

CALIFORNIA PROPOSITION 65

Prop 65 Compliance for Soy Lecithin

Your Ingredient. Your Customer's Label. Their Liability Becomes Yours.

Presented by: Prop65Compliance.com

Compliance Management by Consultare Inc. Group

Powered by SystemsBuilder.pro



E-322

B2B Ingredient

Flows

Downstream Risk

Why This Matters for Lecithin Suppliers

Soy lecithin itself isn't on the Prop 65 list — but it carries multiple exposure risks into your customers' products.



NOT LISTED

Soy lecithin is not on the Prop 65 chemicals list. But the residues, solvents, and contaminants it can carry are.

— *The real compliance question*

Risk Flows Downstream



Hexane Extraction Residues

Solvent-extracted lecithin can contain trace benzene (Prop 65 listed) and other solvent byproducts — an FDA-allowed process, not a Prop 65 safe harbor.



Heavy Metals in Soy

Lead, cadmium, and arsenic naturally concentrate in soybeans from agricultural soils — especially high-yield industrial growing regions.



'Natural' Class-Action Risk

2026 class actions (Sheehan et al.) target 'no artificial preservatives' claims on products containing lecithin — amplifies exposure.



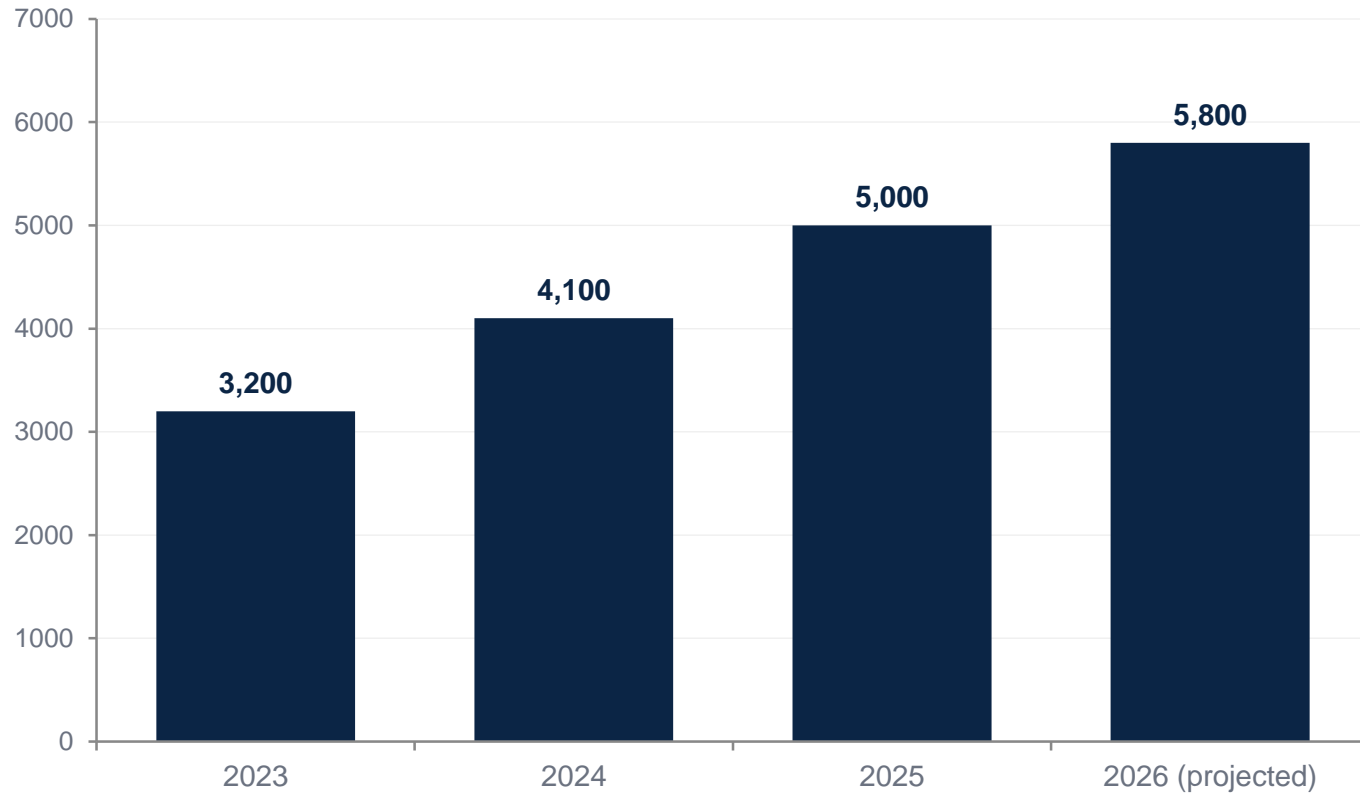
Your Customer's NOV = Your Problem

When a finished-product brand gets a 60-day notice, the ingredient supplier is the first phone call — documentation or liability.

