As part of an ongoing effort to improve products, services and processes, RTRS has updated the RTRS Standard and developed courses and different activities to ensure that soy production is socially equitable, economically feasible and environmentally sound.
CONTINUOUS IMPROVEMENT
National Interpretations + Courses

The update of the National Interpretation for Argentina has been carried out and approved.

ARGENTINA WORKING GROUP

27 participants
3 constituencies + observers

RTRS Training

Argentina and India, Chain of Custody
7 new auditors approved
CONTINUOUS IMPROVEMENT
Updates to the RTRS Certification Standard

1 - The European Commission has re-approved an updated version of RTRS’ biofuel-specific module: the RTRS EU-RED modules.
RTRS has responded to the updates by the EU to their renewable energy directive, and this newly re-approved version enables member companies to demonstrate they are more robust in their practices, more accurate in their monitoring, and that they meet the revised Renewable Energy Directive in full.

2 - Total Ban of Paraquat
Producers should phase out the use of Paraquat, leading to the total elimination of Paraquat in RTRS-certified soy production by 2021.
CONTINUOUS IMPROVEMENT

TASK FORCE BRAZIL
INSPIRING EXAMPLE TO REPLICATE

3 meetings in 2017
30 participants each
2 new participants:
IPAM (Amazon Environmental Research Institute) and
CCAS (Scientific Council for Sustainable Agriculture)

Primary objective:
connect food industry and retailers in Brazil.
CONTINUOUS IMPROVEMENT

TASK FORCE BRAZIL
NEW RESPONSIBLE EXPANSION GUIDE

1 Working Group
4 meetings
10 organizations

Farmers can:
• Interpret RTRS Maps (especially Red Areas);
• Follow a procedure;
• Work on the necessary documentation and evidence to submit to the Certification Body for approval or rejection.
RTRS is committed to the implementation of reliable and transparent organizational processes, to position the Association as a tool for executing and complying with sustainability policies and initiatives, as part of a comprehensive, rigorous and auditable structure.
Out of the 4,065,662 tons of certified production, 1,375,947 tons were Mass Balance.
MANAGEMENT

SALES
CREDITS AND MASS BALANCE

2017  + 29% in certified production vs. 2016

2017  +8% in total sales vs. 2016

GROWTH IN CERTIFIED TONS

SALES
13 new producers (individuals/groups) in India, Brazil and Argentina

New groups in Mozambique

20 certificates discontinued in 2017.

3 Indian groups discontinued the certification in 2017 but 2 new Indian groups join the certification.

This explains the decrease of approximately 2,000 producers between 2016 and 2017.
TOTAL PLANTED AREA PER COUNTRY:

- Argentina: 170,117
- India: 44,933
- Paraguay: 21,944
- USA: 3,536
- Uruguay: 1,508
- China: 24,229
- Mozambique: 956
- Brazil: 974,394
MANAGEMENT
CHAIN OF CUSTODY - MASS BALANCE SYSTEM

USA
The Delong Co. Inc.: silos

ARGENTINA
Molinos Río de la Plata: crushing and port | EU RED
Aceitera Chabás SAIC: crushing | EU RED
Aceitera General Deheza AS: crushing | EU RED
AKumagro S.A.: silo
T6 Industrial S.A.: crushing, refiner, biofuel plant and silo | EU RED
UNILEVER: processing plants

BRAZIL
Ammaggi: 18 silos | 2 crushing | 5 Port terminal | EU RED
CARGILL: 3 processing plant
UNILEVER: processing plants
Sociedade de Armazenamiento e Agricultura Limitada: SILOS
Dilumix Industrial Ltda: processing plant

NETHERLANDS
Nidera B.V.: silos

COLOMBIA
Teamfoods Colombia S.A.: silos and Refiner

MEXICO
UNILEVER: processing plants

INDIA
Vippy Industries Limited: crushing Receiving Extraction
Adani Wilmar Ltd.: storage, Crushing, Extraction, Refining, Packing, Dispatch

EU RED
SALES
COUNTRIES THAT PURCHASE RTRS SOY

The Netherlands 66,06 %
Scandinavia 10,35 %
Brazil 9,39 %
UK 4,93 %
Germany 3,55 %
Belgium 2,91 %
France 1,70 %
Argentina 0,61 %
Switzerland 0,23 %
Chile 0,19 %
Italy 0,08 %
MANAGEMENT

NEW MEMBERS

17 new Members

80% from the Industry, Trade & Finance sectors
(14 of the 17 new members)

TOTAL MEMBERS: 193

NEW MEMBERS 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry, Trade &amp; Finance</td>
<td>14</td>
</tr>
<tr>
<td>Civil Society</td>
<td>-</td>
</tr>
<tr>
<td>Producers</td>
<td>2</td>
</tr>
<tr>
<td>Observers</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>17</strong></td>
</tr>
</tbody>
</table>

Increased demand for responsible soy is one of the main ways that producers can be encouraged to certify more of their crops.
NEW MEMBERS - WELCOME!

