero Deforestation and Conversion’

We recognise there are a range of important environmental and social sustainability issues associated with soybean production. These requirements however focus on deforestation and conversion of native vegetation as our priority. We consider this to be the critical issue which the industry must address if the soybean industry is to become sustainable. This is because of the current high risks associated with further unsustainable expansion of soybean production and the significant impacts this will have on climate change, biodiversity and future agricultural resilience (e.g. increased risk of drought).

In these requirements, the term ‘zero deforestation’ includes zero conversion of forests and non-forest native vegetation. Additionally, native vegetation refers to native vegetation of High Conservation Values (HCV). However, for simplicity, throughout these requirements zero deforestation and conversion of HCV native vegetation is abbreviated to ‘zero deforestation’.

The requirements set out in Section 10 focus on achieving zero deforestation. However, we still encourage leadership from our supply chain to support certification of soybeans in order to address other important environmental and social sustainability issues associated with soybean production.

Soybean Production & Deforestation

Soybeans are produced globally (North America, South America, Europe, Asia). Soybeans from South America pose a high-risk of tropical deforestation and/or conversion of native vegetation (e.g. the Cerrado, the Gran Chaco and the Atlantic Forest). Soymeal from South America is however often preferred for both cost and/or quality reasons. While soybeans and soybean derivatives are used for various purposes (e.g. human food, biofuels) the main driver of expansion for soybean production is its use in animal feed (soybeans crushed into soymeal).

Tesco UK’s Soy Footprint

In 2017, Tesco commissioned a study by KPMG of our soy related footprint. The study found that 99% of Tesco's UK soy related footprint is soymeal used indirectly as animal feed.

Based on consolidated 2020 data Tesco's soy footprint is 461,398 tons with 452,793 or 88% from South America.

Note: we recognise annual variances exist within our soymeal supply chain but have used 2016's footprint as the best available indication of volumes and key sourcing countries.

Current Industry Challenges & Opportunities

As the world population increases, so too will the global demand for meat and other animal proteins such as seafood, eggs and dairy. The increasing demand for animal feed to support this is driving an expansion of soy cultivation - leading to the loss of forests and other native vegetation most significantly in South America. To stop this trend, the Amazon Soy Moratorium was established in 2006. This Moratorium, led by industry and civil society, was a key milestone in halting further loss of the Brazilian Amazon for soy cultivation.

However, the conversion of native vegetation for soy continues in other important ecosystems across South America such as the Cerrado, the Gran Chaco and Atlantic Forest. The Brazilian Forest Code, aims to protect Brazil's natural ecosystems including the Amazon and the Cerrado. However, whilst compliance with the Forest Code is an important starting point in the Cerrado, and there are some biomes that are protected under conservation, there is important native vegetation where the Forest Code does not provide sufficient protection (e.g. 60-80% of native vegetation outside of legal protection can be cleared under the current Forest Code in the Cerrado).

Certified zero deforestation soybeans are being produced at farm level but market demand needs to grow in order to incentivise more farmers to achieve zero deforestation. However, for downstream actors physically segregated supply chains only exist at extremely high premiums (most certified soybeans are mixed with non-certified soybeans for export). Currently support for certified zero-deforestation soybean production is mostly only available through Book & Claim credits which on their own, without an effective transition plan, are not supporting industry transformation. The availability of other supply chains options which represent added value to downstream actors (Mass Balance and Area Mass Balance) is increasing.

Certification makes up approximately 3% of global soy production. Whilst it is currently possible to develop bespoke supply chains that can claim to be deforestation free at the point of origin, operating in this way will not address the wider production system as global demand for soya continues to increase. The Amazon Soy Moratorium has demonstrated that when a multilateral agreement is brokered, ecosystems can be protected whilst continuing to enable the expansion of farming systems to meet our growing food demands. Achieving biome-level solutions that do not displace land conversion burdens to new frontiers should be the top priority for any business seeking to develop a credible deforestation free strategy.

However, given the scale of the global market for soy, a certification approach on its own will also be unlikely to lead to industry transformation. In comparison, due to the multi-stakeholder agreement achieved under Amazon Soy Moratorium, all soybeans now grown in the Amazon that are compliant with the terms of Moratorium are now 'verified zero deforestation'. This approach has effectively managed the soybean industry's critical risk of deforestation from any further expansion of soybean cultivation in the Amazon biome.