Ingredient Suppliers Under Scrutiny

Finished-product Prop 65 pressure trickles straight back up to ingredient suppliers.

Annual Prop 65 NOVs Issued (All Categories)



Source: OAG 60-Day Notice database. Ingredient suppliers increasingly named in joint-and-several liability.

~38%

Food & Supplements

Largest single category of Prop 65 enforcement. Emulsifier ingredients carry the risk.

Feb 2026

Sheehan Lawsuits

NY class actions naming soy lecithin in 'no artificial preservative' false-advertising claims.

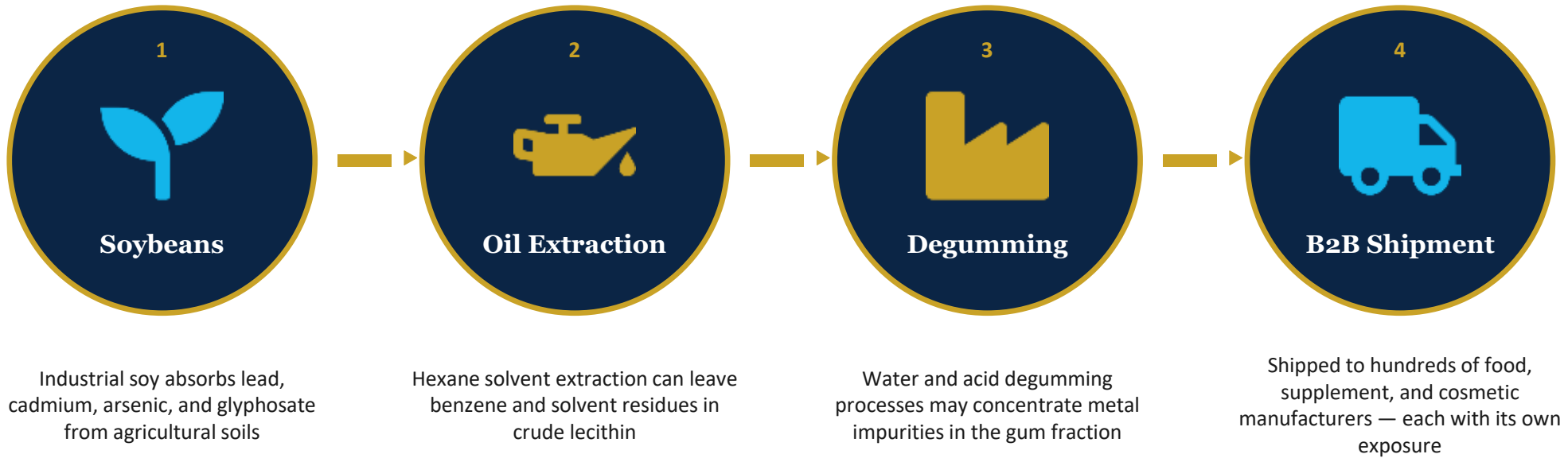
Lead
Cadmium
Benzene

Ingredient Targets

Heavy metals and solvent residues are the mechanism — lecithin is the carrier.

Why Soy Lecithin Is at Risk

From soybean field to emulsifier in thousands of finished products — contamination enters at every stage.



Your lot of lecithin becomes the input to hundreds of downstream SKUs.

One out-of-spec shipment can trigger Prop 65 NOVs across every customer's product line.

The Ingredient Supplier's Unique Position

You're not on the label — but you're named in every indemnity claim.



FINISHED-PRODUCT BRAND

Receives the 60-Day Notice

- Named on the OAG Notice of Violation
- Faces warning-label, settlement, retail pressure
- Demands documentation from YOU within 72 hours
- Invokes supplier indemnification clauses



LECITHIN SUPPLIER (YOU)

Absorbs the Financial Hit

- Contractually responsible under indemnity clauses
- Loses the account if can't produce COAs in 72h
- Faces simultaneous claims from multiple customers
- Reputation damage across the ingredient channel

A compliance file is the only thing that keeps an indemnity demand from becoming a loss.

