

COMMUNICATION ON ENGAGEMENT (COE)

Round Table on Responsible Soy Association
(RTRS)



Founded in 2006 in Zürich, Switzerland, the Round Table on Responsible Soy Association (RTRS) is a global multi-stakeholder non-profit organization promoting the growth of production, trade, and use of responsible soy through cooperation with those in, and related to, the soy value chain, from production to consumption, in an open multi-stakeholder dialogue including producers, suppliers, manufacturers, retailers, financial institutions, civil society organizations and other relevant actors.

Responsible soy is economically viable, socially beneficial, and environmentally appropriate.



May 12, 2020, Zurich, Switzerland

United Nations Secretary-General
Mr. António Guterres

Dear Mr. Secretary General,

Our mission at the Round Table on Responsible Soy Association (RTRS) is to promote the growth of production, trade, and use of responsible soy through cooperation with players in and relevant to the soy value chain, from production to consumption in an open multi-stakeholder dialogue including producers, suppliers, manufacturers, retailers, financial institutions, civil society organizations and others. This is what guides our work and operations.

RTRS also sets the standards for responsible soy and chain of custody. Particularly the RTRS Standard for Responsible Soy Production scheme ensures that RTRS soy not only meets the highest environmental criteria (including a guarantee of third party-verified zero deforestation and zero conversion) but also a wide-reaching set of social and labor requirements. It is based on five principles: Legal Compliance and Good Business Practices; Responsible Labor Conditions; Responsible Community Relations; Environmental Responsibility and Good Agricultural Practices.

Since joining the UN Global Compact in 2014, and in accordance with and based on the above statements and all related actions and initiatives carried out by the Association, RTRS has been fully committed across-the-board to its sustainability initiatives and its 10 principles grouped in 4 areas: Human Rights, Labor Practices, Environment and Corruption. We will continue to promote these principles in our operations and within the soy and corn value chain.

In this third Communication on Engagement (COE), we describe the actions taken by our organization during 2018-2019 in line with UN Global Compact and its Principles.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Marina Born', is written over a light grey leaf graphic.

Marina Born
RTRS President



FACILITATING THE GLOBAL DIALOGUE ON SOY

These meetings and events are opportunities to liaise with different organizations in the soy value chain and engage in conversations to shape the global soy agenda towards the common goal of transforming the soy supply chain.

RTRS Annual Conference 2018 | 2019



A global dialogue for action to transform soy

 **Lille**
France

 **180**
participants

 **82**
organizations

 **25**
countries

 **50**
speakers

 **5**
sponsors



 **Utrecht**
The Netherlands

Hosted by
Rabobank

 **+270**
participants

 **150**
organizations

 **20**
countries

 **44**
speakers

 **10**
sponsors



Task Forces 2018 | 2019



Brazilian Task Forces

Representing the local soy value chain:



organizations each meeting



participants each meeting



New members 2018 | 2019

The organizations that RTRS welcomed on board see the Association as a credible partner and a place to work collaboratively towards responsible agricultural and business practices to drive their strategies forward and achieve sustainability goals.

4
members joined
RTRS in 2018

Industry, Trade and Finance



Civil Society



12
members joined
RTRS in 2019

With them, three new countries: Canada (Restaurant Brands International - RBI), Spain (Vall Companys) and USA (Tyson Foods, Inc).

Industry, Trade and Finance



Civil Society



Observers



In 2019, in recognition of RTRS as a multi-stakeholder platform on soy and its value in the soy value chain, RTRS was invited to participate in several key conversations:

MARCH



RTRS was invited by the **United Nations** to become an official signatory of the **Declaration on “Gender-Responsive Standards and Standards Development”**.

OCTOBER



RTRS participated as expert on the panel **“Ways forward - Overcoming Implementation Challenges”** at the **Sustainable Consumption for Biodiversity and Ecosystem Services Worldwide Conference**, held by the **Federal Ministry for the Environment, Nature Conservation and Nuclear Safety** in Berlin, Germany.

DECEMBER



RTRS participated in the **European Union Agricultural Outlook Conference**, entitled **Sustainability from Farm to Fork**. It was organized by the **Directorate-General of Agriculture and Rural Development** in Brussels, Belgium.

Projects in 2019

Promoting the growth of production, trade, and use of responsible soy.

RTRS is also making headway on two relevant fronts: **measurement of Greenhouse Gases (GHGs)** and **the RTRS Conversion Factors System & Soy Footprint Calculator**.

