



Minutes No. 175 of the Executive Board Meeting held on

Thursday, October 29, 2020, 15:00 to 18:00 CET time (in accordance with article 21, section [1] of the RTRS Statutes).

Agenda:

1. Approval of the Executive Board meeting minutes No. 174.
2. (a) September 2020 Key Performance Indicators (KPIs).
(b) Priorities Update.
3. Latest Estimate Three (LE3).
4. Approval of the Budget for 2021.
5. RTRS GHG Roadmap: update on the RTRS Secretariat's analysis, benchmark and progress.
6. Approval of RTRS' Questionnaire and Positioning Statement to participate in the Public Consultation Deforestation and Forest Degradation – Reducing the Impact of Products Placed on the EU Market.
7. Approval of the revision of the communication criteria agreed at the Executive Board Meeting held on February 20 and 21, 2019, in Piaui, Brazil, which mandate not to differentiate the RTRS production & supply chain modules in order to change it as recommended during the last Executive Board Meeting held on September 29, 2020, namely: "RTRS credits serves as a transition to RTRS physical flow (Mass Balance)."
8. (a) "Beyond 2020" RTRS Strategy: approval of Project Draft 2.
(b) Update on the discussions related to the Working Group on the stepwise approach standard.
9. Any other business.
10. Closing.

A. Introduction

The meeting of the Executive Board of Round Table on Responsible Soy Association (RTRS) starts on Thursday, October 29, 2020 at 15:00 CET time.

Participants:

RTRS Executive Board members:

- Marina Born, Caldenes S.A. (constituency: Producers): marina.engels@responsiblesoy.org
- Juliana de Lavor Lopes, Amaggi (constituency: Producers): juliana.lopes@amaggi.com.br
- Gisela Regina Introvini, FAPCEN (constituency: Producers): giselaintrovini@hotmail.com
- Luiz Carlos Iaquinta Filho, Bartira Agropecuaria S.A. (constituency: Producers): liaquinta@brookfieldbr.com



ROUND TABLE ON RESPONSIBLE SOY ASSOCIATION (RTRS)

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- Ulises Javier Martinez Ortiz, Fundación Vida Silvestre (constituency: Civil Society Organizations): ulises.martinez@vidasilvestre.org.ar
- Jochem Bouwmeester, Coöperatieve Rabobank U.A. (constituency: Industry, Trade and Finance): jochem.bouwmeester@rabobank.com
- Lieven, Callewaert, Alliance 4 Soy, (constituency: Industry, Trade and Finance): lieven.callewaert@soy4brands.org
- Jorn Jasper Schouten, ACT Commodities (constituency: Industry, Trade and Finance): JSchouten@actcommodities.com
- Judith Kontny, Lidl (constituency: Industry, Trade and Finance): Judith.Ginsberg@lidl.com
- Stefan Heinke, Bayer AG, (constituency: Industry, Trade and Finance): stefan.heinke@bayer.com

RTRS Secretariat based in Zurich:

- Ingrid Korn, RTRS Administration Officer: Ingrid.korn@responsiblesoy.org

RTRS Secretariat based in Buenos Aires:

- Marcelo Visconti, RTRS Executive Director: marcelo.visconi@responsiblesoy.org
- Laura Villegas, Communications Officer: laura.villegas@responsiblesoy.org
- Daniel Kazimierski, Technical Unit Officer: daniel.kazimierski@responsiblesoy.org
- Ana Laura Andreani, Technical Unit Analyst: ana.andreani@responsiblesoy.org

Special guests invited:

- Cid Sanches, RTRS External Consultant: cidsanches64@gmail.com
- Mabel Fernández, RTRS Financial External Consultant: mabelau.fernandez@gmail.com
- Constantin Malik, Malik Institute: constantin.malik@mzsg.ch
- Josef Coellen, Malik Institute: josef.coellen@mzsg.ch

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

B. Quorum and proposals

Marina Born 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. 174.*

Minutes No. 174 are reviewed page by page.

Lieven Callewaert takes the floor and remarks that at the last Executive Board meeting held on September 29, 2020, during the discussion of item 4 of the agenda “*Approval of the submission of the RTRS Amended and Restated Statutes for the consideration of the Participating Members by means of a written resolution in accordance with the voting procedure set forth in Article 18 of RTRS Statutes,*” he suggested to take advantage of the new voting process to be conducted to submit for the consideration of the RTRS Participating Members the RTRS Amended and Restated Statutes by means of a written resolution in order to re-submit for approval the RTRS Standard for Responsible Corn Production, and, therefore, requests to include such suggestion on the minutes under analysis.

