



Minutes 124 - EB Conference Call

Date: February 10th, 2016.

Attendees:

Producers: Juliana Lopes (Amaggi); Gisela Regina Introvini (FAPCEN).

Industry, Trade & Finance: Olaf Brugman (Rabobank); Belinda Howell (Retailers' Soy Group); Christophe Callu Mérite (Feed Alliance); Terence Spencer Baines (Unilever).

Civil Society: Alex Ehrenhaus (Solidaridad); Ashis Mondal (ASA); Ulises Martínez (Fundación Vida Silvestre Argentina); Oswaldo Carvalho (Earth Innovation Institute); Jean Timmers (WWF).

Secretariat: Marcelo Visconti; Verónica Chorkulak, Jimena Froján; Enrique Molas; Lieven Callewaert; Daniel Kazimierski; Catalina Ale Monserrat; Fernando Olivieri.

Observers: Katherine Teh-White (Futureeye); Guilherme Silva Raucci (Fundação Espaço Eco).

1. Opening and expectations of the meeting.

The agenda is presented and checked for further subjects to be included. The meeting begins.

2. Syntegration -Summary of the workshop

Olaf comments his experience during the meeting that took place during the last week of January in St. Gallen, Switzerland. Olaf mentions that Malik will deliver a full report with the outcomes of the event. The report will provide an analysis of the Syntegration process highlighting weak and strong points.

A call conference will be organized in order to inform EB members about the outcomes of the report. Marcelo adds that it was a useful and transparent meeting. He highlights the participation of Katherine in order to understand the market and deliver the strategy to Europe.

Marcelo suggests EB members to read Malik's report before the physical meeting in March.

3. Minutes Meeting 123: the minutes are reviewed page by page.

APPROVED

4. Future eye:

Marcelo gives an update about the communication agency situation, commenting that Future Eye is the selected agency to elaborate the strategy. Katherine Teh-White, managing director of Future Eye, will attend next EB Physical Meeting in Amsterdam in order to further discuss the communication strategy, taking into account the Syntegration outcomes and the European market.

Katherine presents Futureeye proposal, she explains that her main strength is to identify challenges among community, industry & government interests. Futureeye has tried and



tested models and methods to create effective communications strategies, behaviours and culture.

Katherine says that using traditional communication methods (communication in high-conflict contexts) can create outrage and increased fragmentation. She proposes to declare the dilemmas and mitigate the outrage to create alignment in complex multi-stakeholder environments, then create a vision that aligns all stakeholders and evaluate progress together to drive cohesion and collective commitment.

She highlights that the synte-gration was excellent, as it gave her multiple perspectives.

She suggests creating a Social Licence approach: this approach is more successful in complex environments than straight promotion because it deals effectively with concerns and therefore persuades.

She explains the 5 stages of the Social Licence Approach:

- **Audience:** understand drivers of change and the transmission of those drivers across all audience segments.
- **Expectation:** understand the level of social norming of changing expectations.
- **Outrage:** understand the technical and perceptual aspects of risk and the opportunities to mitigate these.
- **Inter-relationships:** understand the political, regulatory, and reputation system, so that we can understand the levers of change.
- **Strategy:** strategy will achieve a social licence through bringing the internal and external stakeholders on the journey.

She mentions the following steps to be done:

- Landscape of commitments
- Create a social maturity curve
- Review the communication strategy
- Stakeholder identification
- Develop a social licence assessment including a stakeholder map, an outrage analysis of the key issues raised by stakeholders.
- Develop the agenda for a two-day workshop aimed at producing a refreshed communication strategy and media relations protocols.
- A conference to finalise the agenda and assessment.
- Produce final pre-reading, agenda and materials for sending to the participants.
- Facilitate a 2-day workshop to develop the European communication strategy.
- Develop high-level two-year agenda and KPIs.
- Develop the European communication strategy.

Olaf and Marcelo thanks Katherine for the clear presentation. They ask for proactivity and cooperation from the member of the EB in order to create the strategy.

