



Minutes 125 - EB Physical Meeting

Date: March 14 and 15, 2016.

Place: Radisson Blue Hotel, Amsterdam

Attendees:

Producers: Juliana Lopes (Amaggi); Gisela Regina Introvini (FAPCEN); John Landers (APDC)

Industry, Trade & Finance: Olaf Brugman (Rabobank); Belinda Howell (Retailers' Soy Group); Christophe Callu Mérite (Feed Alliance); Jan Kees-vis (Unilever).

Civil Society: Oswaldo Carvalho (Earth Innovation Institute); Jean Timmers (WWF).

Secretariat: Marcelo Visconti; Verónica Chorkulak, Jimena Froján; Lieven Callewaert.

1. Opening and expectations of the meeting.

Olaf Brugman welcomes and makes a comment about the P&C review, highlighting that it is important to define where RTRS wants to go.

The agenda is presented: minute's approval, budget, RT11 and P&C review. And any other subject to select from a list in case there is time for additional discussion. The meeting begins.

Marcelo Visconti makes a methodological proposal: To have an action list by the end of the meeting. There's no quorum. Minute's approval is postponed until CS EB members arrive.

3. Budget 2016

Budget and evolution of certification figures is presented.

Forecast of sales is 3.5 million tons which means less percentage of increase than the previous year but also means a greater growth in Mass Balance.

Marcelo mentions that 8 companies (each buying >50,000 credits) represented the 87% of the credit purchases in 2015: Agrifirm, Groan, CEFETRA, Arla Foods, Unilever, Forfarmers, DeHeus and Denofa. In addition 6 companies purchased 241K tonnes of physical certified soy via MB/SG supply chains.

When talking about availability by country, Juliana Lopes says that the majority of the availability for Brazil (672.109) is mass balance. Secretariat and EB members are asked to talk always about total stock / sales of certified soy, instead of credits only.

Juliana Lopes makes a distinction between increased number of farms and increase on certified producers. She mentions that there will be some already certified producers that will be increasing their hectares.

It is highlighted that RTRS should create and communicate an internally realistic but ambitious business plan **[A1]**.



Juliana Lopes comments that AMAGGI's producers are willing to certify more farms but they need to keep selling at same flow.

It is essential that RTRS should communicate that there is availability of certified physical stocks (MB) as well as credits. The stock of 1 million has been stable. More efforts on buying commitments and buying decisions should be made. Olaf proposes a workshop for buyers.

It is suggested to create a constructive dialogue with Aprosoja and explain them what we want to do and want to be **[A2]**.

Marcelo Visconti believes that working with MB will create a change from the 1 million in stock trend. Belinda suggests creating a narrative about the potential.

It is commented that RTRS needs to agree its new strategy and to communicate its aspirations. In line with this, there is a new communication agency (Future Eye) that will be working with the executive board and TFE during the following days.

Jean Francois comments that it is crucial to find a role for RTRS as a roundtable. He comments that Marcelo came in a challenging moment.

Juliana says that the office in Brazil is critical. Once an office in Brazil is established is easier to bring more members and producers from Brazil. Oswaldo explains that EII is also dealing with these issues so they can help RTRS and share resources.

A Brazil office will facilitate money transfers for small/medium producers based in soy-producing areas; especially because of taxes (30%). It is suggested to discuss this topic with budget/handover process. Marcelo comments that it wasn't included in the budget for this year. Marcelo comments that the legal advisor in Brazil is already working on the implications of having a registered branch in Brazil **[A3]**.

Two new staff persons are proposed for RTRS Secretariat. One is the replacement of the communication manager; her name is Laura Villegas. Additionally, Marcelo proposes to introduce a Financial and Administration Manager. Marcelo comments that he is planning to run an internal audit process.

Olaf comments that it took 5 months to get Marcelo as legal representative in Argentina. We learnt a lot from the process and complexity of the operations. We need to have the right foundation for this. Olaf fully supports this process to strengthen the bases and infrastructure of the organization.

Marcelo compares the expenses of the year 2015 and the budget for 2016. The main aspects are:

- Less salaries costs impact over total expenses from 44% to 33%, including new secretariat members (devaluation of 50% and salary increase of 25%).
- Increase in professional services: legal advisers, internal audit.



