



Round table on responsible soy association (RTRS)

Minutes No. 146 of the Executive Board Meeting held on

Wednesday, December 13, 2017, 14:00 CEST via telephone conference (in accordance with article 21, section [1] of the RTRS Statutes).

Agenda:

1. Approval of the Executive Board Meeting Minutes No. 145.
2. Calendar of the Executive Board meetings: frequency and proposed dates.
3. Accounting guideline.
4. Approval of the granting of a power of attorney authorizing Marcelo Visconti to operate all RTRS accounts at UBS.
5. Outreach and Engagement Manager: Process update and approval of employment location.
6. RT13: General Annual Conference status: Identity and budget; approval of the Registration Fees.
7. RT13 First Draft Agenda.
8. PR 2017 Closing/Balance.
9. New Group Certification requirements.
10. New Products. Subsequent steps for implementation.
11. Plan for the New Products: Regional Credits; non-GMO credits; non-Paraquat credits; National / Regional Mass Balance.
12. Conversion Factors and RTRS Calculator proposal.
13. Bayer contract and Press Release.
14. National Interpretation Argentina.
15. Brazil RTRS Maps and guidelines for expansion.
16. SLC Report: Deforestation.
17. Compensation mechanism. "Kick off case".
18. Itaipu Project.
19. RTRS Certification Standard Hotspots.
20. KPI's.
21. Summary of Changes. RTRS-EU-Approval.
22. RTRS involvement – Next steps.

Introduction

The meeting of the Executive Board of the Round Table on Responsible Soy Association (RTRS) starts at 14:00 CEST time.

Participants:

RTRS Executive Board members:

- Jochem Bouwmeester, Rabobank (constituency: Industry, Trade and Finance):
jochem.bouwmeester@rabobank.com



ROUND TABLE ON RESPONSIBLE SOY ASSOCIATION (RTRS)

UTOQUAI 29/31 | 8008 ZURICH, SWITZERLAND

- Belinda Katharine Howell, RSG (constituency: Industry, Trade and Finance):
belinda.howell@rpog.org
- Lieven Callewaert, ACT Commodities (constituency: Industry, Trade and Finance): lieven.callewaert@soy4brands.org
- Jean François Timmers, WWF (constituency: Civil Society Organizations):
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- Oswaldo de Carvalho Junior, Earth Innovation Institute (constituency: Civil Society Organizations): ocarvalho@earthinnovation.org
- Juliana De Lavor Lopes, AMAGGI (constituency: Producers):
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- Gisela Introvini, FAPCEN (constituency: Producers):
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- Marina Born, CALDENES (constituency: Producers):
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- Cristina Delicato, ASSOCIAÇÃO AMIGOS DA TERRA (constituency: Producers): cristinadelicato@terra.com.br. Alternate for: Darci Getulio Ferrarin Junior: ferrarinjr@hotmail.com
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RTRS Secretariat:

- Marcelo Visconti, RTRS Executive Secretary:
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- Laura Villegas, RTRS Secretariat: laura.villegas@responsiblesoy.org
- Daniel Kazimierski, RTRS Secretariat: daniel.kazimierski@responsiblesoy.org
- Fernando Olivieri, RTRS Secretariat: fernando.olivieri@responsiblesoy.org

Special guests invited:

- Cid Sanches, RTRS External Consultant Brazil: cid_sanches@yahoo.com.br
- Enrique Molas, RTRS External Consultant Paraguay:
enrique.molas@responsiblesoy.org

Marina Born, President of the RTRS Executive Board, chairs the meeting and welcomes the participants to the Executive Board meeting. The agenda is presented and participants are asked

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whether any additional topics should be included. No other topics are included. The meeting begins.

A. Quorum and Proposals

The Executive Secretary ascertains that the quorum required to validly pass resolutions has been reached. The Executive Board considers the following items on the agenda:

1. *Approval of the Executive Board Meeting Minutes No. 145.*

Minutes No. 145 are reviewed page by page.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

“The Executive Board meeting minutes No. 145 are approved (by consensus).”

2. *Calendar of the Executive Board meetings: frequency and proposed dates.*

Marcelo Visconti shares with the Executive Board the suggested schedule for the Executive Board meetings to be held on the first semester of 2018.

Marcelo Visconti also proposes to have a face to face meeting of the Executive Board scheduled for April, to be held in Buenos Aires, Argentina. Marina Born explains that the proposal is to have a one day meeting in Buenos Aires and then go on a round trip to different RTRS certified farms in Argentina.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

“To approve the Calendar of the Executive Board Meetings, frequencies and proposed dates and the face to face Executive Board meeting to be held in April in Argentina (by consensus)”

3. *Accounting guidelines.*

Marcelo Visconti explains that the Accounting Guideline is a document prepared in 2011. The Accounting Guideline gives clarity to the processes the RTRS Secretariat follows, and provides the Executive Board with the comfort that certain processes are fulfilled in the performance of the daily activities of RTRS.