We have also begun an analysis of **different tools** available in the market **to measure carbon footprint**, with a view to assessing the impact of RTRS certification at farm level with regards to carbon emissions and sequestration.

The chosen tool to measure GHGs will ensure it provides a representative, multisectoral perspective.

RTRS is also reviewing the **RTRS Conversion Factors System** to develop an enhanced **Soy Footprint Calculator**, which will help companies and organizations in general calculate the volume of soy used in various applications, such as food, feed and byproducts.

RTRS Conversion Factors System —which defines conversion factors for soy byproducts, feed and food products— and the RTRS Soy Footprint Calculator tools will give members access to valuable references when calculating their own soy footprints for the purchase of RTRS-certified material.

An aerial photograph of a dense, lush green forest. The trees are tall and closely packed, creating a thick canopy. The lighting is bright, highlighting the vibrant green of the leaves. The text 'LIASON & AWARENESS' is centered horizontally across the middle of the image in a clean, white, sans-serif font.

LIASON & AWARENESS

In **2018**

RTRS Biofuel specific module updated

RTRS has updated the technical documents related to RTRS biofuel specific module (RTRS EU RED Module), in compliance with the sustainability criteria of Directive 2009/28EC.

In 2018 four producers (three from Argentina and one from Brazil) certified RTRS EU RED. This allows them to sell physical soy to Europe that complies with the regulations of the European Commission for Biofuels.

Among the soy certification systems approved by FEFAC, RTRS and ISCC are the only EU-approved schemes for compliance with the EU Renewable Energy Directive. This approval provides RTRS-certified producers access to the EU biofuel market.



During 2018, and early 2019, there was a significant growing options in the demand of European soybean traders for the RTRS EU RED.

In 2019

ZERO MEANS ZERO

In October, RTRS launched a new campaign focusing on informing audiences about valuable ways to drive impact on the ground: #ZeroMeansZero. This campaign has demonstrated that it is possible to meet the growing global demand for soy and, at the same time, preserve native vegetation and protect human rights by improving worker conditions. #ZeroMeansZero is based on the premise that it is possible to have forest and food and human well-being.



© WWF Brasil, Bento Viana



In 2019

RTRS European Union | European Commission (EU | EC) Engagement Plan

During 2019, RTRS worked on a European Union | European Commission (EU | EC) Engagement Plan.

In this context:

1. In **February** RTRS participated in the public consultation on the Communication on Stepping up EU Action to Protect and Restore the World's Forests.

2. In **October** RTRS met with representatives of the European Commission's Multilateral Environmental Cooperation – Directorate-General for Environment (DG ENVI) and of the Environment, climate change, forestry and bio-economy Unit at the Directorate-General for Agriculture (DG AGRI).

3. In **December** RTRS was invited to attend and participate as a speaker in the fifth edition of the European Union Agricultural Outlook Conference, Sustainability from Farm to Fork, organized by the Directorate-General for Agriculture and Rural Development in Brussels, Belgium.

Following these initial engagement activities in 2019, the proposal for 2020 is focused on continuing the engagement with stakeholders having a key role in the discussions around deforestation at European Union level.

In **2019**

RTRS applied for ISEAL Community Member

Towards the end of 2019, RTRS applied for ISEAL Community Member, to later apply for and achieve full ISEAL membership.

This has prompted the Association to develop an outline of RTRS's Theory of Change (ToC) and create a Monitoring and Evaluation (M&E) System. RTRS's ToC sets short, medium and long-term objectives for social, agronomic and environmental issues, whereas the M&E system collects information from RTRS-certified producers to quantitatively estimate the impact of certification on the ground. It will also provide stakeholders in the soy value chain with quantitative information about the economic, social and environmental benefits of sourcing sustainably-produced soy.

Given their particular importance, Greenhouse Gas Emissions (GHG) have been included as an indicator in the RTRS M&E to enable measurement of GHGs, with a view to assessing the impact of RTRS certification at farm level regarding carbon emissions and sequestration.



Moreover, since **2017 to date:**

1- RTRS participates in the pilot project on the implementation of the OECD-FAO Guidance for Responsible Agricultural Supply Chains

The OECD-FAO Guidance for Responsible Agricultural Supply Chains provides a common framework and a globally applicable benchmark to help agri-businesses and investors identify and mitigate adverse impacts and contribute to sustainable development the type and level of risk of adverse impacts.

