



## ROUND TABLE ON RESPONSIBLE SOY ASSOCIATION (RTRS)

UTOQUAI 29/31 | 8008 ZURICH, SWITZERLAND

<b>Document name</b>	<b>RTRS Terms of Reference Draft V0.1</b>
<b>Date</b>	November 6 <sup>th</sup> , 2019
<b>Produced by</b>	<p>This document was developed by the Technical Unit of the RTRS in collaboration with E4tech during 2019.</p> <p>The document was formally endorsed and approved by the Executive Board Members on November 6<sup>th</sup>, 2019 and pending approval of GA before entering into force.</p>

This is a public document of the Round Table on Responsible Soy Association (RTRS), for any comments regarding the content of this document or the RTRS Standard please contact the RTRS Technical Unit

RTRS encourages its stakeholders to share their views regarding the Standards. Any comments on this document can be submitted to: [technical.unit@responsiblesoy.org](mailto:technical.unit@responsiblesoy.org) and cc: [info@responsiblesoy.org](mailto:info@responsiblesoy.org)

The RTRS official languages are English, Spanish and Portuguese, however in case of any inconsistency between different versions of the same document, please refer to the English version as the official one.



## 1 Scope

This document specifies the terms of reference of the RTRS, as well as its scope, objectives and why it is needed, in line with ISEAL Standard Setting Code (Version 6.0 - 2014).

## 2 Effective date

The specified procedures will become formal requirements with effect from GA approval.

This document will be reviewed at least once in 5 years, or when there are changes in the ISEAL policies that this procedure follows.

## 3 Definitions

<u>Consensus:</u>	General agreement, absence of sustained opposition on substantial issues
<u>Economic operators:</u>	Supply chain players eligible for RTRS certification, including: <ul style="list-style-type: none"><li>• Soy Producers;</li><li>• Soy Processors;</li><li>• Traders;</li><li>• Transporters;</li><li>• Retailers.</li></ul>
<u>General Assembly:</u>	Maximum decision Body in the RTRS Association, formed by all RTRS members.
<u>Standard:</u>	RTRS standards include the compulsory requirements that economic operators must comply with to receive RTRS certification, including sustainability, traceability and management requirements.
<u>Procedures:</u>	RTRS procedures include compulsory requirements that the RTRS Secretariat, RTRS members, RTRS Certification Bodies and RTRS Accreditation Bodies must comply with in the context of RTRS governance, standard development, assurance, trademark and claims, monitoring and evaluation.
<u>Guidelines:</u>	RTRS Guidelines are non-normative documents supporting economic operators, certification bodies, accreditation bodies and RTRS members through the implementation of the RTRS standard and certification scheme.



#### **4 Scope of the RTRS Standard**

The scope of the RTRS Standard covers the entire value chain of soybean and derived products until they reach the end-user. Economic operators covered by this standard includes:

- Soybean producers, regardless of the size of their production units;
- Processors of soybean and derived products, incl. food, feed and fuel producers;
- Traders, brokers and other intermediaries;
- Retailers of soybean-derived products, incl. food, feed and fuel.

The RTRS Standard is global by nature and may apply in any region where soybean or soybean-derived products are produced, processed, stored, traded or used.

RTRS is committed to ensure all environmental, social and economic impacts of soy production and processing are addressed, while ensuring business-friendly by minimising the burden for compliance and certification to economic operators.

#### **5 Identification of needs**

Soybean is a very widely used crop globally. Its oil is used as food ingredient or to produce biodiesel. Its meal is used as food or feed. While, North and South America (primarily Brazil and Argentina) are the largest producers, soybean is grown all across the world, including India, China and Europe.

As any global commodity, soybean is primarily cultivated in large scale farms but small-scale production units exist as well. Soybean production areas and yields have constantly increased since the 1990's due to the increasing consumption of meat globally (soy meal is primarily used to feed cattle) and policy-driven increases in biodiesel consumption. Such rapid expansion carried risks of environmental and socio-economic negative impacts, which made clear the need for a framework to promote and enhance the use of good practices.

