

# salling group



## Sustainable Soy

Soy is an important source of protein that is used in a wide range of products directly, and indirectly as animal feed. The production of soy has adverse effects on the climate and environment as well as the workers and local communities involved. Salling Group has, as one of the founding members for the Danish Soy Alliance, and in accordance with the guidelines of the European Feed Manufacturer's Federation (FEFAC), a goal to ensure that the soy used directly or indirectly in our products, is sustainably produced.

### Our aim

- Secure progress towards the increase in sustainably produced soy import to Denmark
- Help reduce deforestation and biodiversity loss in high value nature areas in South America
- Ensure workers rights and livelihoods in soy producing communities

### Our effort

- Contribute to the increase in market demand for- and availability of certified soy
- Monitor our supplier's compliance with our policy and progress towards physically certified soy
- Actively participate and collaborate in the work of the Danish Soy Alliance
- Collaborate with our vendors to support the development and use of alternative protein sources

### Our target

- Ensure that 100% of our own label products containing >40% meat or >5% soy are covered by a relevant soy sustainability certification scheme starting from 2020
- Move towards using only physically verified sustainable soy in Salling Group's own label products in 2025





Production of soy covers an area larger than **1 million square kilometers** globally, with the largest production taking place in South America. In Denmark, soy is predominantly used in animal feed. A recent study by Copenhagen University has shown that 1 kg of soybean meal imported from Argentina to Denmark, has a carbon footprint of 4,8 kg (CO<sub>2</sub>e) which includes emissions from production, land use, transport and further processing. Soy production has **negative environmental and social consequences**, due to deforestation and the resulting GHG emissions and loss of biodiversity. Furthermore, intensive **pesticide** use in soy production has been suspected for **causing serious, hereditary diseases and injuries among the local communities**.

Source: DIEH, 2020; IFRO, 2020

## Our Position



As the biggest retailer in Denmark with a wide selection of meat and dairy products in our product range, we play an important role in the demand for soy import from South America and therefore in the resulting sustainability impacts.

We have therefore actively participated in the development of the Danish Sustainable Soy Alliance (Dansk Alliance for Ansvarlig Soja) by the Danish Ethical Initiative (DIEH) since its beginning, and have as a part of our engagement to the initiative, developed an action plan and policy for the responsible procurement of soy in the value chains that we are a part of.

## Our Aim

Through our policy, our membership to the soy alliance, and in accordance with the FEFAC (European Feed Manufacturers' Federation) guidelines, we aim to:

- **Increase traceability** of our soy supply chains and thereby ensure that laws, regulations relating to all aspects of soy production are complied with and that we continuously move towards **physically verifiable** soy supply chains 
- Focus on appropriate **environmental management** by applying third party certification and standardization schemes that have been recognized by the alliance and thereby help address issues with amongst others, **deforestation, biodiversity loss as well as improper management of agrochemicals** 
- Through the continued implementation of our Code of Conduct and by applying appropriate soy sustainability standards, help assure that workers involved in soy production throughout the supply chain, are ensured **proper working conditions** and that we continuously contribute to the **elimination of child- and forced labor and all forms of worker discrimination** 



## Our Soy Footprint

In the process of developing our soy action plan and policy, we needed to understand our soy footprint. This has been a complicated task, as the vast majority of the soy in our supply chains is indirectly contained in meat and dairy products as animal feed. To obtain an overview of our soy footprint, we have therefore used a methodology and **conversion factors provided by the Danish Soy Alliance.**

Our scope and focus entails **100% of our own label** products that contain **40% or more meat**, which consequently also make up the majority of the meat products sold in our stores. In addition, we have included all fresh dairy and eggs and of course direct soy products such as soy milk, soy beans (edamame), as well as soy sauce and products that contain soy as a direct ingredient with minimum 5% soy content.

Not all types of protein products have conversion factors available, and these have therefore been excluded from our soy footprint calculation in the first round. One such product group is fish feed, where conversion factors are currently not available.

Based on our calculations, our estimated soy footprint is around **32.000 tons**

Out of this about **500 tons** represents direct soy use, while approximately **70%** of our total soy footprint is made up by meat products.

### Products included in our calculations:

#### Meat products containing 40%+ meat:



Chicken

Pork

Beef

#### Fresh Dairy and Eggs:

Milk

Eggs

Butter

Yoghurt

Cheese



#### Direct soy products:

Soy milk

Soy beans

Soy sauce

Soy meal

Products containing direct soy (>5%)



## Our Approach and Efforts

In **2020** Salling Group will ensure that **100% of our soy supply chain in scope is covered by third party certification schemes**, such as RTRS or ProTerra in the form of book and claim credits, mass-balance or segregated certification.

With this approach, Salling Group aims to contribute to the **increase in market demand** for sustainable deforestation free soy, as well as **set a high ambition level** for meeting the goals of the Danish Soy Alliance of moving Denmark towards **exclusively importing sustainably produced soy**.

We recognize that acquiring credits is not a feasible solution for the long-run, which is why our goal will be to move towards **physically certified supply chains in 2025**. The soy value chain is extremely complex and as a single player, our focus will be on collective action and market transformation, which is why **our participation in and promotion of the Danish Soy Alliance will continue to be of high importance**.

In addition, we will focus on **supporting relevant research efforts for protein alternatives** to soy (e.g. insects, grass, seaweed) and partnering up with some of our biggest suppliers, to explore the possibility for utilising feed alternatives, where soy sustainability cannot be guaranteed.

In 2020, we will also be gathering soy specific product data from vendors to help **improve our soy footprint calculations** and thereby continuously assess and re-evaluate our policy scope on a yearly basis. We expect to from 2021 include further product categories, like soy as an ingredient as we receive specified data from our vendors and as new conversion factors become available.



## References and Useful Links:

Soy Alliance's homepage: <https://www.dieh.dk/projekter/dansk-alliance-for-ansvarlig-soja/> (DIEH, 2020)

Research paper from Copenhagen University's Food and Resource Economics Institute (IFRO) titled "Opgørelse over udledningen af drivhusgasser i forbindelse med Danmarks import af sojaskrå og palmeolie" - [https://static-curis.ku.dk/portal/files/239904192/IFRO\\_Udredning\\_2020\\_09.pdf](https://static-curis.ku.dk/portal/files/239904192/IFRO_Udredning_2020_09.pdf)

FEFAC (European Feed Manufacturers' Federation) Sustainable Soy Sourcing Guidelines: <https://www.fefac.eu/fe-fac-positions/sustainability/21551/>





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