

Q2 2019 RTRS MEMBERS QUARTERLY REPORT



RTRS MANAGEMENT REPORT 2018



NEW RTRS ACCREDITATION AND CERTIFICATION REQUIREMENTS FOR RESPONSIBLE SOY PRODUCTION



THE 2019 RTRS AWARDS WENT TO UNILEVER, LIDL AND FAPCEN



RTRS AT THE AMSTERDAM DECLARATIONS PARTNERSHIP MEETING



RTRS JOINS COALITION FOR TO INCREASE SUSTAINABLE SOY IN SORRISO, BRAZIL



RTRS MANAGEMENT REPORT 2018

As part of its commitment to carry out a transparent and credible management, RTRS shares its Annual Management Report where it gathers the most relevant information on the execution and evolution of its initiatives and activities.

Take a look at the RTRS MANAGEMENT REPORT 2018 

CONTINUOUS IMPROVEMENT

↑28% RTRS CERTIFIED MATERIAL SALES

↑8% CERTIFICATION

↑278% MASS BALANCE SALES

25 NEW BUYERS

4 NEW MODULES!

RT13 ANNUAL CONFERENCE
180 ATTENDEES
25 COUNTRIES

"COLLABORATIVE SOY INITIATIVE"
CONVENED BY RTRS





RTRS MANAGEMENT REPORT 2018

2018 LEADING PURCHASERS OF RTRS CERTIFIED MATERIAL*

BRANDS AND RETAILERS

 Unilever	 Arla	 LIDL	 Sharing smiles	 Ahold Delhaize	 MARS
237k credits + 71k Mass Balance	270k	211k	47k	46k	45k credits + 2.4k Mass Balance

FEED INDUSTRY

 Farmers The total food business	 Agrifirm	 de heus
295k	200k	135k

TRADERS AND RESELLERS

 ACT	 Cefetra A BayWa Company	 Groan
1.3 M	385k	376k

*Numbers based on the annual purchases of buyers in a single calendar year.

NEW PRODUCTION & SUPPLY CHAIN CERTIFICATION MODELS

To respond to market demand and offer a greater level of choice to buyers eager to embrace responsible soy.

The new modules are:

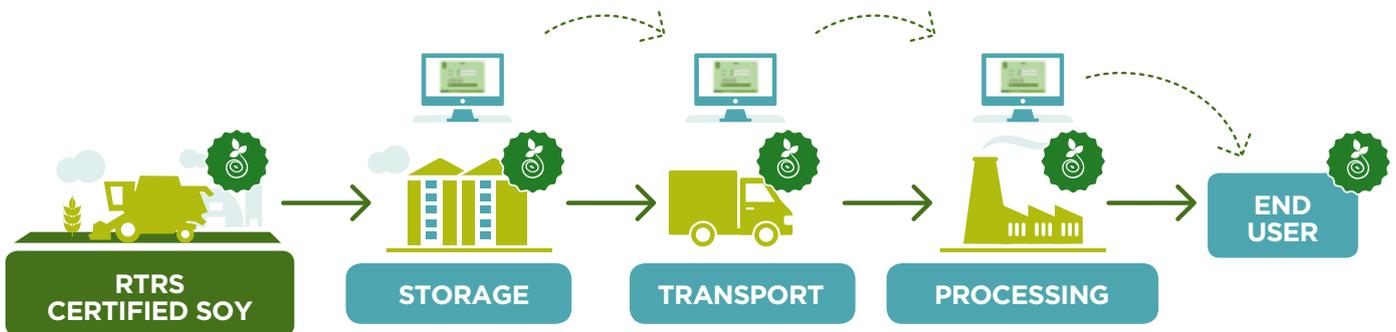
<p>COUNTRY MATERIAL BALANCE</p> <p>Created to keep on adding value to the certification of the soy production facilitating the physical flow of RTRS soy to the market from within a specific country.</p> <p>Streamlining the process of mass balance from multiple operators in a single country.</p> <p>Offering one single accounting system for multiple certified facilities.</p>	<p>RTRS NON-GMO CREDITS</p> <p>Offering guaranteed non-GMO credits to the market.</p> <p>Enabling the market to support the responsible production of non-GMO soy through the purchase of RTRS non-GMO credits, but not physically obtain, the non-GMO soy production.</p>	<p>RTRS REGIONAL CREDITS</p> <p>Allowing RTRS credit buyers to specify region or country.</p> <p>Enabling RTRS credit buyers to support local farmers. To foster and scale up certification in certain areas.</p>	<p>RTRS NON-PARAQUAT CREDITS</p> <p>Offering guaranteed non-Paraquat credit to the market.</p> <p>A 'bridge' to the total phase-out of Paraquat by RTRS producers in 2021.</p>
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NEW RTRS ACCREDITATION AND CERTIFICATION REQUIREMENTS FOR RESPONSIBLE SOY PRODUCTION

