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Zaandam, 16 August 2024
Ref: Request for a response to the findings concerning Brazilian soy

Dear Rubens,

Thank you for your e-mail sent on 7 August. We appreciate you sharing your research findings and providing us the opportunity to respond. We take any allegations concerning human rights, indigenous communities and natural ecosystems very seriously. In this letter, we will first outline our overall soy strategy and then address the questions raised in your letter.

Albert Heijn places great importance on establishing a soy supply chain that is deforestation/conversion-free and where soy is produced in a responsible manner.

We are convinced that we must both reduce our dependence on soy and improve current soy production to be deforestation/conversion-free.

To reduce dependence on soy, we are working on two key initiatives:

- The protein transition:
 - Albert Heijn aims for 50% of the total kilogram of protein sold to be of plant-based origin by 2025, and even 60% by 2030. With this, Albert Heijn is setting more ambitious targets than those of the Paris Climate Agreement, which aims for 50% plant-based proteins by 2030. Our current approach and progress on the protein transition can be found in our [2023 Sustainability Report](#).
- Alternative proteins in feed:
 - Also, Albert Heijn is exploring, together with our suppliers, alternative protein sources for animal feed. For example, by using by-products from the food industry, such as residual streams from wheat and bread. We are also currently running a pilot with Processed Animal Proteins (PAPs) in poultry feed, in collaboration with our supplier Plukon. Simultaneously, we are running pilots in both the pork and egg supply chains. Within the dairy supply chain, almost no soy is used in the feed, and the soy that is used is from European origin.

To improve soy production, we are taking the following steps:

- Commitment:
 - Albert Heijn has made the commitment to use only physically verified deforestation/conversion-free soy in the supply chain by 2025, with a cut-off date of no later than 2020. Other members of the Dutch supermarket industry association (CBL) have also made this commitment, following our lead.
- Action:
 - Since 2015, 100% of the soy in Albert Heijn's supply chain has been covered by (area mass balance) Roundtable for Responsible Soy (RTRS) credits. This supports farmers who are RTRS certified. RTRS certified farmers do not produce on land that was deforested or converted after 2009. Additionally, they comply with laws and regulations and must demonstrate legal land use rights.
 - While RTRS credits promote deforestation/conversion-free production, we are aware that soy related to deforestation/conversion may still physically enter our supply chain. The transition to a physically verified deforestation/conversion-free soy supply chain is a complex process.
 - We work closely with our suppliers and their suppliers. We are also collaborating with the World Wildlife Fund (WWF-NL) in an effort to halve the ecological footprint of our products, which includes a strong focus on deforestation/conversion including soy. An important component of the collaboration is to require deforestation/conversion-free supply chains from suppliers, regardless of whether the goods are entering the supply chain of Albert Heijn.

- We are in close discussions with RTRS and other stakeholders to bring a physically certified/verified deforestation/conversion-free supply chain to the Netherlands. This is an important step to support the rest of our animal product suppliers in transitioning to a deforestation/conversion-free physical supply chain.
- We realize that a more sustainable soy supply chain can only be achieved through collaboration. Through our parent company Ahold Delhaize, we are members of RTRS and the Retail Soy Group, and we have signed the NY Declaration of Forests. As Albert Heijn, we are part of the Dutch Soy Platform.
- More information about our roadmap can be found [here](#) (in Dutch).

Please, find below answers to the questions in your e-mail:

1. How does your company ensure traceability of the soy embedded in your chicken products back to origin (the farms of origin for the soy used in animal feed)? How are your company's traceability practices monitored and assessed (for example, third-party audits, internal reviews, etc.)?

Achieving full traceability through the supply chain is a complex process. As a supermarket, we are at the end of the supply chain, which consists of many parties such as producers, traders, and animal feed suppliers. A commodity like soy is traded and mixed globally, and origin information is often fragmented. Therefore, we are working together to enhance traceability and transparency:

- We ask our suppliers, including our chicken suppliers, to report annually on the volume, origin (region and suppliers), and certification status of the soy directly or indirectly in products supplied to Albert Heijn. We are working to improve the data each year and increase transparency. We do this, for example, by having discussions with suppliers, sub-suppliers, and certification bodies. We also organize instructional webinars for our suppliers. Last year, we provided more transparency than ever before; please refer to our [2023 Sustainability Report](#), with more information on page 70, 71, 129 and 130 until page 136. We have also been transparent about this on our Albert Heijn social media channel [LinkedIn](#).
- Within our [Better for Nature and Farmer](#) programmes (including poultry), we work with a number of dedicated farmers. This allows us to make long-term agreements and work on traceability in the supply chain. Farmers within the Better for Nature and Farmer programmes are audited annually based on set criteria (including RTRS soy). Each year we increase the traceability as we improve our reporting process and discuss results with our Better for Nature and Farmer suppliers.
- We are transparent about the location of all private label suppliers on our [world map](#). This map can be filtered by category (for example, 'meat, poultry, and fish'), providing an overview of all suppliers of these products to Albert Heijn. Our farmers and growers from the Better for Nature and Farmer programmes (including our poultry farmers) are also listed on our world map.
- 100% of the volume of the higher risk soy used in our supply chains is certified through (area mass balance) RTRS credits. Higher risk origins include all origins in South America. The credits are purchased from soy producers located in higher-risk areas to stimulate legal and deforestation/conversion-free production there. Before producers are certified, an independent audit is conducted, which is repeated annually. RTRS scored highest in [Profundo's standards benchmark](#), and was recognized as a best-in-class standard.