Multi-stakeholder jurisdictional approaches to sustainable land-use planning are now being developed outside of the Amazon. Recent research indicates the availability of substantial areas of already cleared land in key sourcing regions such as the Cerrado. Incentivising expansion onto these areas rather than further conversion of native vegetation offers a viable and more sustainable pathway forward for soybean and other agricultural production. It is increasingly clear that development of the soy industry need not be incompatible with the protection of critically important forests and native vegetation.

Appendix 2: Definitions of ‘additives’ and ‘primaries’

If your product is not in the list below and you suspect that it is from an animal origin that may have been fed on soymeal please verify with Tesco whether you need to report.

Ingredient name	Classification
Anhydrous Milk Fat	Additive
Beef	Primary protein
Beef Blood	Additive
Beef Bones	Additive
Beef Collagen	Additive
Beef Collagen Casing	Additive
Beef Dripping	Additive
Beef Extract	Additive
Beef Fat	Additive
Beef Gelatine	Additive
Beef Heart	Additive
Beef Kidney	Additive
Beef Liver	Additive
Beef Lung	Additive
Beef Skirt	Primary protein
Beef Tripe	Additive
Black Tiger Prawn (Crustacean)	Primary protein
Blue Stilton Cheese (Milk)	Primary protein
Brie Full Fat Soft Cheese (Milk)	Primary protein
Butter (Milk)	Primary protein
Butter Powder (Milk)	Primary protein
Butterfat (Milk)	Primary protein
Buttermilk	Primary protein
Buttermilk (Milk)	Primary protein
Buttermilk Powder	Primary protein
Buttermilk Powder (Milk)	Primary protein
Butteroil (Milk)	Primary protein
Camembert Full Fat Soft Cheese (Milk)	Primary protein
Cheddar Cheese (Milk)	Primary protein
Cheddar Cheese Powder (Milk)	Primary protein
Cheese (Milk)	Primary protein
Cheese Powder (Milk)	Primary protein
Chicken	Primary protein
Chicken Bones	Additive
Chicken Breast	Primary protein
Chicken Breast Fillet	Primary protein
Chicken Breast Inner Fillet	Primary protein

Chicken Drumstick	Primary protein
Chicken Extract	Additive
Chicken Fat	Additive
Chicken Gelatine	Additive
Chicken Leg	Primary protein
Chicken Liver	Additive
Chicken Skin	Additive
Chicken Thigh	Primary protein
Chicken Wing	Primary protein
Clotted Cream (Milk)	Primary protein
Concentrated Butter (Milk)	Primary protein
Condensed Milk	Primary protein
Condensed Skimmed Milk	Primary protein
Cream (Milk)	Primary protein
Crème Fraîche (Milk)	Primary protein
Curd (Milk)	Additive
Double Cream (Milk)	Primary protein
Dried Chicken	Primary protein
Dried Cream (Milk)	Primary protein
Dried Egg	Primary protein
Dried Egg White	Primary protein
Dried Egg Yolk	Primary protein
Dried Semi Skimmed Milk	Primary protein
Dried Skimmed Milk	Primary protein
Dried Whole Milk	Primary protein
Duck	Primary protein
Duck Fat	Additive
Duck Liver	Additive
Egg	Primary protein
Egg White	Primary protein
Egg Yolk	Primary protein
Emmental Medium Fat Hard Cheese (Milk)	Primary protein
Evaporated Milk	Primary protein
Ewes Milk	Primary protein
Extra Mature Cheddar Cheese (Milk)	Primary protein
Feta Full Fat Soft Cheese (Milk)	Primary protein
Fromage Frais (Milk)	Primary protein
Full Fat Hard Cheese (Milk)	Primary protein
Full Fat Soft Blue Cheese (Milk)	Primary protein
Full Fat Soft Cheese (Milk)	Primary protein