The RTRS Chain of Custody Standard (CoC) guarantees that all soy bought throughout the supply chain originates from certified sources.



At the level of production, the Chain of Custody Requirements for Producers (Annex 1 of the RTRS Production Standard) ensures that producers comply in order to be able to sell their certified product through the physical flow (under Country Material Balance, Mass Balance or Segregation system).

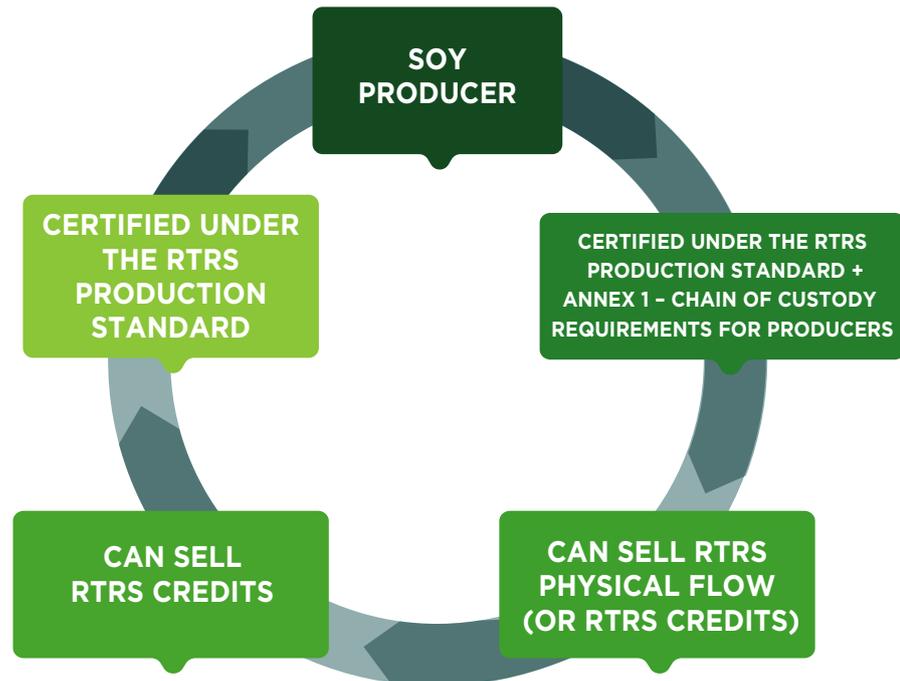
This scope is currently optional meaning that only $\frac{1}{4}$ of the RTRS certified producers include this scope in their certification. This means that producers who include the scope of their certification in the chain of custody requirements for producers will be able to sell their certified product through the physical flow or through the RTRS credit system. On the other hand, certified producers not including this scope (the remaining three quarters) are limited to selling the equivalent of their certified soy only through RTRS credit system.

At the **13th General Assembly (GA13)** taking place on June 12th 2019, RTRS announced the approval of a new version of the RTRS Accreditation and Certification requirements for responsible soy production version 4.2. The new version will have a large impact on RTRS certified physical flow availability by making it mandatory for all RTRS certified producers to include it in the audit Chain of Custody requirements for producers by 2020.