The most important sustainability issues encountered in the soy value chain included:

- Expansion of soybean areas over high biodiversity areas (esp. in the amazon forest) and other lands with environmental value;
- Unfair or hazardous working conditions;
- Lack of legality or transparency in land transactions;
- Negative impacts on soil and water resources;
- Environmental or health damages due to the use of agricultural inputs;
- Lack of benefit sharing with local communities;
- Risk of genetic contamination due to the widespread use of genetically modified soy;
- Lack of traceability in soy and soy-derived products.

While sustainable agriculture standards existed in the early 2000's (e.g. organic, fairtrade, etc.), some of the specificities of the soybean value chains required a specific global standard to be created. As a result, the Responsible Soy Forum was initiated in London in May 2004 as a platform to promote sustainable practices in the soy value chain. After two years spent engaging with stakeholders and developing governance, the Round Table on Responsible Soy Association was launched in 2006, with the aim to create the first global standard for responsible soy production. Founding members included Grupo Maggi, Cordaid, COOP, WWF,



Fetrauf-Sul and Unilever. The RTRS pledged to follow a transparent and multi-stakeholder process for the development and continuous improvement of its standard.

As of today, other agriculture/biomass/biofuel standards may be used for certification of soybean products. Table 1 briefly describes the scope, content and governance of the main standards and certification systems, which can currently be used for soybean certification. As shown in the table, the systems that existed at the time RTRS was created had a more limited coverage with regards to end-use (food only) and a narrower scope. Therefore, the development of a comprehensive sustainability standard, along with chain-of-custody requirements appeared necessary and legitimate when RTRS was formed in 2006.

*Table 1: Overview of standards and certification systems applicable to soybean*

Standard Name	Year Creation	Applicability					Geographic Scope	Principal Sustainability Coverage	Governance
		Soy production	Soy processing	Food application	Fuel application	Chain of Custody			
Fairtrade	1973 (Netherlands)	Yes	No	Yes	No	Yes	Global	Fair working conditions and remuneration	Multi-stakeholder (ISEAL Member)
Organic	1972	Yes	No	Yes	No	Yes	Global	Water/soil/air protection	Multi-stakeholder (ISEAL Member)
2BSvs	2010	Yes	Yes	No	Yes	Yes	Global	EU RED compliance	Mostly industry
ISCC	2011	Yes	Yes	Yes	Yes	Yes	Global	Biodiversity Legality Working Conditions Local Communities Soil/Water/Air GMOs	Industry + academic
RSB	2007	Yes	Yes	Yes	Yes	Yes	Global	Biodiversity Legality Working Conditions Local Communities Soil/Water/Air GMOs	Multi-stakeholder (ISEAL Member)
US SSAP	2013	Yes	No	?	?	?	US Production	Biodiversity Environment Legal compliance	Multi-stakeholder
RTRS	2006	Yes	Yes	Yes	Yes	Yes	Global	Biodiversity Legality Working Conditions Local Communities Soil/Water/Air GMOs	Multi-stakeholder

## 6 Environmental and Social outcomes

The mission of the RTRS is to ensure soybean and soy-derived products are produced in a responsible manner to reduce social and environmental impacts while maintaining or improving the economic status for the producer.

This mission is to be achieved through:

- The development, implementation and verification of a global sustainability standard for soy; and
- The commitment of the stakeholders involved in the development, continuous improvement and promotion of the RTRS standard.