5. Impact assessment of RTRS Certification

Guilherme gives an overview of motivations, the study design and expected results of the Project: *Impact assessment of RTRS Certification*



He is interested in knowing how to increase value creation for the soybean supply chain through RTRS.

Also, he explains the motivations of the Project:

- Many positive impacts of certification are pointed out by RTRS.
- Benefits have not yet been measured/ quantified in a structured manner in order to show the benefits brought by RTRS.
- Growing criticism and doubts about the real benefits of sustainability standards and certification schemes in the world.
- Better evidence on conservation impacts. Their relationship to social, economic, and productivity impacts is needed to improve the cost-benefit calculus and business case for producers and businesses to consider sustainability standards.

He comments that currently some sustainability standards are trying to measure the positive impact of their work, such as Rainforest Alliance, Better Cotton Initiative (BCI), and Imaflores.

Study design and methodology:

Working with two important soybean producing regions in Brazil: Mato Grosso and Mato Piba, collecting data up to farmers, with different farm sizes and specially with different certification adoption time so by the end of this studies we can find results and correlations between this variables.

He explains the steps of the Project:

1st Step: Understand from the farmers perspective which is the primary motivation for certification. It will be used a hot spot analysis methodology, which combines a materiality research and procedure with relevance (interview the farmers)

2nd Step: Measurement of benefits -quantitative analysis: this method links the most important topics mentioned by the farmers in the previous interviews with the RTRS principles which can be measure.

Expected results: define indicators for each one the indicators.

The investment will be R\$ 250.000. BASF will contribute with 50% of the investment, and for the other 50% RTRS will try to find sponsors **[A1]**.

The impact assessment and the preparation of the report will last between 4 and 6 months.

Jean Timmers is interested in knowing if there is a fixed protocol for the election of the criterias and indicators.

Guilherme answers that Fundação Espaço Eco and RTRS will work together with RTRS to choose the right indicators for each principle.

Olaf asks about how the selection process of the farmers works. Guilherme answers that this concern has already been discussed. The selection will be to choose certified producers, the ones who are in the process of certification, and producers who are interested in beginning a certification process.



Juliana adds that the idea is to have small and medium farmers, not big ones. Also, she mentions that the plan is to work with different regions in order to see the difficulties that each region has.

Belinda suggests asking IDH if they are interested in funding the Project. **[A2]**

Jean asks what RTRS will do with the results of the research; he suggests using this as an input in our communication strategy.

6. RT11

Status and next steps

Jean Timmers explains that the idea of the conference is opening to a broader participation of the market. RTRS is in a key moment.

RT11 specific topics will be discussed. Government will be there.

Marcelo comments that there is a discussion to ask Proforest for help on the elaboration of the programme.

It is decided to organize a call together with Proforest and Brazilian EB members in order to elaborate de agenda **[A3]**.

7. P&C Review

Update & next steps

Jimena Frojan says that RTRS has expanded the public consultation period for 10 more days. 10th of February is the last day to send comments. The reason is to ensure stakeholders to have a sufficient opportunity to provide input on any changes.

She mentions that she hasn't received many comments until today. The secretariat will collect all the comments and send them to the group in order to discuss all the concerns at the third TWG meeting. It will take place in Buenos Aires on the 29th of February and the 1st of March.

She mentions that the group should come up with a final draft discussing all the comments that we have received. Afterwards the secretariat will send the Final Draft to the board for their approval.

Olaf was concerns about the point 4.4, which is about deforestation.

Jimena explains that the draft of 4.4 was set in public consultation as the group approved it and came to a consensus on the option 1. She says that 80% of the comments that have been received are relative to 4.4 and the rest have to do with agrochemicals and some other issues.

She comments that there are concerns about the dropping out of the HCV's concept. Olaf emphasises the needed to have the inputs on time, before next EB Physical meeting (1 week in advance) in order to have a good quality of discussion. **[A4]**



Belinda is interested in knowing if the definition of Native forest changed. Jimena answers that it hasn't.