Jochem Bouwmeester asks the Secretariat about the fulfillment of the “Four Eyes” process. Marcelo Visconti answers that every process has established authorizations schemes with a Doer who is responsible for its execution and have to get approval from a superior.

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Marcelo Visconti explains that from now on he intends to present a revised version of this document every year along with the budget proposal in order to ensure it remains updated and in harmony with the evolution of the activities and needs of the association.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

“The revision of the Accounting Guideline is approved (by consensus)”.

4. *Approval of the granting of a power of attorney authorizing Marcelo Visconti to operate all RTRS accounts at UBS*

Marcelo Visconti explains that currently the Executive Director does not have the power to operate the mentioned accounts and in order to facilitate the daily operations of RTRS, proposes to the Executive Board the granting of such powers within certain limits set forth in the draft power of attorney distributed.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

“The granting of a power of attorney authorizing Marcelo Visconti to operate all RTRS accounts at UBS, Switzerland is approved (by consensus)”.

5. *Outreach and Engagement Manager: Process update and approval of employment location*

Marcelo Visconti provides the Executive Board with an update on the selection process of the Outreach and Engagement Manager searching.

Marcelo Visconti mentions that 18 job interviews were made in Switzerland that resulted in a short list of three candidates among which a final candidate has been selected by the Executive Board.

Marcelo Visconti explains that RTRS legal counsel is working on a draft of an employment agreement and as soon as this document is ready Marcelo Visconti will present the candidate with the proposal.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

“To instruct the Executive Director to make an offer to the selected candidate (by consensus).”

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6. RT13: General Annual Conference status: Identity and budget; approval of the Registration Fees.

Laura Villegas makes an update on the progress of the RT13 organization. Laura Villegas informs the members which have confirmed their support to RT13 and their willingness to facilitate the producer's participation.

Marcelo Visconti adds that an important Europe retailer confirmed its decision to sponsor RT13 and that it is willing to participate as speaker.

Lieven Callewaert requests to provide prominent space in the stage to cases/organizations that are working on linking producers to demand/market.

Laura Villegas presents the proposal for the Registration Fees for the RT13 for approval.

Laura Villegas suggests that RTRS should have a long term "early bird" from January until March 31, 2018, and then a fifteen days extension period.

Jean François Timmers stresses the fact that NGOs have charity sources and the difficulties small NGOs will face to pay the proposed fees, and says WWF cannot approve the proposal.

Jean François Timmers also says that the difference between the registration fees for non-members and members is exiguous.

Laura Villegas explains that registration fees were defined taking into consideration other conferences and RTRS 2017 registration fees.

As consensus could not be reached a voting is conducted at a constituency level. At this voting the simple majority is not reached in the constituency Civil Society Organizations. As a consequence, a new voting shall be conducted in the Civil Society Organizations constituency to decide whether or not such constituency desires to exercise its veto power against the approval by the remaining constituencies. After the new voting, Marina Born confirms that the Civil Society Organizations constituency decided not to exercise its veto power (by simple majority) whereby the approval of the proposal "RT13 Registration Fee table" is accepted.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

"The proposal 'RT13 Registration Fee table' is approved (by simple majority)."

7. RT13 First Draft Agenda

Laura Villegas explains the rationale behind the RT13 first draft of the agenda. She makes a wrap up of the structure/dynamic and contents:

- Content Driven: more plenaries, less parallel.
- Dialogue and solutions.
- Global-Current agenda: Global Forest Alliance (GFA), Cerrado Manifesto, Cerrado Working Group in Brazil, etc.



- Role of Government: jurisdictional approaches; incentives, etc.
- Build on solutions: Farm to fork concept. Dialogue. Build the bridge (food and feed industry; traders, retailers, producers).
- Platform: Brazilian Association of Vegetable Oils Industries (Abiove) and the Association of Soya and Maize Producers (Aprosoja); The European Feed Manufacturers' Federation (FEFAC), Consumer Goods Forum (CGF), Sustainable Agriculture Initiative (SAI) Platform; Aquaculture Stewardship Council (ASC); International Sustainability Carbon Certification (ISCC), etc.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

“To approve the RT13 First Draft agenda (by consensus)”.

8. *Press Release 2017 Closing/Balance*

Laura Villegas presents the topic and stresses that communication will focus on the 2017 management results.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

“To approve the 2017 Balance Press Release (by consensus)”.