- Increase in market development expenses.
- RT less expensive (in comparison with RT10 that took place in Europe)

John Landers comments that we have Aprosoja Goias on board and they are working on cotton. John asks to work with them. **[A4]**

Jean Francois commented that Moore foundation changed its focus (ARPA program, in amazon). They decided to work with commodities and deforestation, in less than 10 years they will invest 50 million dollars to work on soft commodities (20.000) soy and beef in Brazil, Argentina and Paraguay. The role of RTRS could be the best place to work with soy.

Marcelo comments the main assumptions for the administration and finance/controlling management:

- Introduction of Directors & Officers liability policy by AON
- Introduction of Insurance policy
- New Human Resources Services
- Legal advisory for Argentina, Brazil and Paraguay.
- Accounting and tax internal audit
- Search for new auditor to be proposed to the GA.
- New Brazilian candidate

Marcelo comments that there is a preferred candidate to be the new Brazilian representative but Marcelo says that he is analysing legal issues before giving him a work proposal. Marcelo is asked to inform the preferred candidate that we want to work with him **[A5]**.

Marcelo is asked to define clear objectives for the market development team in Argentina and representatives in South America. This is key for reaching the 3.5 tons. Marcelo asks for help of two volunteers of EB members. Belinda and Juliana volunteer themselves **[A6]**.

Develop policy on anti-competitive practices and legal compliance. On this aspect in view of all activities of the board and the secretariat (meetings, workshops, discussions, calls etc): Do we need it as a Swiss entity, is this sufficient in other countries, what should RTRS do/provide in all its meetings/activities, and how should it be implemented? **[A7]**.

Jimena to contact Jean Francois on National Interpretation and Cerrado project **[A8]**.

BUDGET IS APPROVED

2. Minutes Meeting 124: the minutes are reviewed page by page.

Two Changes are introduced:

- Add an action for RTRS Secretariat: To check if the new CoC suggested model is applicable in practice (and traceability) and whether it will affect accreditation to RED.



-Concern(s) of Alex

Update minutes accordingly [A9].

APPROVED

4. RT11

James Allen, who has been hired to elaborate an agenda proposal and who will moderate the event, presents online:

Welcome and presentations.

The agenda and dynamics proposal are presented by James Allen.

James describes that the idea of the program is that it starts with an opening with key note speakers, including Brazilian agricultural message on board.

Three main topics are:

-Jurisdictional approaches: How sustainable soy production can contribute to more sustainable landscape?

-Landscapes planning intelligence

-Supply chain

- Technology and innovation in the field

James comments that the aim of the format is to create space where participants can enter into debate. In the afternoon of the first day the suggestion is that we have tables related to more geographical focus, perspective of the buyer /producers. The second day the proposal is to address social issues: How soy supply can integrate social issues?

John Landers comments that he wants to see balance with producers, buyers and civil society. Representation of producers (including Aprosoja Goias).

James says that this is something that we have discussed, and that at the beginning we were planning to have a producer in the opening. John Landers says that a name for him is Roberto Rodrigues but there are other names.

Jean Francois says that it does not matter the name but the important thing is to have the round table, the idea of having round tables by region. We really need producers are present. For the second day, he suggests to have someone from the Brazilian global compact and talk from the perspective of the global development goals.



Olaf suggests also someone from the financial side: Rabobank, Banorte or Sicredi. He can provide with names.

James asks for help to have an insider that helps to take decisions and prioritization.

Juliana asks to be clear on how to communicate to participants this format of agenda.

Oswaldo says that we have a short time and he finds the agenda of the second day too controversial.

Gisela comments about the participation of the Ministry of Agriculture.

James says that to have a briefing to the ministry and to all speakers is in the plan.

It is commented that Brazil is having a very sensitive situation; some government officials could be out of the government shortly. It is said that we are inviting the minister as a minister not as a senator. Therefore, if something happens we should have a plan B.

Jean Francois says that to have champions in a round table is something strange.

EB members comment they do not want speakers that they want discussions

James explains the proposal again.

The issue of the language and translations needed is raised. Marcelo says that we can discuss this issue later.

Belinda says that the market wants to hear about the evolution of Soja Plus. Jean Francois says that this can be sum up as "the help that growers are having towards sustainability", it could be Soja Plus, traders, governments, etc

The working title is changed: "Joining Forces towards a sustainable future **[A10]**."

Marcelo wants to have everything ready so we can send the invitations in ten days.

The EB will propose a list of speakers that will be sent to James.

James comments that in order to have coherence among different speakers within same sessions they can meet beforehand.