The expected environmental and social outcomes (mid-term) and impacts (long-term) of the RTRS Standard are:



Strategy/Activities	Intended Outcomes (Mid term)	Intended Impacts (Long term)
Development, implementation and continuous improvement of a comprehensive set of environmental and socio-economic requirements.	Promote and support the implementation of responsible practices throughout the soy value chain.	<ul style="list-style-type: none"> <li>- Legal compliance</li> <li>- Environmental protection</li> <li>- Fair labor conditions</li> <li>- Shared economic benefits (local communities)</li> </ul>
Development, implementation and continuous improvement of traceability requirements.	Ensure that RTRS-certified batches of products can be tracked back to the origin.	Build credibility and trust in the RTRS system over the nature and origin of RTRS-certified products.
Development, implementation and continuous improvement of a robust assurance system.	<ul style="list-style-type: none"> <li>- Ensure that RTRS certificates are only delivered to operators having successfully completed the process.</li> <li>- Control claims and use of other RTRS trademarks.</li> </ul>	
Ad hoc support to more vulnerable economic operators (e.g. smallholders)	<ul style="list-style-type: none"> <li>- Increase market access.</li> <li>- Enhance the use of responsible practices to a wider target.</li> </ul>	Improve economic conditions widely and contribute to a poverty alleviation and empowerment instrument.
Implementation of an open, transparent and participatory standard development process.	<ul style="list-style-type: none"> <li>- Increase participation of a wide range of stakeholders.</li> <li>- Make decisions transparent and accessible to all.</li> </ul>	Enhance the credibility and legitimacy of RTRS standards and outputs from implementation among the private sector and civil society.
Creation and maintaining of a non-for-profit association (incl. a general assembly and executive board) for the general monitoring of RTRS standards, procedures and M&E System.	<ul style="list-style-type: none"> <li>- Share responsibilities and liabilities.</li> <li>- Create ownership by stakeholders of final products and outcomes.</li> <li>- Avoid conflicts of interest over profitability.</li> </ul>	

## 7 Risk Management

The RTRS implements a risk management system in line with ISO 31000. The objectives of the risk management system are:

- To **identify** the nature of risks to the robustness, credibility and integrity of the RTRS organization, standard and brand;
- To **evaluate** the likelihood and intensity of identified risks;
- To **mitigate** the identified risks through specific actions and measures;
- To **monitor** the effectiveness of implemented actions and measures on a regular basis and correct them if necessary.

RTRS Secretariat is accountable for the proper implementation of the Risk Management.

### 7.1 Risk Identification



Several categories of risks exist, which could be detrimental to the robustness, credibility and integrity of the RTRS as an organization, but also the RTRS standard and derived brand (claims). Such risks include but are not limited to:

- Non-compliance with RTRS statutes, decision-making process and other governance aspects, such as the decisions leading to the approval or modifications of key documents. Such risks may affect RTRS members and staff;
- Misrepresentation of the RTRS organization by RTRS members, staff, certified operators or certification bodies;
- Non-conformities with RTRS Standard;
- Incorrect application of audit and certification rules by certification bodies and/or accreditation bodies, leading to unresolved non-conformities and incorrect decisions regarding the attribution, suspension and/or withdrawal of RTRS certificates;
- Misuse of RTRS certificates and claims by certified operators (e.g. incorrect scope) or by non-certified operators (e.g. fake certificates, expired certificates);
- Impartiality and conflict of interest of Accreditation Bodies, Certification Bodies and auditors;
- Unintended negative consequences following the application of the RTRS Standard.

## 7.2 Risk Evaluation

The likelihood of the risks identified in the previous sections may vary in each case. Furthermore, the intensity of the damages caused to the robustness, credibility or integrity of the RTRS may vary. Table 2 summarises the risks identified in relation to the implementation of the RTRS system.

*Table 2: Risk Evaluation (Temporary)*

Risk type	Description (examples)	Likelihood	Intensity	Remark
Governance	Non-compliance with statutes (e.g. decision making process) or membership rules.	Rare - Medium	Variable: - Minor deviations have low intensity - Non-compliance with decision-making processes (e.g. voting) may have severe consequences on the integrity of the RTRS	Some flexibility over non-essential membership rules may be tolerated pending justification.  No deviation in the formal decision making process is tolerated.
Misrepresentation	Fallacious statement regarding the RTRS functioning, its members, its staff, etc.	Medium	Misrepresentation may have severe consequences over the credibility and therefore the integrity of an organization.	
Incorrect application of audit procedures	CBs or auditors may not apply audit procedures and certification rules adequately or fully.	High	Variable: - Minor non-compliances (low intensity). - Major non-compliances (high intensity)	Some flexibility over minor non-compliances.