Paraquat situation

Jimena says that the indicator 5.6.2 was developed by Pesticide's use Working Group during 2012 and 2013, and it was approved in the General Assembly in 29th May 2013. The inclusion of this indicator was because the use of Paraquat and Carbofuran will be eliminated by June 2017. Also, a note was added to this indicator, saying that in the Case of Paraquat, the deadline for the prohibition for its use by June 2017 could be extended by the RTRS if enough evidence is sent before June 2016 to demonstrate that at the time there are still no alternatives in the market (globally or locally), that can substitute it with less environmental and human risks and with similar costs.

The P&C Group discussed this indicator and the note, and came out with two recommendations:

1- The Secretariat should send an email to all members to clarify the 5.6.2 note (evidence definition) and remind of the deadline June 2017 **[A5]**

Email content proposal

- Do you believe that alternatives in the market (globally or locally), that can substitute paraquat with less environmental and human risks and with similar costs exist?
- Do you believe that alternatives in the market (globally or locally), that can substitute paraquat with less environmental and human risks and with similar costs don't exist?
- Others.

2- Create a specific group to review 5.6.2 note. **[A6]**

PROPOSAL APPROVED

8. Technical market issues

Multicrop (Corn) module

Veronica gives an update.

Status:

- New corn module was approved by the EB in September 2015
- Accreditation and certification requirements have already been defined.
- Control Union, Aliança da Terra and Unilever will perform a pilot test on February 22. If it turns out well the first RTRS certified corn will be available.

To decide/approve:

- The IT platform supplier (Chainpoint) has sent two proposals: (proposal #1) It is effective until 3 crops (proposal #2) Could be scalable for more than three crops. It has to be defined.
- Hourly project rate: €125
- Budget Proposal 1: 112 Hours. Total: 14,000 Euros
- Budget Proposal 2: 198 Hours. Total: 24,750 Euros



BUDGET PROPOSAL 1 APPROVED

New CoC Model

Jimena comments that Cargill sent a concern about availability of RTRS certified soy in the areas where they operate. To overcome the lack of available RTRS product, there is a suggestion to develop a new Chain of Custody (CoC) model that allows a material accounting system at organization level, by country.

Cargill and Unilever are working together on building physical RTRS chains. In order to fulfill RTRS requirements, supply chain actors need to source from RTRS producers and to deliver with a traceability system. All RTRS material that enters and leaves a facility needs to be registered in a material accounting system. The system needs to be balanced and each facility needs to have its own material accounting system. In order to buy RTRS soy, they need to source from producers that are far from their facilities, thus increasing their transportation costs, emissions and other impacts.

Proposal: To develop a new CoC system that allows an organization to have one material accounting system that unifies all facilities, and the material that enters and leaves each facility is balanced at organization level. This will allow the organization to source from producers that are closer to the facility area while still buying RTRS material from producers that are closer to other facilities, without the need of transportation between facilities.

Risks: Traceability at facility level is lost once the material enters the material accounting system.

Alex warns that the EU Red won't allow this type of mass balance. He also supports the idea on the economic side.

Ulises wants to know if we are going to replace the current mass balance for this new one. He believes that if we have 2 different, it would be too difficult to explain to the stakeholders.

Jimena clarifies Alex and Ulises's concerns.

Olaf closes the meeting.

**-16:22 CET-
----- MEETING CLOSED -----**

Activity	Responsible Party	Deadline
[A1] Look for sponsors for Impact assessment of RTRS Certification	RTRS Secretariat	-
[A2] Contact IDH	Marcelo Visconti	-
[A3] Organize a call with Proforest for RT11 agenda	Steering Committee + Marcelo Visconti	-
[A4] Send P&C Review's inputs to the EB Members.	RTRS Secretariat	March 7 th
[A5] Clarify Paraquat evidence	RTRS Secretariat	-



[A6] Create a specific group to review 5.6.2 note	RTRS Secretariat	-
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