The Executive Board members agree to approve the minutes including this change on page 4 requested by Lieven Callewaert.

In the absence of any objections, Marina Born confirms that the Executive Board approves the resolution.

The RTRS Executive Board resolves the following:

“The Executive Board meeting minutes No. 174 are approved, subject to the incorporation of express reference to the suggestion made by Lieven Callewaert regarding the resubmission for approval of the RTRS Standard for Responsible Corn Production along with the request for approval of the RTRS Amended and Restated Statutes taking advantage of the new voting procedure to be conducted (by consensus).”

2. *(a) August 2020 Key Performance Indicators (KPIs), and (b) Priorities Update.*

August 2020 Key Performance Indicators (KPIs) are presented to the Executive Board members. It is informed there was a 46% increase in RTRS certified production and a 41% increase in uptake compared to figures year to date September 2019. Additionally, it is informed that 31 new organizations took up RTRS material in 2020 and more than 100 new facilities were certified under the RTRS Chain of Custody Standard up to date.

Moving to the June 2019-September 2020 Priorities, an update is presented to the Executive Board members.

It is reported that the European Outreach and Engagement Officer recruitment process is finished, and the appointment of such officer will be effective November 1, 2020.

Thereupon, reference is made to the remaining priorities. The Executive Board members are informed that the ISEAL membership application process; RTRS Standard for Responsible Corn Production V.1.0; the “Beyond 2020” RTRS Strategy; the RTRS Umbrella Story; the Collaborative Soy Initiative and the RTRS Conversion Factors System project have been conducted as planned.

Since no further comments or questions are posed on the subject, the Executive Board members decide to move to the next item in the agenda.

3. *Latest Estimate Three (LE3).*

The Latest Estimate Three (LE3) 2020 is presented to the Executive Board members. It is confirmed that once again Budget will be achieved, most of the indicators will be improved and that there has been sound progress in meeting the priorities.



It is further informed this year's performance has been very solid despite COVID-19 impact as a consequence of the early actions defined together with the Executive Board members in March which were successfully implemented in conjunction with a close monitoring plan.

On the other hand, it is remarked all the operations of the association, including not only those conducted by the Secretariat, but also those conducted in the role as a global multi-stakeholder organization and as a certification scheme have been very efficient even though it was not possible to have face to face meetings. It is also mentioned that the development of the Guidelines for Desktop Audits made it possible to continue with the certification process without any interruption in the supply chain. Finally, it is also highlighted that 31 new buyers from 15 different countries have joined RTRS.

Moving to communication channels and interactions with all interested stakeholders it is stated that despite the fact that the RTRS Annual Conference and the General Assembly had to be cancelled, the new web page, the webinars and several web meetings in which RTRS participates, including key ones such as the European Commission, UK government, United Nations, One Planet Network, German Government, made it possible to keep the RTRS' engagement and dissemination approaches active. At the same time, it was also possible to work hard on the development of RTRS Beyond 2020 Strategy.

As regards the financial performance, it is reported that there has been no delay in collections nor in payments.

To conclude, it is informed that it is expected to close the year with strong progress and all key ratios improving significantly, setting the bar quite high for next year.

Luiz Carlos Iaquinta Filho remarks the cash position is good for the RTRS institutional health and potential of growth.

Marina Born supports Luiz Carlos Iaquinta Filho remarks and adds that the good results shown in the LE3 put RTRS in a very good position towards the RTRS Strategy.

In the absence of any objections, Marina Born confirms that the Executive Board approves the resolution.

The RTRS Executive Board resolves the following:

“The Latest Estimate Three (LE3) is approved (by consensus).”

4. *Approval of the Budget for 2021.*

A new version of the budget for 2021 is presented to the Executive Board members, which is fully aligned conceptually and economically with the Beyond 2020 RTRS strategy.

Executive Board members are presented with the key priorities for 2021:

- Step up: building organizational capabilities and a stronger and more balanced global organization.
- Boost demand among key stakeholders, markets and geographies, leveraging the new “conversion factor” system, Europe Outreach & Engagement Officer approach and Tokyo Olympic and Paralympic Games 2021. Reinforce the brand value of RTRS certification to increase visibility and increase awareness of “hidden soy concept” including targeted young consumer groups.