- **CHS**: Industry - Farm supplies, Brazil
- **LIDL** and **ALDI**: Industry - Retailers, Germany
- **COPRODES**: Observer, Paraguay
- **Coop**: Industry - Retailer, Denmark
- **NORVIDA** and **Solina**: Industry - Food, Sweden and Finland
- **Menken Orlando**: Industry - Food, The Netherlands
- **CALDENES**: Producers / Brazil and Argentina
- **UNITELPA**: Industry - Logistics, Paraguay
- **NordicSoya**: Industry - Soybean, India and Finland
- **Young's Seafood Limited**, **Fazer**, and **VITAPRO**: Industry - Food, Feed Salmon, Finland and Peru and United Kingdom
RTRS works hand-in-hand with organizations around the world to ensure responsible soy production now and in the future, reducing social and environmental impacts while maintaining or improving the financial results of producers.
JOINING FORCES
PRODUCTION AND DEMAND

NEW PLAYERS | NEW BUYERS OF RTRS SOY IN 2017

SALMON INDUSTRY

(CHILE) + (ARGENTINA) + (BRAZIL)
JOINING FORCES
SOME OF THE MORE THAN 50 BUYERS OF RTRS MATERIALS IN 2017:

MAIN RTRS MEMBERS WHO BUY RTRS SOY

- ACT: 690 k CREDITS
- Groan: 318 k CREDITS
- Arla: 310 k CREDITS
- for farmers: 284 k CREDITS
- Unilever: 280 k CREDITS (175k CREDITS + 105k MASS BALANCE)
JOINING FORCES
SOME OF THE MORE THAN 50 BUYERS OF RTRS MATERIALS IN 2017:

FOOD

<table>
<thead>
<tr>
<th>FOOD</th>
<th>INDUSTRY</th>
</tr>
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<tbody>
<tr>
<td>Arla</td>
<td>Unilever</td>
</tr>
</tbody>
</table>

310 k CREDITS
280 k CREDITS (175k CREDITS + 105k MASS BALANCE)
53 k CREDITS
29 k CREDITS
21 k CREDITS

RETAILERS

<table>
<thead>
<tr>
<th>RETAILERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIDL</td>
</tr>
</tbody>
</table>

76 k CREDITS

Ahold Delhaize
41 k CREDITS

COLRUYT GROUP
30 k CREDITS
JOINING FORCES
SOME OF THE MORE THAN 50 BUYERS OF RTRS MATERIALS IN 2017:

FEED

- Farmers
  - 284 k CREDITS

- Agrifirm
  - 211 k CREDITS

- De Heus
  - 102 k CREDITS

- Hascan
  - 61 k CREDITS

- Denofa
  - 46 k CREDITS

CRUSHER

- Groan
  - 318 k CREDITS

- Cefetra
  - 211 k CREDITS

- Cargill
  - 70 k PHYSICAL
  - 60 k CREDITS

- Sun Valley (Cargill UK)
  - 60 k CREDITS

- Bunge
  - 54 k CREDITS

TRADERS

- CJ Selecta
  - 60 k CREDITS

- Bunge
  - 54 k CREDITS
JOINING FORCES
LIDL BECOME RTRS MEMBER IN 2017

In 2017, using the “direct trade” model. Lidl bought more than 71,000 credits via direct trade from selected farms of FAPCEN in Maranhão and Piauí (Brazil) for selected European markets.

The “Lidl Soy Initiative” provides financial incentive for those selected farms to convert to certified sustainable soy via direct trade.

It will improve the living, environmental and working conditions of farmers make growers more competitive in the long term set environmental standards that are effectively monitored on site.

“We want to create a more sustainable soy production. Our goal is certified Non-GMO soy in the long term. Certifications schemes such as the RTRS and the involvement of all supply chain actors are key elements for success”, Florian Schuetze, Head of CSR, Lidl.
JOINING FORCES
PRODUCTION - ARGENTINA

Agricultores Federados Argentinos (AFA) certified under Group Certification

1 group
5 producers

433 hectares of soy cultivation certified

Supported by: Shell - Cefetra

Scale-up potential:

AFA represents over 20% of Argentina’s soy growers, and is predominantly made up of small producers (producing up to 450 tons per year).
There are nearly 17,000 associated producers who may choose to be certified by RTRS.
“The most important benefit of having RTRS certification is being able to show society that we are producing in a responsible manner, without compromising natural resources and people’s quality of life, both in our team and in the local communities where we operate. At the operational level, we have an improved control of all our production processes, and therefore a more efficient organization and coordination of daily activities, all of which aims at improving our employee’s quality of work” state AFA producer.
JOINING FORCES
PRODUCTION - BRAZIL

CRESOL Estrada de Ferro – Cooperativa de Crédito Rural com Intenção Solidária. CRESOL + Solidaridad + Colruyt Group.