## ROUND TABLE ON RESPONSIBLE SOY ASSOCIATION (RTRS)

UTOQUAI 29/31 | 8008 ZURICH, SWITZERLAND

Misuse of certificates and claims	Use of fake certificates. Use of expired certificates. Wrong use of claims (e.g. inadequate scope)	Medium	Highly detrimental for the reputation and credibility of RTRS certificates	
Impartiality and conflict of interest	ABs, CBs and auditors having conflict of interest with their clients	Rare - Medium	Highly detrimental for the reputation and credibility of RTRS certificates	
Unintended consequences	Some economic operators (e.g. smallholders) may not be able to implement good practices and be excluded from markets.	Medium	Medium	
	Implementing good practices may increase production cost and decrease certified operators' competitiveness	Medium	Medium	This is particularly the case when implementing higher standards for labour conditions (e.g. wage, protective equipment)
	Restrictions over land-use may reduce the attractiveness of RTRS certification at the profit of other less demanding systems.	Medium	Medium	



### 7.3 Risk Mitigation

Previously identified risks will be mitigated by the following measures (Table 3).

*Table 3: Proposed mitigation measures*

Identified Risks	Mitigation Measures
Governance	<ul style="list-style-type: none"><li>- Frequent communications with members</li><li>- Strict application of membership rules monitored by the Executive Secretary and legal experts</li><li>- A transparent grievance system is being implemented to allow third parties to file complaints, which will be treated according to an escalation process.</li></ul>
Misrepresentation	<ul style="list-style-type: none"><li>- Monitoring of public statements and declarations</li><li>- Endorsement of code of conduct by members.</li></ul>
Incorrect application of RTRS audit procedures	<ul style="list-style-type: none"><li>- Robust accreditation in place, in line with ISO standards and ISEAL Codes, including surveillance and monitoring of auditors and CBs.</li><li>- A transparent grievance system is being implemented to allow third parties to file complaints, which will be treated according to an escalation process.</li></ul>
Misuse of RTRS certificates and claims	<ul style="list-style-type: none"><li>- Strict procedure for use of claims and trademarks</li><li>- Continuous monitoring of certificates through an official platform.</li><li>- A transparent grievance system is being implemented to allow third parties to file complaints, which will be treated according to an escalation process.</li></ul>
Impartiality and conflict of interest	<ul style="list-style-type: none"><li>- Strict procedure on the RTRS assurance system.</li><li>- Monitoring CBs and ABs work and assessment reports.</li><li>- Witness audits.</li></ul>
Unintended consequences	<ul style="list-style-type: none"><li>- Unintended consequences will be monitored through a monitoring &amp; evaluation process (M&amp;E), in line with ISEAL Impact Codes.</li><li>- Specific policies are implemented for smallholders and vulnerable stakeholders.</li></ul>

### 7.4 Risk Monitoring

The efficiency of implemented mitigation measures to reduce the identified risks will be monitored on a continuous basis by the RTRS Secretariat, who will regularly (at least annually) report to the Executive Board and General Assembly over:

- The proper implementation of membership rules and decision-making process.
- Any grievance over RTRS membership, audit procedures and misuse of RTRS claims/trademarks.
- Recorded grievances
- Results from the M&E System.
- Audit reports from CBs and ABs.
- 

In case implemented measures would not achieve the expected results, the Executive Board and General Assembly may decide to modify them or implement new measures in replacement.

### 7.5 Publications





## ROUND TABLE ON RESPONSIBLE SOY ASSOCIATION (RTRS)

UTOQUAI 29/31 | 8008 ZÜRICH, SWITZERLAND

The RTRS Secretariat will publish a risk monitoring report on an annual basis, which will include:

- An updated risk identification and assessment;
- A description of mitigation measures;
- An analysis of the efficiency of implemented measures and conclusions regarding the need to modify or improve them.

DRAFT