At the OECD, convening over 60 participants (including policy makers, investors, business, standard setters, worker groups, civil society, researchers and international organizations) the pilot findings were reviewed and opportunities to promote wide-scale uptake of the OECD-FAO Guidance were discussed.

2- RTRS is a member of the PCI (Produce, Preserve and Include), an initiative in the state of Mato Grosso to increase agribusiness production, stop deforestation and provide more work and better lives for state residents.

3- RTRS is involved of the GCF (Governors' Climate and Forest Task Force), through Earth Innovation Institute. RTRS as platform and certification is positioned as an important tool for states to achieve their goals of bringing an end not only to deforestation but to improve key social aspects as well. Some states that participate in the GCF in Brazil have begun a dialogue with RTRS in order to implement sustainable agricultural practices (Maranhão, Mato Grosso, and Tocantins).

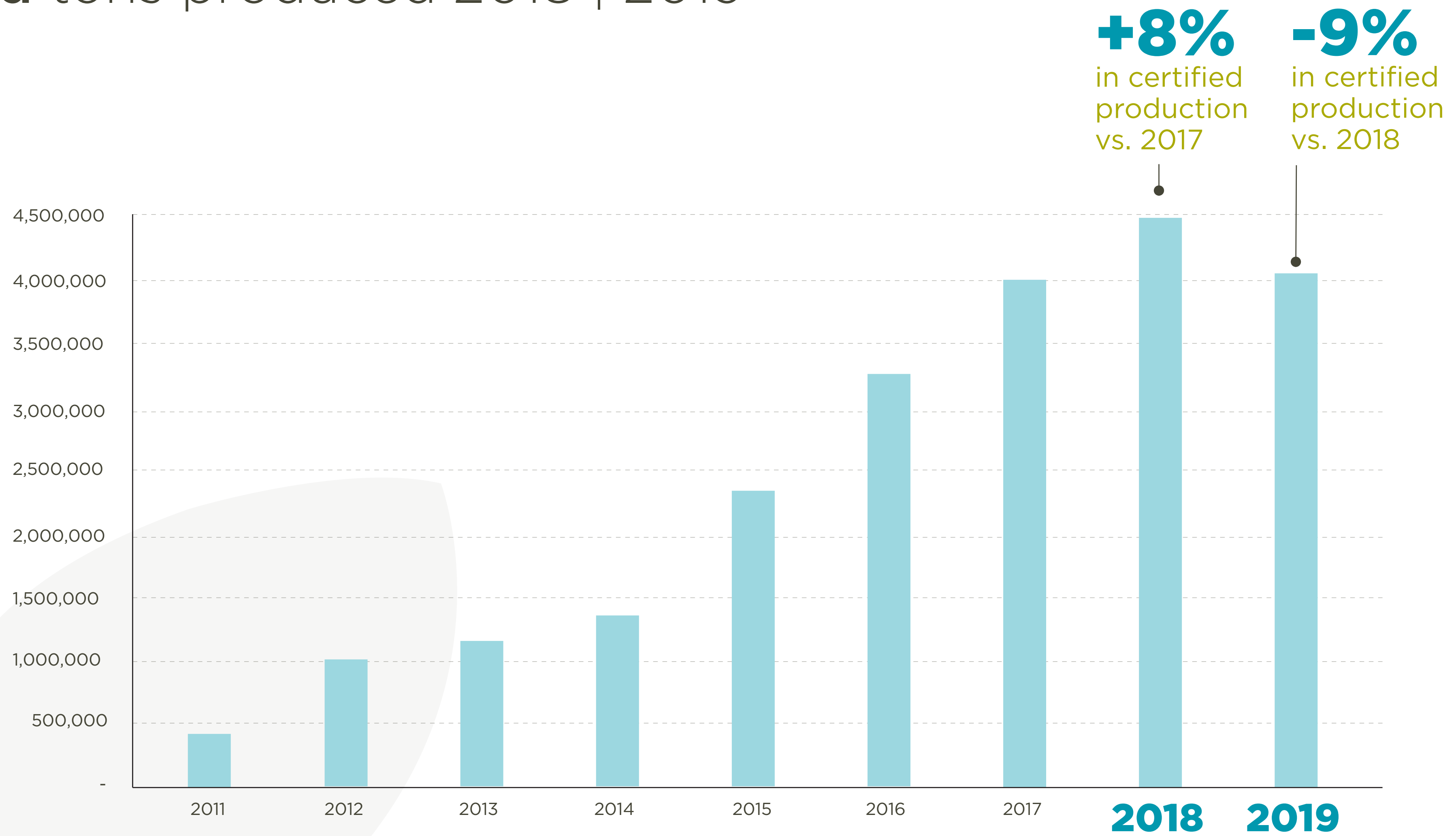
A tractor with a spray boom is shown in a field of soybeans. The tractor is positioned in the center-left of the frame, moving towards the right. The spray boom extends across the width of the field. The background is a vast field of green soybean plants under a clear sky. The entire image has a light green tint.