- Launch the new version of the RTRS Standard on Responsible Soy Production V4.0 including the new stepwise approach and RTRS Standard on Responsible Corn Production V1.0 after its approval at the 14th General Assembly in June 2021.
- Build on and develop new targeted government and NGOs relationship strategies. Strengthen the role of RTRS as a “multi-stakeholder & consensus driven” roundtable on soy through a repositioning & branding strategy and reinforcing network activities within the international sustainability market, national country initiatives, including the “Collaborative Soy Initiative.”

It is remarked that “Beyond 2020” RTRS Strategy which needs to be fully embraced by key stakeholders, will be successfully launched and have its first year of implementation during 2021.

It is further reported that with regards to RTRS’ financial performance, the aim is to keep it as good as this year, and connected to the priorities mentioned before, to invest in future growth taking full advantage on 2020 performance, with focus on a much stronger organization, broader communication, sharpen up technical performance and innovation.

Moving to RTRS’ incomes, it is commented it will grow at double digit rate reaching an increase of 15% compared to this year, certification fee as the largest contributor with 4,4m tons which means 17% increase and an estimate of 15 new members joining RTRS. Regarding expenses, it is reported the RTRS Annual Conference (RT) and the General Assembly (GA) were not budgeted taking into consideration the new spread of COVID-19 allowing a like for like comparison of expenses versus this year.

It is also informed that expenses are expected to increase by 54% compared to 2020 driven by 4 main topics: a) incorporation of new employees; b) market development activities through new regional external consultants; c) higher investments in communications and finally d) technical activities including carbon roadmap implementation.

Finally, it is confirmed that the objective will be to have an operation without disruptions including the outline of a plan with monitoring actions to be implemented in order to protect cash in case of a potential new challenging year.

Juliana de Lavor Lopes takes the floor and, within the budget plan, asks to prioritize, relationships at European Union level and with European Union officials, and further remarks the need to engage with the civil society sector better and more.

For its part, Lieven Callewaert agrees with Juliana de Lavor Lopes comment with regards the need to engage with key civil society organizations and additionally refers to the importance of engaging with producers in order to broaden their participation in RTRS and the uptake of RTRS certification.

Luiz Carlos Iaquina Filho remarks that RTRS’ biggest effort to include more producers RTRS certified and have them on board is to be able to deploy the RTRS stepwise approach standard.

In the absence of any objections, Marina Born confirms that the Executive Board approves the resolution.



The RTRS Executive Board resolves the following:

“The Budget for 2021 is approved (by consensus).”

5. *RTRS GHG Roadmap: update on the RTRS Secretariat’s analysis, benchmark and progress.*

Executive Board members are updated on the RTRS Secretariat’s analysis, benchmark and progress on the RTRS’ Greenhouse Gases (GHG) approach which was initiated in 2019, including the presentation of the latest plan and roadmap developed and proposed by the specialist Blonk Consultant for RTRS, for the next two years.

Luiz Carlos Iaquinta Filho refers to the many existing tools to calculate GHG and remarks that, in the working process, RTRS should ensure the tool and methodology chosen is aligned with the most recognized ones in the market in order to enable RTRS to be accurately and feasible connected with market demand criteria.

Juliana de Lavor Lopes suggests considering the advances on the topic undergoing in Brazil regarding GHG and the use of data bases, such as Embrapa, and include them in the tools analysis and methodology revision process to be able to make the precise comparisons within the definition making process.

The Executive Board members request the Secretariat to organize an informal meeting with Blonk Consultant to better dive into the proposal and suggested approach.

After a brief exchange of views, Executive Board decided to move to the next item of the agenda.

6. *Approval of RTRS’ Questionnaire and Positioning Statement to participate in the Public Consultation Deforestation and forest degradation – reducing the impact of products placed on the EU market.*

The Executive Board members are presented with the considerations of the initiative “Deforestation and Forest Degradation – Reducing the Impact of Products Placed on the EU Market.” It is further informed that the initiative is aimed at minimizing the EU’s contribution to deforestation and forest degradation worldwide and promoting the consumption of products from deforestation-free supply chains in the EU. It is additionally remarked that a wide variety of regulatory and non-regulatory policy options will be assessed which could potentially include as possible instruments mandatory labelling, voluntary commitments and labelling, due diligence, verification schemes and methods. In these regards, the public consultation will aim to receive input from a broad range of stakeholders from the EU and from other countries.