NEW RTRS ACCREDITATION AND CERTIFICATION REQUIREMENTS FOR RESPONSIBLE SOY PRODUCTION



As part of RTRS's ongoing 'commitment to continuous improvement', the requirements set in this new version, will increase mass balance volumes that will be available for the market. Based on 2018 numbers of RTRS certified soy production, the RTRS Mass Balance available could increase from 1.5 million to around 4.5 million tons.

The updated version of the RTRS Accreditation and Certification requirements for responsible soy production version 4.2 adds value to the certification of soy production and has two purposes. It contributes to the development of the physical soy market creating conditions that increase the scale and impact of sustainable soy on a global basis, and at the same time it gives producers the opportunity to widen their supply of sustainable soy (RTRS credits or certified soy) available to the market demand.





THE 2019 RTRS AWARDS WENT TO UNILEVER, LIDL AND FAPCEN

This first edition of the RTRS Awards was hosted at the 2019 RTRS Conference RT14. Unilever received a special recognition as the Major Buyer of RTRS Certified Material 2018.

The Round Table on Responsible Soy Association (RTRS) has recognized leading contributions to sustainable soy practices by announcing the winners of the first **RTRS Awards** at the RTRS annual conference, **RT14**.

Lidl won the award for being **a driver of sustainable soy value chains**. By its side the Brazilian Research Foundation **FAPCEN** received two awards for **its contribution to sustainable partnerships and for leading-edge soy production management**.



Judith Kontny (Lidl) and Lieven Callewaert (Alliance 4 Soy).



Juliana de Lavor Lopes (AMAGGI) and Gisela Introvini (FAPCEN).





THE 2019 RTRS AWARDS WENT TO UNILEVER, LIDL AND FAPCEN

“We have been overwhelmed by the calibre of the entries of high-profile consumer brands keen to engage and show their commitment to a sustainable soy future” said Marcelo Visconti, Executive Director of RTRS.



Marcelo Visconti, RTRS Executive Director.

Lidl was rewarded as an organization that drives and develops more sustainable supply chains, identifying the type of supply chain involved, executing projects that encompass different stakeholders of the soy value chain and promoting the production and trade of RTRS-certified material (credits and/or physical soy). On this side, **FAPCEN** was recognized as an organization that drives and leads collaboration among the different players in the soy value chain (producers, buyers or enablers), considering transformations in the sector and engagement with the different stakeholders involved and that contributes with actions or projects that cause concrete economic, environmental and/or social impacts on the ground and reflect the transformation caused by the soybean production processes (at the production or processing level) as a result of implementing sustainable agricultural practices.





THE 2019 RTRS AWARDS WENT TO UNILEVER, LIDL AND FAPCEN

“The organizations candidates of this edition, AMAGGI, Bayer, FAPCEN, Lidl, Mars and Tesco with their initiatives and efforts directly helps shape sustainable soy production meaning causing transformation on the ground at social and environmental level”, said Marcelo.



Ulises Martínez Ortiz (Fundación Vida Silvestre), Gisela Introvini (FAPCEN) and Eduardo Lago (EMAP).



Judith Kontny (Lidl).

To mark the inaugural awards ceremony, RTRS also recognised one of its leading frontrunner organisations. **Unilever**, a member company that has been positioning itself as one of the main buyers of RTRS material since 2016, was given special recognition as the Major Buyer of RTRS Certified Material 2019.



Marina Born de Engels (RTRS) and Jan Kees Vis (Unilever).





THE 2019 RTRS AWARDS WENT TO UNILEVER, LIDL AND FAPCEN

The award was accepted by Unilever's Global Director of Sustainable Sourcing, Jan Kees Vis, who said: *"Unilever has come a long way with RTRS since we co-founded the organization. We're very proud to be recognized with this award, which shows our firm commitment and support towards responsible production of soy".*



Jan Kees Vis (Unilever).

Last year **Unilever** purchased 252K RTRS certified material, 237k RTRS credits and 15k tons of RTRS mass balance soybean oil.