Business Impact of Non-Compliance

For ingredient suppliers, the damage is contractual, reputational, and multiplicative.



Indemnity Demand Letters

Customer brands invoke supplier indemnity clauses within days of receiving a 60-day notice.



Multi-Customer Exposure

One bad lot distributed to 40 customers = 40 simultaneous indemnity claims on your balance sheet.



Account Loss & Qualification

Major food brands delist suppliers who can't produce Prop 65 documentation on demand.



Natural-Claims Class Actions

Finished-product 'no artificial preservative' lawsuits (Sheehan 2026) cite lecithin supply chain as evidence.

Ingredient suppliers face leveraged risk: one failure, many customers, every contract triggered at once.

Why Prop65Compliance.com

Compliance-focused. Not a law firm. System-based — not one-time testing.



Compliance-Focused

We don't litigate — we build the documentation trail that answers indemnity demands.



System-Based Approach

Per-lot testing alone doesn't protect you. A cross-referenced documented program does.



Managed by Consultare Inc. Group

Operational oversight from a dedicated compliance management team.



Built on SystemsBuilder + InterlinkIQ

Artifact-based system, document control, and AI-assisted workflows.



OUR PROMISE

**When your customer asks,
you send the file —
and the call ends there.**

*Compliance documentation
built for the indemnity call.*

What We Deliver

An end-to-end Prop 65 program for ingredient suppliers — built for downstream defensibility.



Lot-Level Risk Assessment



Heavy Metal & Solvent Testing Oversight



Customer-Use Exposure Math



Compliance Determination



Customer COA & Attestation Package



Upstream Grower Program



Indemnity-Ready Documentation



Ongoing Monitoring

Every component is documented, traceable, and deliverable to your customer on 24-hour notice.

Core Technical Components

The compliance stack underneath every lecithin lot determination we issue.



Heavy Metal Panel Testing

Oversight of Lead (MADL 0.5 µg/day), Cadmium (MADL 4.1 µg/day), Arsenic, and Mercury at ISO 17025 labs — per incoming lot.



Solvent Residue Screening

Hexane residues and benzene (listed carcinogen) screened in solvent-extracted lecithin — water-degummed lots documented separately.



Customer-Use Exposure Math

Calculations modeled on typical inclusion rates (0.1–2%) in finished foods, supplements, and cosmetics — per customer application.



COA & Attestation Package

Each shipment ships with a Prop 65 attestation, analytical COA, and compliance determination customers can reference.



Lot-by-Lot Compliance File

Each production lot gets its own compliance determination, stored and retrievable by lot number on demand.

Upstream & Downstream Supply-Chain Control

Lecithin suppliers sit in the middle of a long chain. Controls reach both directions.



Your documentation flows in both directions — upstream attestations and downstream COAs.

The SystemsBuilder Approach

Artifact-based compliance — built once, scales across every lot and every customer.



ARTIFACTS vs RECORDS

You pay for the structure — not the records.

Build once. Use for every lot.

Example:

ARTIFACT (you pay)

Lot-Testing & COA Program

One document defining how every lot is tested, reviewed, documented, and delivered to customers.

↓ Generates unlimited ↓

RECORDS (no added cost)

Per-Lot, Per-Customer Records

Every lot, every shipment, every customer COA fills the same framework — no new artifact needed.

→ *Scalable, predictable, cost-efficient.*

How It Works

A three-phase program. Setup once. Monitor continuously.

01 STEP Setup

- Lot & customer scoping
- Grower & origin mapping
- Testing plan per process
- Documentation structure

02 STEP Implementation

- Lab coordination (ISO 17025)
- Heavy metal + solvent testing
- Per-lot determination
- Customer COA delivery

03 STEP Monitoring

- Monthly compliance oversight
- Per-lot review
- Trend analysis by supplier
- Indemnity-ready reporting

Setup Pricing – One-Time Investment

Priced per SKU — each grade and format is a separate compliance file.

COMPLIANCE SYSTEM SETUP

\$1,500

up to 3 lecithin SKUs / grades

+ \$150

each additional grade (liquid / powder / de-oiled)

One-time investment to build your system.

