

2SFG soy sourcing policy

2 Sisters Food Group is committed to reducing its impact on the environment and will act to improve continuously the sustainability of the ingredients we source for food and feed.

Soy is an important source of high quality protein used extensively in animal feed and some food products. It is also one of a number of global commodities associated with forest loss and conversion of natural habitats. These habitats contain rich biodiversity and ecosystems and have globally significant carbon mitigation potential. They are also critical to the populations who inhabit them or depend on them for their livelihood.

In South America areas such as the Cerrado are threatened by agricultural expansion, including soy production. To reduce emissions associated with deforestation and land conversion, and to preserve valuable ecosystems requires a move towards sustainable supply chains that are free of deforestation, legal or illegal, and land conversion.

Our approach

2 Sisters Food Group is a leading UK food manufacturer and one of the country's biggest poultry producers. Soy meal forms a significant part of the feed used in production of our poultry and is the focus of our responsible sourcing approach for soy. We are committed to ensuring the soy we use is cultivated in a responsible and sustainable manner and we are supporting the Brazilian Forest Code through our sourcing. 2 Sisters Food Group is also a member of the UK Roundtable on Sustainable Soy and signatory to the Cerrado Manifesto Statement of Support, a call to action to halt deforestation and native vegetation loss in Brazil's Cerrado. We support the UK Soy Manifesto, a collective industry agreement to work together to ensure all shipments of soy to the UK are Deforestation and Conversion Free (DCF) by 2025, with a cut off date of 2020. This commitment covers both legal and illegal deforestation.

Since 2015 2 Sisters Food Group has required suppliers of soy meal for our poultry feed to ensure that it has been produced in line with responsible production standards, including:

- Protection of valuable ecosystems
- Prevention of illegal deforestation
- Protection of water resources
- Compliance with labour laws, local environmental legislation and land title
- Good Agricultural Practices

All 2 Sisters soy meal is produced in line with the listed standards utilising the Feed Materials Assurance Scheme (FEMAS) Module for Responsible Procurement of Agricultural and Natural Products and the supporting FEMAS Responsible Procurement Brazilian Soy Schedule or equivalent standards. Each standard is benchmarked against the European Feed Manufacturers Federation (FEFAC) Soy Sourcing Guidelines.

100% of South American soy meal in 2 Sisters Poultry Feed is now covered by three zero deforestation sourcing standards, Cefetra CRS¹, Cargill Triple S² and ADM RS v3, all basis Area Mass Balance or Mass Balance.

It is our goal to work with our suppliers to source 100% deforestation and conversion free Mass Balance soy meal through these sourcing standards by 2025. For calendar year 2022, 47% of the soy meal used in feed for our poultry operations was certified zero deforestation basis Mass Balance.

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In collaboration with other signatories to the UK Soy Manifesto, we work with soy meal traders on measures to increase the volume of DCF soy meal in supply chains. Specifically, we aim to understand how verification of deforestation and conversion free regions, and low risk region definition, can be achieved and the role of certification in "verified DCF" soymeal supply. This will be a key step in the path to achieving the goals of the UK Soy Manifesto commitment.

Geographical origins

For many years 2SFG experience has found that Brazilian and Paraguayan soybean meal has been of superior quality to alternative sources. This is mainly based on higher protein levels and lower levels of crude fibre. Both of these attributes add considerable nutritional value to the product.

Lower fibre products minimise digestive disturbances in growing chickens. This leads to drier droppings and improved litter conditions, providing an improved environment in which to rear the birds. Benefits are seen not only in health and performance of the birds but also in terms of welfare, with levels of hock burn and foot pad dermatitis being reduced.

Souring soymeal from alternative geographies such as the USA remains an option and we will continue to explore opportunities where the required nutritional profile and environmental standards can be achieved.

Alternative proteins

2SFG commits to investigate the use of replacement protein sources to soy and consider increasing their use in our poultry feed wherever viable. We will explore options available and invest behind Research and Development to reduce the overall quantity of soy meal in the poultry diet.

Embedded soya

In addition to poultry, 2SFG produces a range of chilled and frozen food products and bakery goods. The embedded soy in raw materials used to make these products is included in our UK Soy Manifesto commitment.

We have initially focused efforts on sustainable sourcing of soy meal for production of our poultry. To support the Soy Manifesto commitment, we will determine the contribution of embedded soy to our overall soy footprint and work with our suppliers to adopt and apply the Manifesto requirements.

We have identified those animal derived raw materials other than poultry containing embedded soy and calculated the equivalent soybean volume through the use of the RTRS Soy Footprint calculator³. These represent a minor contribution to our overall soy footprint relative to our poultry supply chain. We will communicate the UK Soy Manifesto requirement to relevant suppliers and continue to support the transition to deforestation and conversion free soy with a cut off date of 2020.

References

- 1. https://www.certifiedsoya.com/crs/
- 2. https://www.cargill.com/doc/1432181492104/triple-s-guidance-(pdf).pdf
- 3. https://responsiblesoy.org/rtrs-soy-and-corn-footprint-calculator?lang=en

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