Unilever is a steadfast supporter of the RTRS Principles & Criteria. Since 2015, they have been one of the supporters of the Produzindo Certo (Producing Right) initiative, implemented in Brazil alongside Aliança da Terra, Bayer, Santander and Yara Fertilizers and which aims to boost sustainable soy farming by helping growers improve their agricultural and farm management practices. So far, more than 40 farmers have received RTRS certification.

"RTRS celebrates the leading Unilever's vision towards sustainability, being recognized with this special award" said Marcelo Visconti.





THE 2019 RTRS AWARDS WENT TO UNILEVER, LIDL AND FAPCEN

“Many actors of the soy value chain are doing relevant and concrete things, becoming the frontrunners. We had many on the stage today and we hope it will inspire more stakeholders in the soy supply chain to replicate this concrete example of making sustainable soy production a reality at scale”, remarked Marcelo.

About the 2019 RTRS Awards nomination process

As per the 2019 RTRS Awards Terms & Conditions rules any organization or individual over the age of 18 was entitled to nominate candidates to participate in the contest. Any RTRS Member, RTRS certified producer or any organization or individual over the age of 18 that purchase RTRS certified material (physical or credits) may be nominated to win an award within the contest. It was not required to be an RTRS Member in order to be entitled to nominate candidates or to be a candidate for an award.

- A call for nominations was published on the RTRS website <http://www.responsiblesoy.org/> and sent by email marketing campaign to RTRS stakeholders and members.
- Nominations were submitted to the RTRS Secretariat.
- The RTRS Secretariat contacted each of the nominees to inform them about the nomination received, asked for a formal acceptance of the candidacy, and to request the information and documentation required for the relevant category/ies in order to participate of the contest.
- The 2019 RTRS Awards were presented during RTRS Annual Conference RT14 where present attendants voted in real time.

2020 is coming; which will be your candidate for the 2020 RTRS Awards?





RTRS AT THE AMSTERDAM DECLARATIONS PARTNERSHIP MEETING

Global soy roundtable says mutual understanding, partnership working, and utilising existing tools and is the key to achieving zero deforestation and conversion goals.

Last 13 June at the Amsterdam Declarations Partnership meeting, Juliana de Lavor Lopes told that ongoing work to catalyse Europe-wide action on zero deforestation and conversion of forests and natural vegetation must incorporate and work with existing partnerships and standards to scale up the expected deliverables.



Juliana is RTRS Vice-president and the Sustainability, Communications and Compliance Director for AMAGGI, the Brazil-based commodities company that is one of the largest soybean producers in the world. Last 13 June at ADP meeting, she outlined how RTRS believes that actions from government and multilateral associations should aim to work in very close collaboration with existing multi-stakeholder structures rather than creating or fostering new ones, as a key approach in halting the destruction of global ecosystems and social issues.

She says: "We see many initiatives and they are sometimes very similar, delivering almost the same results. The ideal solution would be to be able to analyse all of the initiatives that are already there and use the findings and learnings to scale up our approach so we can deliver sustainable zero deforestation supply chains."





RTRS AT THE AMSTERDAM DECLARATIONS PARTNERSHIP MEETING



RTRS welcomes and endorses the role of ADP in making efforts towards deforestation-free sustainable commodities and the work performed with the European Commission.

In 2018, the signatories of the ADP against imported deforestation identified RTRS's Zero Deforestation and Zero Conversion Production Standard as one of the schemes that best meets the deforestation-free goals. RTRS as global platform and certification scheme is part of the solution. The RTRS's holistic certification scheme is a tool to deliver the global commitments, by which soy can be certified zero deforestation and zero conversion.

"If Europe want producer countries to deliver more sustainable soy, we need to act now", Juliana explained. "There are many discussions on public policies and initiatives involving governments, but we need to act now because if we don't it will be too late. We have to work together on a combined approach. Now there are tools available, provided by RTRS among many others, that are helping us to work on supply chains to deliver sustainable soy, at the same time as discussing wider policies."