SETUP INCLUDES



Lot-level risk assessment



Heavy metal + solvent testing program



Customer-use exposure framework



Customer COA & attestation template



Compliance determination structure

Monthly Monitoring – Ongoing Oversight

Continuous compliance. Scales with your lot cadence and customer base.

ONGOING COMPLIANCE OVERSIGHT

\$500

per month — up to 7 SKUs

+ \$50 / month

per additional SKU

Keeps you continuously compliant.

MONITORING INCLUDES



Per-lot test review



Customer COA generation



Monthly reporting



Trend analysis by grower/origin

Cancel anytime. No long-term contracts.

Testing Monitoring Fees

Per-event oversight — pay only when a lot is tested.

\$35

per testing monitoring event

Per lot — covers lab-report review, threshold comparison, compliance determination & customer COA generation.

WHAT THE \$35 COVERS

- Lab report review
- Threshold comparison vs MADL
- Per-lot compliance determination
- Customer COA / attestation update



IMPORTANT — LAB FEE EXCLUSION

Laboratory testing fees are NOT included.

Testing is conducted by independent ISO 17025 accredited laboratories.
All lab costs are billed directly to the client by the laboratory.

We provide oversight and compliance review — not laboratory testing services.

Pay only for actual testing events • No markup on lab fees • Independent results ensure defensibility

What You Receive

Every client gets a defensible, customer-deliverable document package — per lot.



Per-Lot Compliance Determinations

Each lot's test review with pass/fail determination, MADL comparison, and reviewer sign-off.



Customer COA & Attestation Package

Shipment-linked Prop 65 attestations and analytical COAs deliverable to every customer on demand.



Compliance Monitoring Logs

Date-stamped log of every decision made — the backbone of indemnity-response defensibility.



Grower & Supplier Records

Attestations, COAs, risk ratings, and corrective actions by grower cooperative and origin.



Indemnity-Ready Documentation

Packaged for customer indemnity demands, OAG inquiries, and downstream audits on 24-hour notice.

Built for Defensibility

When a customer's indemnity clause is invoked, documentation is the entire defense.



Documented Due Diligence

Every lot determination has a record, a reviewer, and a date.



Verified Lab Testing

ISO 17025 heavy-metal and solvent results — no conflicts of interest.



Traceable Decisions

Grower → bean lot → lecithin lot → customer shipment → COA — fully linked.



Customer-Ready System

Structure designed to answer indemnity demands directly from the file.

Critical for indemnity demands • Customer audits • Regulatory inquiries • Class-action response

Managed Service vs. DIY

Same system. Different execution — you choose who drives.

MANAGED SERVICE

by Consultare Inc. Group

- Hands-off compliance execution
- Expert-managed lot-by-lot monitoring
- Customer COA delivery & support
- Best for: suppliers with high lot cadence and multiple customers

DIY (SystemsBuilder)

at SystemsBuilder.pro

- Self-managed execution
- \$1-per-artifact library access
- In-house QA/regulatory team runs the program
- Best for: established ingredient suppliers with QA infrastructure

Same system. Same artifacts. Same defensibility. — You choose who operates it.

Your Risk Profile

Every one of these factors increases your exposure — independently.

B2B AMPLIFIER



Multi-Customer Distribution

One lot shipped to 40 customers = 40 possible indemnity triggers from a single non-conformance.

PROCESS RESIDUES



Hexane & Benzene

Solvent-extracted lecithin can retain benzene (Prop 65 listed). Water-degummed lots need separate documentation.

UPSTREAM METALS



Soy Heavy Metals

Lead, cadmium, and arsenic concentrate in soybeans from industrial agricultural regions.

LITIGATION OVERLAY



'Natural Claims' Lawsuits

2026 Sheehan lawsuits name lecithin in 'no artificial preservative' claims — reputational and legal exposure.



You're not on the label — but you're in every indemnity clause. Own the documentation or own the loss.

CALL TO ACTION

Don't wait for the indemnity call.

Make your lecithin the easiest ingredient to defend.



MANAGED COMPLIANCE

Let us manage it for you.

- End-to-end Prop 65 system setup
- Per-lot testing oversight
- Customer COA & attestation support
- Indemnity-ready documentation



DIY LIBRARY

Build it yourself.

- \$1-per-artifact library access
- Ingredient-supplier programs
- Customer COA templates & logs
- Run it your way, in-house

“Build it yourself — or let us manage it for you.”