Jean Francois says that as there are many new members, could be good to have a field trip.

Marcelo says that we could find the connection with China. Christophe says that we are taking the RT11 too much to the production side.

The discussion about RT11 is continued the following day.



5. P&C Review

Jimena Frojan presents a summary of the Process & Standard:

- Improvements for small producers (exceptions and compliance through the Internal Control System)
- New requirements for transparency: availability of the social and environmental assessment, emphasis in plan development and monitoring for several indicators.
- New indicators specific for rotation
- Flexibility for producers who converted land (but not native forest) between 2009 and 2016 to comply with RTRS Standard.
- Zero deforestation approach
- HCV integrated in the Standard
- One open issue

Summary of changes:

- Preamble: inclusive business model and definition of unit of certification.
 - Principle 1: Assessment of social, environmental and agricultural aspects.
 - Principle 2: Outsourced workers, family farms, exception for smallholders (trainings), H&S trainings periodically, and potable water.
 - Principle 3: Local communities and indigenous people sites and resources (new and improved definitions were added to be aligned with the HCV categories 5 and 6), complains (30 days to offer feedback of reception of such complaint and/or to start addressing the issue).
 - Principle 4: Initial social and environmental assessment, group of smallholder's exception for GhG, 4.4 and promotion of preservation activities.
 - New annexes: RTRS Guidelines for Responsible Soy expansion & Developing a Plan for Ensuring Preservation of on-farm Native Vegetation and Wildlife.
 - Principle 5: Crop rotation plan, natural wetlands definition, original and genuine agrochemical products, new guidelines for agrochemicals storage and new guidelines for buffer strip.
- Others: Updated definition of HCV based on HCV Network definition, national interpretation guidance: Sharecropper's agreements, hours that children in family can work during summer.



For 4.4.2, related to that there is no conversion allowed in any natural land, John Landers suggest to include June 3, 2016 (the day after the new standard is approved) as the cutoff date.

Regarding the definition of native forest, Jimena explains that the decision was to leave the definition as it was for the Standard. For maps it was decided to use the best available technology meanwhile for national interpretation it was decided to use the legal local definition (if not lower than the RTRS definition).

Jimena comments that there is an open issue which is the inclusion of the following indicator: 5.6.5 For the desiccation (application before harvest) there are not agrochemicals used which are listed in the Stockholm and Rotterdam Convention, WHO 1 a and b, WHO 2 and in the PAN international list of highly hazardous pesticides.

Jimena comments that the group did not reach an agreement on the inclusion or not of this indicator. The rational of this indicator was to send a message to the market so that input companies develop new products, while some people thought that it was already covered by some other indicators (that covers all agrochemicals not only for desiccation).

John Landers suggests the inclusion of biological control in the new Standard. It is not only about a product, it is also about working on the mentality of farmers and workers.

Jimena comments about the HCV discussion. She says that the group decided not reference HCV directly in the standard because it is a concept that producers are not familiar with and it is normally associated to complexity and high costs. The group decided however that the concept is very important for some companies and countries. Therefore the group decided to include in the current indicators the requirements necessary to protect HCV without mentioning them directly.

Jimena comments that together with Cecilia Gabutti (project coordinator) they had a call with the HCV networks in order to facilitate the application of the concept, but even considering this, the group decided to approach the HCV concept in the above mentioned way.

Juliana Lopes talks about the importance of the inclusion of the unit of certification on the RTRS Standard as it was only included in the accreditation and certification requirements document, and it was not clear for some people that the unit of certification was the whole farm. It is important for the credibility of the Standard.

A comment about the Communication of the new 4.4 is presented.

Communication should include that the new RTRS Production standard:

-Enables RTRS to certify zero deforestation



-Makes RTRS certification clearer, simpler and less costly to implement, as HCVA Assessments are no longer required where there are no RTRS approved maps

-Estimated impact of the new standard in terms of deforestation / no deforestation.

Communication should also include that RTRS is committed to: developing an alternative mechanism to de-risk supply chains from illegal deforestation and land rights abuses for conversion in areas that cannot meet its “zero deforestation” standard.

It is added that the group considers this comment is aligned with the WG thinking.

It is noted that this comment is useful as clear communications guidance for RT11 and it is suggested to implement these communications messages.

EB Decisions:

-Set June 3, 2016 (date after GA) as a cutoff date **[A11]**.