9. *New Group Certification requirements*

Daniel Kazimierski presents the topic. He clarifies that it was a joint work carried out with the participation of Earth Innovation, Amaggi and Fapcen's teams. He explains to the Executive Board members that the decision on the new certification requirements are separated in two parts:

- a) “Changes in the group composition”, and
- b) “Changes in the group sampling methodology”

a) *Changes in the Group Composition*

Daniel Kazimierski refers that currently there are no further requirements or sanctions for those producers who drop certification in subsequent years to start the certification process again without satisfying medium and long-term requirements.

Subsequently, the Executive Board members should decide between:

- Resolution 1A: members who are removed from a group, can only be part of a new group that is in the same stage of the certification.
- Resolution 1B: do not allow for 2 years the admission to a new group of those producers who leave or are otherwise removed from a certified group. The re-entry to the certification must be at the same stage of certification and the farm must be part of

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the sample of the audit. (This option shall take into consideration special cases; e.g. producers that sell Mass Balance).

And also approve to add in the requirements document:

Resolution 2: manager of the group shall send the list of producers before the sampling for the audit is performed by the Certification Body.

Resolution 3: when members are removed from a group without a proper justification the CB shall increase the group's risk.

Daniel Kazimierski says that Resolution 1A was supported by Amaggi and Earth Innovation, and that Resolution 1B, which is stricter than Resolution 1A, was proposed by Fapcen. Daniel Kazimierski also adds that all parts involved agreed on Resolutions 2 and 3.

Juliana de Lavor Lopes remarks that Resolution 1B requirements do not apply to Mass Balance and Daniel Kazimierski confirms it.

Daniel Kazimierski explains that taking in consideration the resolution to be passed hereunder, he will prepare the specific wording for the indicators.

After a short debate regarding the proposed options and in the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

"To approve the New Group Certification Requirements for the Changes in the Group Composition as per Resolution 1B and Resolutions 2 and 3 (by consensus)."

b) Changes in the Group Sampling Methodology

Daniel Kazimierski explains that currently in the groups formed by more than 25 producers, not all farms are audited within the 5 years of certification due to the calculation method. Daniel Kazimierski further explains that the problem with this sampling method is that many of the farms are not being audited once the 5 year term cycle of certification has been accomplished.

Daniel Kazimierski presents the options to approve (which are not applicable for smallholders):

- Option 1: All the farmers of the group need to be audited within a 5-year term from the certification. The samples in each year should be of proportional dimensions, or
- Option 2: All the farmers of the group need to be audited within 3 years from the granting of the certification. The samples in each year should be of proportional dimensions.

Juliana de Lavor Lopes says that she prefers Option 1 as Option 2 will increase the costs of the audits process, especially when Mass Balance is involved. Juliana de Lavor Lopes explains that Option 2 is proposed in order to reduce risks. She agrees but she also states that risks can be reduced without increasing the costs if the changes in the group composition are properly implemented and if the public consultation requirements are correctly executed.



Gisela Introvini agrees with Juliana de Lavor Lopes explanation and also supports Option 1.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

“To approve the New Group Certification Requirements for the Changes in the Group Sampling Methodology as per Option 1 (by consensus).”

10. New Products. Subsequent steps for implementation

Marcelo Visconti presents the subsequent steps for the implementation of new products (EU RED module, non-Paraquat; non-GMO and National-Regional-Mass Balance) and explains that the final documents must be approved by the Members of RTRS in the next General Assembly.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

“To approve subsequent steps for implementation of New Products (by consensus).”

11. Plan for the New Products: Regional Credits; non-GMO credits; non-Paraquat credits; National / Regional Mass Balance.

The Executive Board was provided with the documentation regarding the Plan for the New Products activities. Since no questions are posed on the subject the members of the Executive Board decide to move to the next item in the Agenda.

12. Conversion Factors and RTRS Calculator proposal

Due to the lack of time, and since no questions are posed on the subject the members of the Executive Board decide to move to the next item in the Agenda.

13. Bayer contract and Press Release

Marcelo Visconti refers to the Cooperation Agreement between Bayer and RTRS and the joint Press Release that should be approved prior to its announcement.

Jochem Bouwmeester celebrates cooperation like the current one with Bayer and fosters to have more cooperation like this with other schemes. He also asks to negotiate agreements with a longer term.

Marcelo Visconti explains that a short-term cooperation agreement allows RTRS to revise the agreement in the future.

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Marcelo Visconti also informs that Bayer has invited RTRS to participate in the Fruit Logistics in Berlin; the biggest fair that gathers the whole food industry (not only connected with soy industry). The Executive Board supports the participation of RTRS in the Fruit Logistics.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

“To approve Bayer and RTRS Cooperation Agreement and the joint Press Release (by consensus).”

14. National Interpretation Argentina

Daniel Kazimierski provides the Executive Board with an update on the National Interpretation for Argentina.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

“To approve the National Interpretation of Argentina (by consensus).”