2. Does your company have a human rights, indigenous rights, or traditional communities' rights policy in place? How is this policy implemented, monitored, and assessed?

Suppliers of our private label products are certified according to social and environmental standards, which we consider an important foundation. Additionally, as part of our purchasing conditions, we apply a code of conduct for our suppliers. These are outlined in the [Standards of Engagement](#) and are included within all supplier contracts. The Standards of Engagement were revised in 2023 and include a paragraph on land rights. It states that suppliers are expected to respect the rights and title to and the use of property, land and natural resources of individuals and local communities. In addition, suppliers must actively seek and document the effective implementation of free, prior and informed consent (FPIC). In addition, Ahold Delhaize's Position on Human Rights explicitly refers to the rights of indigenous peoples.

To assess and mitigate risks in our supply chain we have developed a [due diligence policy](#). We report our progress annually in the supply chain and human rights section of our annual [Sustainability Report](#). Please see our webpage on human rights here: [Human Rights | Albert Heijn \(ah.nl\)](#)

As we are part of Ahold Delhaize group, we also adhere to the position on Human Rights including Ahold Delhaize's approach to due diligence. Ahold Delhaize recently identified Community Impacts as a salient human rights issue as part of its most recent sustainability due diligence process. More information, including the approach to mitigation, is available on page 44 of the [Human Rights report](#).

Specifically regarding soy: all our soy is certified through (area mass balance) RTRS credits. The RTRS Standard includes criteria related to:

- Legal compliance
- Respect for legal land use
- No (legal and illegal) deforestation or conversion after May 2009
- Protection of community relations
- Responsible working conditions
- Environmental responsibility
- Good agricultural practices

To continuously improve, we engage with supply chain partners and stakeholders. Last March, [Albert Heijn met with indigenous representatives](#) of Brazil's Cerrado region: APIB, Rede Cerrado, ISPN, and WWF. We had an open and constructive dialogue about the social and ecological importance of conserving the Cerrado, as well as the challenges and opportunities we see in this space.

3. What actions does your company take when it finds evidence of human rights (including indigenous rights and traditional communities' rights) violations and deforestation in its supply chains? Can you provide details?

The general steps we take when human rights violations are alleged or identified within our direct supply chain are set out in point 2.3 of our [Standards of Engagement](#).

In this specific case, we have contacted Cargill, Bunge, De Heus, and Plukon for their initial response to the allegations. A summary of their responses are set out below.

- o **Cargill** confirms that two out of three mentioned groups are in their supply chain but mentions it did not find any restrictions in their verification process of these two parties. Cargill has committed to a deforestation/conversion-free, Brazilian, soy supply chain by 2025. Cargill uses polygon mapping and satellite technology and has mapped nearly 100% of direct suppliers in Brazil to polygon level.
- o **Bunge** complies with Brazilian law and is taking action to monitor the developments mentioned in the letter closely. Bunge has committed to a deforestation/conversion-free, Brazilian, soy supply chain by 2025. Through satellite technology, Bunge monitors progress on its commitment, and currently, 99.2% of the soy volume from Brazil is verified deforestation/conversion-free.
- o **De Heus** sources soy for the feed supplied to **Plukon** under the (area) mass balance certification system. The soy in animal feed from De Heus' is 100% certified soy that meets the sustainability standards established at the European level within the European branch organization for the animal feed industry (FEFAC). Additionally, De Heus supports the EU Deforestation Regulation and is "fully committed to complying with this regulation by the end of 2024". De Heus is currently developing a Human Rights Due Diligence process. Upon completion, this will be implemented as a strict policy beginning in 2025. De Heus is working hard to improve their traceability systems, and are planning to launch a new due diligence system in 2025.

Regarding preventing human rights violations, all parties involved have a human rights policy based on international standards. In addition, Cargill and Bunge have a Supplier Code of Conduct that includes human rights concerning indigenous and land-connected peoples. Specifically for soy production in Brazil, it is stated that Bunge can terminate the contract immediately if human rights violations are found. Through a grievance mechanism, stakeholders can report incidents to both parties. For further clarification, we ask that you refer to Bunge and Cargill's correspondence with you directly.

We take the allegations made very seriously and will continue discussions pertaining to these allegations with our suppliers. We will ask our suppliers to further investigate possible links with these producers, if allegations are substantiated and understand any possible further action our suppliers intend to take.

4. Has your company ever blocked any supplier linked to Brazilian soy due to concerns over human rights violations or deforestation?

Our goal is to engage and collaborate with suppliers, encouraging them to take steps to address the issue, as simply blocking a supplier often fails to resolve the larger problem. However, if we experience no movement or willingness and there is no progress in engaging and being transparent, we may consider putting ban in place – we consider this a measure of last resort. For example, we have banned all beef from Brazil, together with other supermarket chains in Europe.

5. What are your company's views on the EU Deforestation Regulation?

Albert Heijn supports the EU Deforestation Regulation (EUDR) and has actively advocated for its adoption. In addition to deforestation, we support the inclusion of conversion ('other wooded lands'), ensuring that both deforestation and conversion will be heavily penalized. Together with other businesses, we have called for the EU to include 'other wooded lands' in the regulation. At the end of 2023, we were invited by the European Commission as the only Dutch retailer to [test](#) the EUDR Information System, and we provided extensive feedback for its improvement.

We foresee that the EUDR will increase traceability and transparency within the soy supply chain and with those insights we will continue to engage with our suppliers to establish a deforestation/conversion-free soy supply chain in which human rights and rights of indigenous communities are respected.

Please reach out if you have any additional questions.

Sincerely,
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