Ghee (Milk)	Primary protein
Giblets	Additive
Goats Milk	Primary protein
Goose Fat	Additive
Grana Padano Medium Fat Hard Cheese (Milk)	Primary protein
Greek Style Yogurt (Milk)	Primary protein
Hydrolysed Beef Protein	Additive
Hydrolysed Milk Protein	Additive
King Prawn (Crustacean)	Primary protein
Lactose Reduced Milk	Primary protein
Lactose Reduced Whey Powder (Milk)	Additive
Lamb	Primary protein
Lamb Extract	Additive
Lamb Fat	Additive
Lamb Heart	Additive
Lamb Kidney	Additive
Lamb Liver	Additive
Lamb Meal	Primary protein
Lamb Tripe	Additive
Low Fat Soft Cheese (Milk)	Primary protein
Mascarpone Full Fat Soft Cheese (Milk)	Primary protein
Mature Cheddar Cheese (Milk)	Primary protein
Medium Cheddar Cheese (Milk)	Primary protein
Medium Fat Hard Cheese (Milk)	Primary protein
Medium Fat Soft Cheese (Milk)	Primary protein
Mild Cheddar Cheese (Milk)	Primary protein
Milk	Primary protein
Milk Concentrate	Primary protein
Milk Fat	Additive
Milk Mineral Concentrate	Additive
Milk Proteins	Additive
Milk Solids	Primary protein
Monterey Jack Cheese (Milk)	Primary protein
Mozzarella Cheese (Milk)	Primary protein
Mozzarella Full Fat Soft Cheese (Milk)	Primary protein
Mozzarella Medium Fat Soft Cheese (Milk)	Primary protein
Mutton	Primary protein
Ox Kidney	Additive
Ox Tongue	Primary protein
Oxtail	Primary protein
Parmigiano Reggiano Cheese (Milk)	Primary protein
Pecorino Medium Fat Hard Cheese (Milk)	Primary protein
Pecorino Romano Medium Fat Hard Cheese (Milk)	Primary protein
Pink Salmon (Fish)	Primary protein

Pork	Primary protein
Pork Belly	Primary protein
Pork Casing	Additive
Pork Extract	Additive
Pork Fat	Additive
Pork Gelatine	Additive
Pork Heart	Additive
Pork Kidney	Additive
Pork Leg	Primary protein
Pork Liver	Additive
Pork Loin	Primary protein
Pork Lung	Additive
Pork Ribs	Primary protein
Pork Rind	Additive
Pork Shoulder	Primary protein
Pork Tongue	Primary protein
Prawn (Crustacean)	Primary protein
Prawn Powder (Crustacean)	Primary protein
Rainbow Trout (Fish)	Primary protein
Reconstituted Dried Egg White	Primary protein
Red Cheddar Cheese (with Colour: Annatto) (Milk)	Primary protein
Red Leicester Cheese (with Colour: Annatto) (Milk)	Primary protein
Red Salmon	Primary protein
Red Salmon (Fish)	Primary protein
Regato Cheese (Milk)	Primary protein
Ricotta Full Fat Whey Cheese (Milk)	Primary protein
River Cobbler (Fish)	Primary protein
Salmon (Fish)	Primary protein
Sea Bass (Fish)	Primary protein
Sea Bream (Fish)	Primary protein
Semi Skimmed Milk	Primary protein
Sheep Casing	Additive
Shrimp (Crustacean)	Primary protein
Shrimp Extract (Crustacean)	Additive
Single Cream (Milk)	Primary protein
Skimmed Milk	Primary protein
Skimmed Milk Concentrate	Primary protein
Skimmed Milk Soft Cheese (Milk)	Primary protein
Skimmed Milk Solids	Primary protein
Soured Cream (Milk)	Primary protein
Tiger Prawn (Crustacean)	Primary protein
Trout (Fish)	Primary protein
Turkey	Primary protein
Turkey Bones	Additive
Turkey Breast	Primary protein
Turkey Drumstick	Primary protein

Turkey Skin	Additive
Turkey Thigh	Primary protein
Veal	Primary protein
Venison	Primary protein
Venison Extract	Additive
Wensleydale Cheese (Milk)	Primary protein
Whey (Milk)	Additive
Whey Butter (Milk)	Additive
Whey Cheese (Milk)	Primary protein
Whey Concentrate (Milk)	Additive
Whey Derivatives (Milk)	Additive
Whey Powder (Milk)	Additive
Whey Protein (Milk)	Additive
Whey Protein Concentrate (Milk)	Additive
Whey Solids (Milk)	Additive
Whipping Cream (Milk)	Primary protein
Yogurt (Milk)	Primary protein
Yogurt Powder (Milk)	Primary protein

Appendix 3: Definitions of supply chain models

Book & Claim: A supply chain model enables the trade of Book & Claim credits through a credit trading platform (e.g. 1 tonne of soymeal is 1 Book & Claim credit). The certificates are separated from the physical flow of material.