CERTIFICATION

RTRS sets the standards for responsible soy and chain of custody.

Particularly the RTRS Standard for Responsible Soy Production scheme ensures that RTRS soy not only meets the highest environmental criteria (including a guarantee of third party-verified zero deforestation and zero conversion) but also a wide-reaching set of social and labor requirements. It is composed of the following five principles: **Legal compliance and good business practices; Responsible labor conditions; Responsible community relations; Environmental responsibility and Good agricultural practices.**

Certified tons produced 2018 | 2019



Certified material	420,706	1,006,982	1,157,583	1,355,052	2,344,466	3,266,561	4,149,069	4,465,232	4,053,747
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RTRS producers & certified production 2018 | 2019

RTRS SUSTAINABLE SOURCING

Total tons per country 2018

Brazil: 3.886.465
Argentina: 373.514
Paraguay: 109.354
China: 53.450
India: 17.741
USA: 13.188
Uruguay: 11.520
Mozambique: 950

 **7.088**
producers certified
against the RTRS Production
Standard in 2018



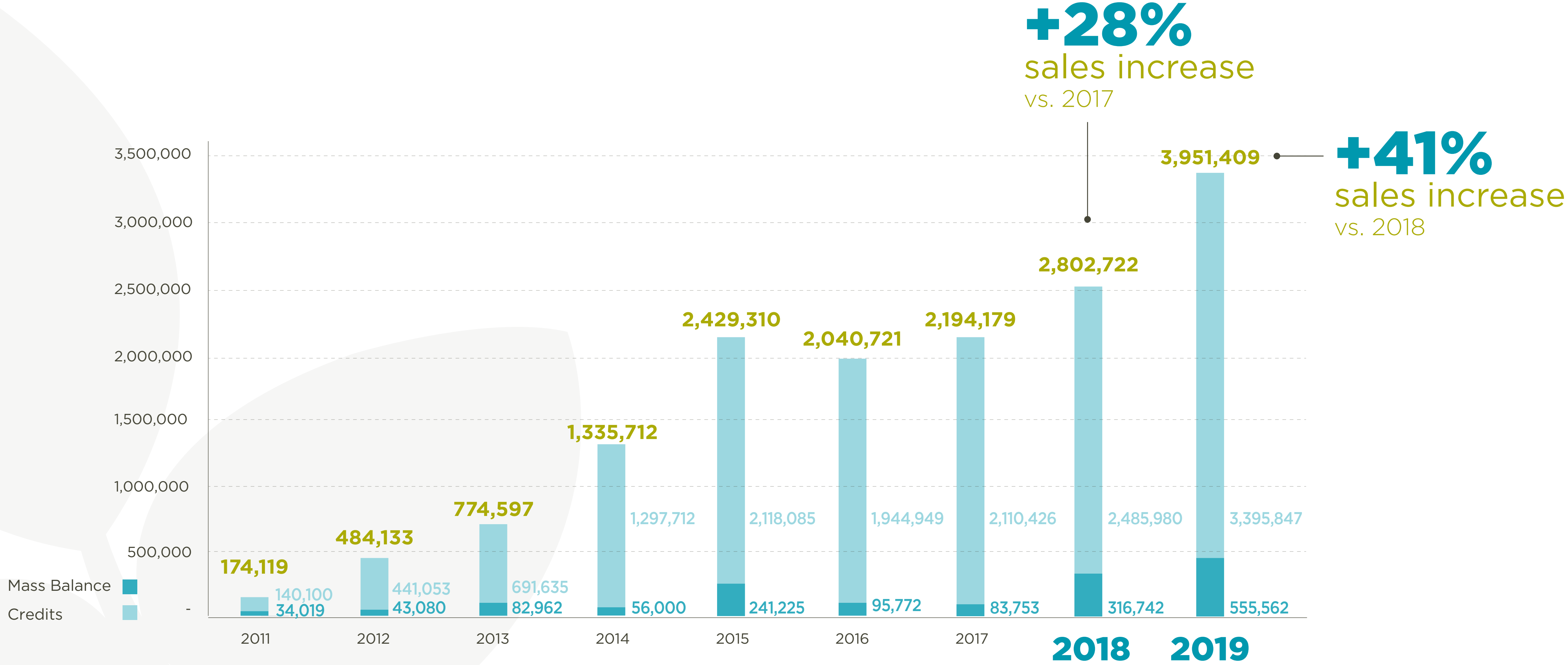
Total tons per country 2019

Brazil: 3.350.343
Argentina: 545.884
Paraguay: 65.434
China: 61.348
Uruguay: 30.738

 **264**
producers certified
against the RTRS Production
Standard in 2019


Producers under
certification process in
2019 expected to get
the certification in 2020:
4,304
(4,281 indian producers)

Uptake evolution per year (tons) credits and mass balance 2018 | 2019



New companies purchasing RTRS certified material 2018 | 2019

25

new buyers in 2018

began to purchase RTRS-certified material

Of RTRS certified soy including Inter IKEA Group, Sligro and Bunge Spain, from 11 countries/territories represented.

This 25 new buyers purchased 250k tons of RTRS material, 197k RTRS physical flow.



33

new buyers in 2019

began to purchase RTRS-certified material

Tesco, Vall Companys, Tyson Foods and Nestlé purchased almost 160k RTRS credits. In terms of physical material, Cereal Docks, and ADM International purchased 423k tons with Bunge Iberica as well.



Italian company Cereal Docks became the first European processing plant certified in RTRS's Chain of Custody standard.

Global reach 2018 | 2019

Countries that purchase RTRS Soy

Total sales per country 2018

The Netherlands 40,74%
 Scandinavian Countries 14,96%
 United Kingdom 11,76%
 Brazil 11,55%
 Spain 5,67%
 Belgium 5,33%
 France 4,47%
 Germany 2,97%
 Thailand 1,03%
 Italy 0,52%