15. Brazil RTRS Maps and guidelines for expansion

Cid Sanches presents the topic. Cid Sanches refers to the Executive Board meeting held in Lille, France, on May 30, 2017, where the Executive Board delegated the Task Force Brazil to define what evidence must be presented by producers to prove that an area that intended to be certified has been poorly categorized (referring to RTRS maps).

Cid Sanches explains that a Working Group was conformed by The Nature Conservancy, WWF, Fapcen, Fazendas Bartira, ADM do Brasil, Amaggi, Control Union, Cert-id, Genesis Group, and after 6 meetings and one training the result was the development of a new system (website) to understand the reasons why one farm is categorized as red color. Four reasons were identified:

1. Federal Conservation Units;
2. Deficits by Forest Code Law;
3. Biomass stock (carbon);
4. Priorities areas by biodiversity conservation (MMA).

As a result from the above, the development of a responsible expansion guide. If an area is red due to reason number 2 or number 3, the farmer shall be entitled to challenge the map, for which purpose will be required to file legal documents and old pictures of these areas.

Deforested areas in the period between May/2009 and June/2016 classified as Red Area in RTRS official Maps, are the only ones that can be contested.

In order to contest the classification, the following procedure will apply:

1. Use the website to determine the reasons why the relevant area is red;

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2. Use the responsible expansion guide, follow the instructions and deliver the related documentation to the Certification Bodies;
3. The Certification Bodies shall analyze the information received and determine if the areas can be certified.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

“To approve the adjustments to the Brazil RTRS Maps and new guidelines for responsible expansion (by consensus)”.

16. SLC Report: Deforestation

Marcelo Visconti explains that this topic has been analyzed and presented at the request of Belinda Howell after a report issued by Chain Reaction Research about the Brazilian producer, SLC.

Marcelo Visconti informs that SLC is certified RTRS under a multisite scope that implies that the producer must declare their intention to comply with the spirit of the RTRS principles and criteria in the properties that are outside of the certification scope.

Marcelo Visconti confirms that according to the Certification Body (Cert ID), SLC fulfills the RTRS certification requirements for those farms certified by RTRS and for those farms out of the scope of the RTRS certification SLC is in compliance with the applicable legal requirements in force at the moment. As a consequence, Marcelo Visconti explains that in his opinion it is possible to conclude that SLC is supporting the spirit of RTRS.

In the absence of any objections, Marina Born confirms that the resolution is approved by the Executive Board.

The RTRS Executive Board resolves the following:

“To approve RTRS action plan towards SLC is in compliance with RTRS certification spirit (by consensus).”

17. Compensation mechanism. “Kick off case”

Marcelo Visconti refers to Javicho’s case in Argentina. He mentions that it was confirmed that Javicho deforested 20 (twenty) hectares and hence the certification (and the credits) was suspended.

Marcelo Visconti also mentions that it was proposed, as a possible solution, to request Javicho to submit a compensation plan. In connection with the foregoing, Marcelo Visconti explains that compensation mechanism has been discussed as a solution during the revision process of the RTRS Standard starting 2015, and the proposal was rejected according to the records compiling the Working Group comments and conclusions.

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Marcelo Visconti explains that the Secretariat's proposal is to inform the farmer that the certification remains suspended and, in accordance with the proposed course of action, also mentions that a draft of the letter of notification will be provided at the next meeting of the Executive Board for its approval.

18. Itaipú Project

Due to the lack of time, and since no questions are posed on the subject the members of the Executive Board decide to move to the next item in the Agenda.

19. RTRS Certification Standard Hotspots

Marcelo Visconti provides the Executive Board with a study performed by the Technical Unit regarding Hotspots of the Production Standard implementation in Argentina, Paraguay and Brazil. Since no questions are posed on the subject the members of the Executive Board decide to move to the next item in the Agenda.

20. KPI's

Marcelo Visconti provides the Executive Board with an update on the November KPI's. Since no questions are posed on the subject the members of the Executive Board decide to move to the next item in the Agenda.

21. Summary of Changes. RTRS-EU-Approval

Daniel Kazimierski provides the Executive Board with a summary of the changes introduced through the revised EU RED module approved in the last Executive Board meeting. Since no questions are posed on the subject the members of the Executive Board decide to move to the next item in the Agenda.

22. RTRS involvement – Next steps

Due to the lack of time, the members of the Executive Board decide to differ this item for the next Executive Board meeting.

23. Any other business and closing.

Marina Born asks to the participants whether they have any question regarding the items of the agenda that were presented "to inform". Since no queries are posed by the participants, the Executive Board agrees there are no further topics to be discussed.

The meeting is closed at 19:00 CEST time.

December 13, 2017.

Marina Born

President of RTRS Executive Board

Marcelo Visconti

Executive Secretariat of RTRS