-Communicate HCV network that the concept has been included in different indicators. Therefore RTRS is materially doing what was suggested by them. **[A12]**.

-Open issue: Not to include the indicator 5.6.5 **[A13]**.

The document is endorsed by the EB to be approved by the GA.

End of the first day.

**-18:00 CET-
----- MEETING CLOSED -----**

Second day:

March 15 2016

4. RT11

EB members continue working on RT11 agenda.

The inclusion of Roberto Rodrigues is highlighted and it is said that he gives very good presentations. It’s suggested asking Roberto Rodrigues if he can do it without power point. We can give both 20 minutes.

The opening is defined: Roberto/Olaf



BRIEF PANEL:

How can soy production contribute to more sustainable landscapes?

Introduction to the four key themes of Day 1:

- Jurisdictional approaches and the future of public policies
- Landscape planning and intelligence
- Responsible Supply Chain Sourcing
- Technology and innovation in the field

The methodology consists on a brief speech on each speaker's vision of the future of soy, based on the four key themes.

7 minutes per speaker – each asked to make five clear points (no powerpoint)

Jan-Kees Vis says that Dan Nepstad has a conflict with another workshop. He also suggests Fiona Wheatley for Supply Chain and Terence Baines.

For the session beyond certification, Marcelo Visconti suggests including growers.

Juliana suggests having Pedro Valente (Agriculture director). John Landers suggests Chris Walls, cotton and soy producer.

John Landers proposes to include soil topics. One option could be Jill Clapperton. Jan Kees Vis suggests "soils and more".

EB members start the selection of champions per topic:

1. Jurisdictional: Daniel Nepstad is mentioned as champion. Juliana Lopes also suggests someone from the government (e.g. environmental secretary). They will have the name in five days. Also, it is suggested Aprosoja National President (Ricardo Tomczyk).
2. Landscape planning and intelligence: Arnaldo Carneiro is mentioned as champion. Other names for the session are Bernardo Rudorff (Agrosatelite) who has made a work of areas that could be have expansion avoiding deforestation; Evaristo Miranda, Mario Barroso and Laerte Ferreira (Lapig).
3. Responsible Supply Chain Sourcing: Terence Baines is mentioned as champion. Other names for the session are Carlo Lovatelli (abiove), Fiona Wheatley, Alvaro Dilli (SLC), Ruth Rawling (Cargill) and Roel Baakman (Cefetra).
4. Technology and Innovation in the field: Jill Clapperton, Rhizoterra, Alexandre de Sene Pinto, Usina Iracema and Lourival Vilela are mentioned.

The second date is about how soy supply chains can promote social inclusion and equitable development. Possible names are Caio Magri (Institute against slave labor),



Marco Pavarino (MDA, Brazil), Ashis Mondal (Action for Social Advancement), Adriana Ramos (ISA) and Oxfam representative.

Marcelo Visconti will send the program and list to James Allen so that he can give the final feedback **[A14]**.

It is highlighted the importance of sending the letters to speakers as soon as possible. Marcelo Visconti will send the letters to speakers before the end of March **[A15]**.

**-9:00 AM CET-
----- MEETING CLOSED -----**

Activity	Responsible Party	Deadline
[A1] Prepare and ambitious plan and communicate it	RTRS Secretariat	-
[A2] create constructive dialogue with Aprosoja	Marcelo Visconti	-
[A3] Work with Aprosoja Goias	RTRS Secretariat	
[A4] Make an analysis of the implications of having a registered branch in Brazil	RTRS Secretariat/Brazilian Representative	
[A5] Inform the candidate that he is the preferred Representative for RTRS Brazil	Marcelo Visconti	-
[A6] Define clear objectives for the market development team	Marcelo Visconti, Belinda and Juliana	
[A7] Develop policy on anti-competitive practices and legal compliance	RTRS Secretariat	
[A8] Jimena to contact Jean Francois on National Interpretation and Cerrado project	RTRS Secretariat	-
[A9] Update Minutes #124	RTRS Secretariat	-
[A10] Change the title of RT11	RTRS Secretariat	
[A11] Set June 3, 2016 (date after GA) as a cutoff date	RTRS Secretariat	
[A12] Communication with HCV Network	RTRS Secretariat	
[A13] Not to include the indicator 5.6.5	RTRS Secretariat	
[A14] Review the RT11 program with James Allen	Marcelo Visconti	
[A15] Send letters to speakers of RT11	Marcelo Visconti	