 Argentina 0,36%
 South Africa 0,34%
 Chile 0,21%
 Switzerland 0,13%
TOTAL 100%



Total sales per country 2019

The Netherlands 30,10%
 United Kingdom 16,19%
 Scandinavian Countries 14,17%
 Switzerland 10,86%
 Brazil 8,42%
 Belgium 7,55%
 Germany 3,73%
 France 3,60%
 Italy 2,23%
 Chile 1,44%
 Spain 0,75%
 Ireland 0,56%
 South Africa 0,24%
 Argentina 0,06%
 USA 0,06%
 China 0,03%
 Vietnam 0,01%
 Japan 0%
TOTAL 100%

From the uptake perspective, it is important to highlight the annual positive trend in the “buyers map.”

According to RTRS records, in 2016 and 2017, the Netherlands was by far the leading country in RTRS-certified material (RTRS credits) uptake worldwide, accounting for 66% of the total. In 2018, the percentage of RTRS-certified material uptake in the Netherlands significantly decreased to 40% of the total; in 2019, it was **30%**. Many countries including Scandinavian region and the United Kingdom increased their participation and commitment to RTRS-certified material. With smaller volumens, new buyers from Ireland, Japan, Vietnam, and USA dabbled in the RTRS-certified material field.

2019 achievements

RTRS Standard on Responsible Corn Production

The development process was successfully initiated in 2019 - Pending for approval by RTRS members.

We are committed to upholding RTRS as a “state-of-the-art” multi-stakeholder certification scheme and we will continue to work to make it increasingly more robust.

Considering the environmental and agronomical benefits of crop rotation, a practice that responsible soy producers are required to implement under the RTRS Production Standard, RTRS began developing the **“RTRS Standard for Responsible Corn Production”** in 2019.

Once approved by the RTRS General Assembly, in late 2020 RTRS-certified soy producers will be able to certify their corn production, adding RTRS-certified corn to the responsible supply chain.

The new standard, like the one for soy, will be based on the five basic RTRS certification principles: Legal compliance and good business practices; Responsible labor conditions; Responsible community relations; Environmental responsibility and Good agricultural practices.



2019 achievements

RTRS Production Standard being recognized as compliant with the Sustainable Sourcing Code for Agricultural Products by the Tokyo 2020 Organizing Committee of the Olympic and Paralympic Games.

After a year of hard work, approval of RTRS's application marks a significant first step in the Japanese market.





responsiblesoy.org

