

Social Responsibility: Responsible soy

We are committed to the systematic development of sustainable business, both in strategy and actions. To us, social responsibility means responsible products, employee wellbeing and a responsible supply chain.

Use of responsible soy is our responsibility

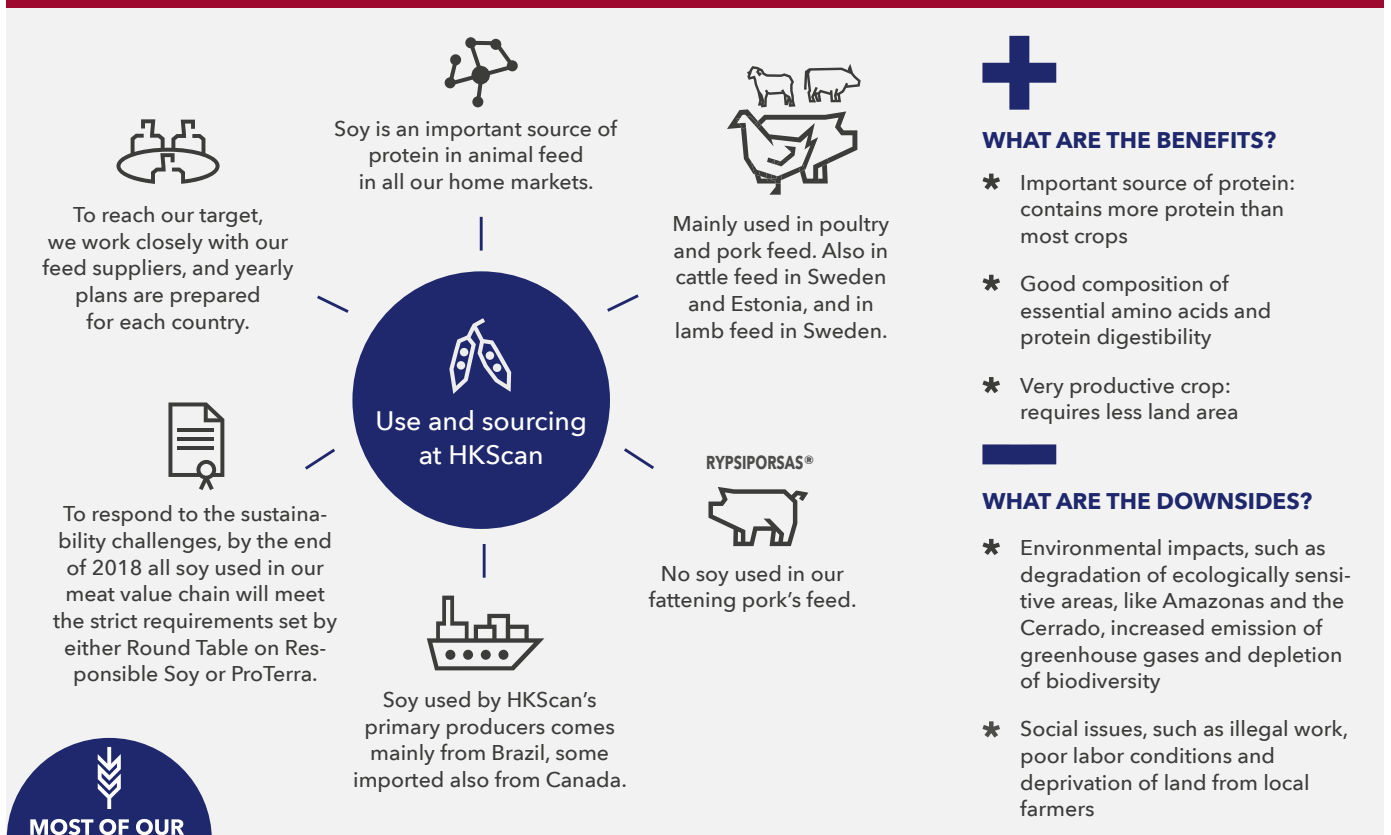
Soy is used in animal feed due to its high protein content rich with all essential amino acids. Soy is a very efficient crop which means that less land is needed in cultivation compared to other protein crops.

Soy is one of the world's most widely cultivated crops. The increased soy production is driven by population growth and increased demand for meat, dairy products and cultivated fish. Approximately 85% of the global soy production is used for animal feed, and most of the soy exported to Europe originates from Brazil. However, the continual expansion of soy cultivation is connected with social and environmental challenges, particularly in South America. Even though most of the feed used in our production is cultivated locally, our role as one of the largest meat producers in Northern Europe is substantial in contributing to the development of responsible soy.