Mass Balance: A supply chain model in which certified and conventional non-certified materials are mixed in the supply chain (e.g. during storage and transport). There is an administrative trail making sure the output of certified soymeal supplied to customers does not exceed the input of certified soymeal received at the location.

Area Mass Balance: A supply chain model that combines properties from the Mass Balance and the Book & Claim system. Collectors/traders can purchase ‘certified soymeal production credits’ directly from growers, whilst buying soymeal on the regular market. These credits must however originate from growers that operate in the same area as the soymeal is sourced. The certificates from the purchase area are administratively connected to the delivery of soymeal from that area via a mass balance model.

Segregated: This supply chain model ensures that certified soymeal is kept separate from non-certified sources through each stage of the supply chain, allowing assurance that the soymeal originates from certified sources, though it may not be possible to identify exact source at farm-level.

Appendix 4: Supporting Information about Tesco approved standards

Standard	Website Information	Contact Details
ADM Responsible Soybean Standard, Version 2	https://assets.adm.com/Sustainability/ADM-ARS_V2_2018_6.pdf	
Cargill Triple S	Triple S™ (Sustainably Sourced & Supplied)	
Cefetra Responsible Soya (CRS) Area Mass Balance	https://www.certifiedsoya.com/crs/	
ISCC PLUS	https://www.iscc-system.org/wp-content/uploads/2020/01/ISCC-PLUS-System-Documents_V3.2.pdf	
ProTerra	http://www.proterrafoundation.org/	
Round Table on Responsible Soy	http://www.responsiblesoy.org/?lang=en	

Appendix 5: Previously accepted standards (prior to 2020)

- Bunge Pro S
- Cargill Triple S
- Cefetra Responsible Soya Credits
- Cefetra Responsible Soya Area Mass Balance (AMB)
- ISCC EU/PLUS
- ProTerra Mass Balance
- ProTerra Segregated
- Round Table on Responsible Soy (RTRS) Book and Claim Credits
- Round Table on Responsible Soy (RTRS) Mass Balance
- Round Table on Responsible Soy (RTRS) Segregated

Appendix 6: 2021 Reporting Requirements (for reference)

2021 Requirements	Tiers	Timeline	Comment
1. IDENTIFY: <u>All suppliers providing Tesco with animal protein products</u> that have been fed on soymeal must be able to identify country of origin and as much detail about the sub-national region of origin as possible of the soymeal used in the <u>2020 calendar year</u>.	Tier 2,3,4a, 4b	By January 31 st 2021	
2. REPORT: Suppliers of <u>all animal protein products</u> must report to Tesco country of origin and as much detail about the sub-national region of origin as possible of the soymeal used in the <u>2020 calendar year</u>.	Tier 2,3,4a, 4b	By January 31 st 2021	Reporting form provided by Tesco
3. ACT: Suppliers of <u>all animal protein products</u> who reported any soymeal in their supply chain originating from any country in South America used in the <u>2020 calendar year</u> that was <u>not certified</u> to a <i>Tesco Certified Zero Deforestation Soy Benchmark</i> approved standard must purchase equivalent volumes of MB/AMB credits/certificates from one of the Tesco approved standards. 100% of this should be from the same country of origin as the physical soymeal used.	Tier 2,3,4a, 4b	By 1 st August 2021	Evidence of purchase must be provided to Tesco <i>Suppliers can purchase MB/AMB credits/certificates directly or indirectly from their feed manufacturers. If purchasing indirectly a reconciliation must be provided.</i>

<p><i>Where any supplier is still purchasing B&C credits, they should refer to the B&C Transition Period information below.</i></p>			
<p>4. PLAN: Suppliers of <u>Tier 2 and 3 products</u> with soymeal in their supply chain originating from any country in South America must develop a <i>Tesco Soymeal Action Plan (TSAP)</i> to achieve sourcing of soymeal from <u>verified zero or zero-net deforestation areas by 2025</u>.</p>	<p>Tier 2,3</p>	<p>By 30th August 2021</p>	<p>TSAP template update provided by Tesco</p>

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