RTRS AT THE AMSTERDAM DECLARATIONS PARTNERSHIP MEETING

RTRS encourages collaborative work with other associations, initiatives and protocols, to discuss, together with governments and the private sector, ways to provide benefits and support to producers and organisations who strive for sustainability.

The meeting of the Amsterdam Declarations Partnership in Utrecht comes immediately after the RTRS global conference RT14, which was the largest in the organisation's history, welcoming over 270 senior representatives from every part of the soy value chain including growers' representatives from Europe, South America and Africa.

Juliana said: "Being a multi-stakeholder organisation we have learned that we need to work together and this is a huge week for responsible commodities. Working together is difficult because we have different views, but indeed the results we have reached so far are very good. The challenge is to make sure we scale up but we stand ready to play our part."

About ADP

The Amsterdam Declarations has been signed by a number of European countries including the United Kingdom, France, Denmark, Germany, Netherlands and Norway. The declaration recognises the need to eliminate deforestation in relation to agricultural commodity trade within these countries as member states of the European Union. Each country is supportive of private sector and public initiatives to halt deforestation by 2020.

The AD was launched in 2015 alongside the Paris Climate Agreement and to build on the New York Declaration on Forests. With an overall commitment to zero deforestation, sustainable commodities, the Partnership is based around declarations signed by Denmark, France, Germany, Italy, the Netherlands, Norway and the United Kingdom. It is currently being chaired by the government of the Netherlands.





RTRS JOINS COALITION FOR TO INCREASE SUSTAINABLE SOY IN SORRISO, BRAZIL



The Round Table on Responsible Soy Association (RTRS) has joined an initiative led by IDH to drive sustainable soy and low-carbon agricultural and livestock production in Sorriso, a municipality in the Mato Grosso state of Brazil, the world's largest grain producer. The will support farmers and traders growing responsible soy in the region and help to develop a jurisdictional market approach to move towards 100% responsible production.

Local producers, state government officials and civil society groups in Sorriso recently signed a joint MoU to adhere to the state Produce, Conserve, Include (PCI) strategy through inclusive and profitable production, coupled with economic growth and reducing CO2 emissions. The MoU followed 12 months of engagement with local stakeholders, led by IDH, Clube Amigos da Terra, CAT Sorriso and Natcap Soluções Sustentáveis. [Read more.](#)

RTRS is an international multi-stakeholder initiative set up in 2006 to promote responsible soy production, trade and use, will support these efforts.





RTRS JOINS COALITION FOR TO INCREASE SUSTAINABLE SOY IN SORRISO, BRAZIL

In the second round of support to the PCI Sorriso, RTRS signed the MoU with IDH and CAT Sorriso at the RTRS annual conference, RT14, in Utrecht, the Netherlands. The RTRS Certification Production Standard, approved as one of the tools under PCI, will be crucial in reaching the goals of the strategy.



Marina Born, RTRS President said: *“As a global multistakeholder platform on soy, RTRS celebrates joining the PCI strategy in Sorriso and strongly supports and fosters jurisdictional strategies involving the governmental sector. Governments at regional and local level play a key role enabling and driving high impact initiatives that are socially, environmentally and economically sustainable”.*

Steven Collet, Operations Director at IDH, said: *“We are delighted to have RTRS join the PCI strategy in Sorriso and look forward to working with an organization that has 14 years of driving public-private cooperation and creating a responsible supply chain for soy. This collaboration will help us develop responsibility through*





RTRS JOINS COALITION FOR TO INCREASE SUSTAINABLE SOY IN SORRISO, BRAZIL

a jurisdictional approach in Sorriso, to reach international markets and consumers, thus bringing us closer to responsible production at scale. RTRS's involvement is an important step for Brazil and sets an important precedent for other supply chains around the world'.

Read more:

Brazil: IDH mobilizes businesses, government, NGOs for low-carbon production in Sorriso.

RTRS is one of the tools under the PCI strategy to promote responsible soy in Mato Grosso.





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