Executive Board members’ feedback is analyzed and the RTRS’ Questionnaire and Positioning Statement is reviewed and adjusted.

After a brief exchange of views, and due to the relevancy of the document and discussion, the Executive Board members allow more time for its analysis, and request to postpone the approval of the RTRS’ Questionnaire and Positioning Statement to Participate in the Public Consultation Deforestation and Forest Degradation – Reducing the Impact of Products Placed on the EU Market until the meeting to be held on November 25, 2020.



It is further agreed that for such meeting, the Secretariat will exclusively submit the topics and questions from Annex #6.c.- RTRS' Questionnaire and Positioning Statement, which, based on the feedback to be provided by the Executive Board members, would require further alignment and agreement.

In the absence of any objections, Marina Born confirms that the Executive Board agrees to postpone the decision on this item of the agenda until the meeting to be held on November 25, 2020.

7. *Approval of the revision of the communication criteria agreed at the Executive Board Meeting held on February 20 and 21, 2019, in Piauí, Brazil, which mandate not to differentiate the RTRS production & supply chain modules in order to change it as recommended during the last Executive Board meeting held on September 29, 2020, namely: "RTRS credits serves as a transition to RTRS physical flow (Mass Balance)."*

The Executive Board members are presented with the background about the RTRS communication criteria on how to refer and present the RTRS certified material (credits and physical flow).

It is reminded that prior to the Executive Board meeting held on February 20 and 21, 2019, in Piauí, Brazil, RTRS communication criteria regarding the RTRS certified material (credits and physical flow) was a "stepwise approach" which although value was given to all the RTRS supply chain modules, differentiations were made among them. Later on, after the mentioned Executive Board meeting, it was approved a new communication approach which would offer different options to the market without visibly differentiating them, to allow the companies to freely select the one that better suits their policies.

During the meeting held on September 29, 2020, the Executive Board agreed to include the topic in the agenda for this meeting to revoke the resolution made and revise the communication criteria agreed during the meeting held on February 20 and 21, 2019, and to approve a new one: "RTRS credits supporting responsible soy serve as a transition to RTRS physical flow (Mass Balance)," aiming at (i) properly positioning the value of RTRS Credits supporting responsible soy, (ii) enabling the transition to RTRS certified physical flow systems, and (iii) better and more suitable accompanying the exponential growth of RTR Chain of Custody certification is lately experimenting, therewith indicating a potential future growth of the uptake, processing and trading of physical flows (Mass Balance).

In the absence of any objections, the Executive Board approves the resolution

The RTRS Executive Board resolves the following:

"The new communication criteria namely: "RTRS credits supporting responsible soy serve as a transition to RTRS physical flow (Mass Balance) is approved (by consensus)."

8. *(a) "Beyond 2020" RTRS Strategy: approval of Project Draft 2 & (b) Update on the discussions related to the Working Group on the stepwise approach standard.*

The Executive Board members are updated with the progresses of the "Beyond 2020" RTRS Strategy and next steps, and the timeline is reviewed.

Immediately after the "Beyond 2020" RTRS Strategy: Project Draft 2 is reviewed page by page and in the absence of any objections, the Executive Board approves the resolution



The RTRS Executive Board resolves the following:

“The Beyond 2020” RTRS Strategy: approval of Project Draft 2 is approved (by consensus).”

Additionally, an update is presented on *Chapter 10 Strengthen the role of “The Round-Table”* to the Executive Board Members.

After a brief exchange of views, it is informed that *Chapter 10 Strengthen the role of “The Round-Table”* is subject to the Executive Board members review and feedback. It is additionally informed that the “Beyond 2020” RTRS Strategy Project Draft 3 will also be sent to the Executive Board members and it will be presented for their approval at the Executive Board meeting to be held on November 25, 2020.

With regards to the update on the discussions related to the Working Group on the stepwise approach standard, and in view of the limited time available for this meeting, the Executive Board members decide to postpone this matter.

9. *Any other business.*

Ulises Javier Martinez Ortiz informs about the WWF new *Soy Scorecard - Assessing the Use of Responsible Soy* estimated to be launched in 2021, which will include as a new feature a specific section on and reporting Traders and Feed Companies.

10. *Closing.*

The meeting is closed on Thursday, October 29, 2020 at 18:00 CET time.

Marina Born
RTRS President

Marcelo Visconti
Executive Director of RTRS