Our commitment

BY THE END OF 2018, ALL SOY USED IN OUR MEAT VALUE CHAIN WILL BE RESPONSIBLY PRODUCED

SOY AS AN INGREDIENT IN ANIMAL FEED



MOST OF OUR ANIMAL FEED IS CULTIVATED LOCALLY



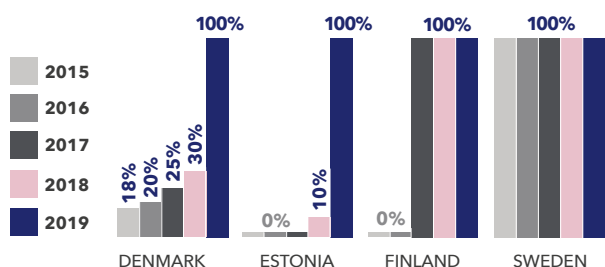
WWF has promoted sustainable soy for years. We are delighted that HKScan has committed to responsible soy and shows concrete example how a company can decrease the negative environmental impacts of its procurements.

Liisa Rohweder
Chief Executive Officer, Dr
WWF Finland



Committed to responsible soy - our target is clear

Use of responsibly produced soy



WWF Soy Scorecard, Finnish Soy Pledge and Swedish Soy Dialogue

In order to mitigate environmental risks of soy cultivation, WWF promotes companies to take responsible soy into use. WWF assesses the performance of European companies on the use of responsible soy in animal feed, and the results are stated Soy Scorecards.

In 2016, HKScan Sweden reached the highest score in the meat industry and is seen as "leading the way". HKScan Group reached 3rd place, being "well on the path". Also in 2016, HKScan Finland signed a pledge to use only responsibly produced soy in collaboration with WWF Finland and other companies. In Sweden, HKScan is part of the national Swedish Soy Dialogue network.

Average amount of soy used per kg meat in HKScan primary production

MEAT TYPE	DENMARK	ESTONIA	FINLAND	SWEDEN
Cattle	No production	0.29* kg/kg meat	No soy used	0.29* kg/kg meat
Poultry: broiler	0.88* kg/kg meat	0.97 kg/kg meat	0.69 kg/kg meat	No production
Pork	No production	0.35* kg/kg meat	0.29 kg/kg meat	0.35* kg/kg meat

*No data available, RTRS soy print calculator values used

In addition to animal feed, soy is used as a direct ingredient in a few of HKScan's food products, in which case it is also included in our commitment to responsible soy.

WHAT KIND OF CERTIFICATIONS ARE THERE?

Commitment to responsible certified soy is our way of addressing the environmental and social challenges in soy production. To gain certification, the producers must meet numerous criteria and undergo regular third-party audits of their performance, which includes environmental impact, cooperation with local communities and proper working conditions.



THE ROUND STABLE ON RESPONSIBLE SOY (RTRS)

RTRS is an international multi-stakeholder initiative that was established to promote sustainable soy production and ethical responsibility throughout the soy production chain. HKScan joined the RTRS in 2014.

RTRS Certified Responsible Soy

RTRS Certified Responsible Soy can be bought via RTRS Credits. The trade of Physical RTRS Certified Soy through mass balance or segregated sourcing is under development. No matter which model is applied, the "on the farm" requirements for soy producers are exactly the same, adhering to the same RTRS Standard for Responsible Soy Production. Both GMO and GMO-free soy can be certified according to RTRS.

RTRS Credits

RTRS Credits can be bought from producers through the RTRS Trading Platform. One credit is the equivalent of 1 tonne of any soy product, and farmers can sell as many credits as they produce soy in tonnes. Today, the use of RTRS Credits is the common way to purchase RTRS certified soy. By purchasing RTRS Credits, HKScan ensures that responsible soy is produced in the same amount as soy used in the animal feed.

PROTERRA FOUNDATION

The ProTerra standard includes protection of the Amazon and HCV areas, good labour practices and relations with communities, good agricultural practices and non-GMO requirements. ProTerra certified soy is used in Sweden.

RTRS production standard

The RTRS production standard includes five principles: legal compliance, labour conditions, community relations, environmental responsibility and good agricultural practices. To comply with these principles, the soy farmer follows applicable laws and has legal use rights to the land. The farmer does not use child labour or forced labour, and discrimination of any kind is not allowed. The workers are provided a safe and healthy workplace, freedom of association and remuneration at least equal to national legislation. Dialogue with the local community is ensured and an effective mechanism for resolving complaints and grievances is implemented. Pollution, waste and greenhouse gas emissions are reduced at the farm. Native forests and other sensitive areas are protected since 2009, from 2016 onwards no conversion of natural land is allowed. The quality and supply of surface and ground water is maintained or improved as well as the soil quality. The use of pesticides is controlled and the environmental and health effects mitigated.