27 small holders
30k tons Family agriculture Goiás

Farmers are part of Cresol microcredit and the NGO Trias was responsible for organizing the group.

The initiative with Trias started with the credits sold to the Colruyt retailer group.

“Disseminating good practices for small farmers was extremely important, since they also play their part in Brazil’s economy. I hope this pilot will inspire more inclusive future initiatives and that regulatory frameworks can be improved and put into practice”, said Gisele Sayuri, Director of Trias NGO
JOINING FORCES
PRODUCTION - INDIA

In 2017, Vrutti registered 12,431 farmers, with an estimated area of 20,954 acres. 6 locations: the Harda, Rehti, Betul, Rajgarh, Chhindwara and Vidisha districts of Madhya Pradesh, India.

“Prior to the improved soybean production program (RTRS) in 2016, we used traditional farming, and did not do seed treatment at all. We were advised to treat the seeds after receiving the training from this year’s (RTRS) program. After seed treatment, the germination of soybeans increased 85%. As a result of this treatment, the production increased and the soy produced was of good quality.

Some of the benefits of the RTRS program were:
- Lower production costs.
- Reduced use of harmful pesticides.
- Efficient and effective use of manure.
- Environmental protection.

Farmer from Pandhurna, Chhindwara: Prakash Paradkar
Work carried out by the Dutch Sustainable Pork Value Chain Association (Keten Duurzaam Varkensvlees, KDV) and Solidaridad.

**Objective:**
Support 2,000 soy farmers in improving their production through sustainable farming methods.

**2017 - 1st year of the project:**
- 2 Producers’ Associations: Associação Nsuzumire and Associação Agropecuária Tilimbique.
- 49 and 175 members, respectively, were certified by RTRS.
- 224 producers were certified in the country.

It is hoped that RTRS certification can be applied to this work, endorsing the partnership’s commitment to responsible pesticide use, respect for local communities’ land rights and preservation of valuable forests and biodiversity.
As part of its commitment to continuously develop and improve its activities - striving towards a future where organizations respect the environment we live in and the people we work with - RTRS has developed new relationships and practical ways of working in 2017.
LIAISON

GLOBAL CERTIFICATION SCHEMES: WORKING ON SYNERGIES

The Aquaculture Stewardship Council (ASC) has recognized RTRS as the most environmentally meaningful soy certification standard available, and has incorporated a requirement for feed manufacturers to use soy certified by RTRS as part of their own commitment to reducing the environmental and social impacts of the Aquaculture industry.

RTRS is pleased to see the ASC join a number of other organizations that have incorporated the RTRS standard within their own internal certification systems.

71,000+ RTRS credits were sold in 2017 to companies in the Salmon business.
Cooperation had focused on Brazil and will now be extended to Argentina. It may also be extended to soy producers in other Latin American countries in the future.

GLOBAL PRIVATE SECTOR: COOPERATION AGREEMENT RENEWAL

Renewal of the cooperation from 2015, to help soy producers certify their crops according to RTRS standards. This is a non-exclusive agreement, complemented by Bayer’s Valore program in Latin America.

Bayer’s Valore program offers soy producers:

- a diagnostic visit
- an action plan
- training
- a pre-audit visit
- facilitation of third-party auditing;
- measures which help soy producers reach goals.

Dual focus of the Valore Program in Brazil:

- COOPERATIVES
- GROUPS OF FARMERS

- COOPERATIVES IN 2017
  7 cooperatives

- INDIVIDUALS + GROUPS OF FARMERS
  42 farms certified in 2017
  7 in the process of certification

Cooperation had focused on Brazil and will now be extended to Argentina. It may also be extended to soy producers in other Latin American countries in the future.
This is an analysis of how certification generates sustainability throughout the agricultural chain, meant to assess the environmental, social and economic benefits of RTRS certification in certified soy farms in Brazil.

• Interviews with **32 soy producers certified by RTRS** in the regions of Mato Grosso, Goiás and MATOPIBA (with a focus on the states of Maranhão and Bahia).

• Interviews with **12 representatives of other sectors** in the value chain, such as exporters, industries, civil society, among others.

**SOME OUTCOMES OF THE STUDY:**

- **Positive impacts perceived by producers after certification:**
  - Better farm organization – both in terms of infrastructure and internal processes.
  - Confidence in the interpretation of - and compliance with - the Law.
  - Investment of credits from certified soy in capacity-building and training activities for employees.

- **Positive impacts perceived by exporters, industries and civil society about certification:**
  - It is an important tool for risk management and to ensure responsible soy sourcing, in compliance with the laws of importing countries and by increasing transparency in the supply chain.
  - It adds value in terms of image and reputation, as it shows a commitment to fulfilling market and shareholder requirements.
  - It drives development and continuous improvement in the value chain, thus facilitating dialogue.

“The study found that this process enables real gains in productivity, cost savings and safety – which, in turn, contributes to increasing the competitiveness of Brazilian soy”, says **Daniela Ferreroni**, Communication and Sustainability Manager at BASF’s Crop Protection Unit in Brazil.

**The second phase started in 2017.**

**Goals:**

Quantitative Assessment – gather evidence and measure indicators on certified farms;

Deep Dive – develop a tool for the monitoring & evaluation process and gap analysis to meet ISEAL’s Impacts Code
LIAISON
REGIONAL: JURISDICTIONAL PROJECT - ITAIPÚ BRAZIL AND PARAGUAY

WHAT IS ITAIPÚ?
Itaipú is a binational dam owned by Paraguay and Brazil, with a border on the Paraná River. It is the largest generator of clean and renewable energy on the planet.
- It has produced over 2,400 million MWh from the beginning of operations until the end of 2016).
- 20 generation units
- 14,000 MW of installed power

Itaipú provides about 17% of the energy used in Brazil and 76% in Paraguay.

WHAT IS THE JURISDICTIONAL CERTIFICATION PROJECT?
It takes place in the area of influence of the ITAIPÚ dam.
The project is being developed jointly by ITAIPÚ, the EARTH INNOVATION INSTITUTE and RTRS. It aims to contribute in the medium and long terms so that “grains originating from the geographical area of influence of the ITAIPÚ BINACIONAL PARAGUAY - BRAZIL dam can be produced and supplied under standards that contribute positively to the economy, the environment, biodiversity and the quality of life of its people.”

POTENTIAL PROJECT AREA IN ITAIPÚ’S AREAS OF INFLUENCE

<table>
<thead>
<tr>
<th></th>
<th>SOY HECTARES</th>
<th>TOTAL PRODUCTION</th>
<th>PRODUCERS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brazil:</strong> 52 municipalities in Paraná, 52 and 1 municipality in MS</td>
<td>1,030,358.00</td>
<td>3,486,016.00</td>
<td>28,500</td>
</tr>
<tr>
<td><strong>Paraguay:</strong> 14 municipalities, (6 in Canindeyú and 8 in Alto Paraná)</td>
<td>947,706.00</td>
<td>2,752,115.00</td>
<td>+- 5,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1,978,064.00</td>
<td>6,238,131.00</td>
<td>33,500</td>
</tr>
</tbody>
</table>
RTRS is a member of PCI since December 2017.

PCI is an initiative in the state of Brazil, to increase agribusiness production, stop deforestation and provide more work and better lives for state residents.

www.pci.mt.gov.br
LIAISON

GOVERNMENT ENGAGEMENT - BRAZIL
GCF - GOVERNORS’ CLIMATE AND FOREST TASK FORCE

RTRS started conversations with this initiative in September, through Earth Innovation Institute.

RTRS could be an important tool for states to achieve their goals of bringing an end to deforestation.

Some states that participate in the GCF in Brazil have begun a dialogue with RTRS, in Brazil.
LIAISON
PUBLIC AND PRIVATE SECTOR INVOLVEMENT

Promotion project for the adoption of environmentally-sustainable production practices and the increase of productivity.

USAID, WWF, Fundación Moisés Bertoni (FMB) + MINERVA (BEEF SECTOR) AND RTRS (SOY SECTOR).

• OBJECTIVE:
Certification of
+/- 30,000 hectares
(CRS and RTRS)
20,000 for individual producers
10,000 for cooperatives

MEJOR-AGRO PROJECT
Nidera and Solidaridad

• OBJECTIVE:
A continuous improvement process among the producers of Cooperativa Colonias Unidas.

An action plan for legal compliance and RTRS certification.
A global, inclusive, multistakeholder conversation.
The Annual Round Table event is where RTRS builds on to become more inclusive and to broaden the partnership around zero deforestation, legal, environmental, and social aspects, and good agricultural practices. It is where RTRS demonstrates itself as a global soybean platform.
ROUND TABLE
RT 12. ZERO DEFORESTATION: Transparency and Scale

LILLE  FRANCE

MAY 31 AND JUNE 1, 2017

180 PERSONS  56 SPEAKERS

20 WORK HOURS IN TEAMS AND NETWORKING

120 BUSINESSES AND ORGANISATIONS

DAY 1:
• Deforestation: monitoring strategies and tools; risk analysis; bridging the gap between legal compliance and zero deforestation.
• Supply Chain Transparency: challenges and solutions for sustainable physical supply chains; transparency; stories from the field.

DAY 2:
• Scale; the roles of finance and government; synergies between schemes.
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