

Agenda of today's webinar: 15:00-16:30

Questions & remarks please use chat

- 1. Welcome and intro by the Collaborative Soy Initiative.
- 2. Launch narrative The Multiple Routes to Responsible Sourcing, combining the best of approaches to conversion-free sustainable soy
- Launch dialogue tool the "Soy Magicube"
- 4. Examples of approaches and their combinations, by various Meta Meeting participants.
- 5. Test: ...and how about the EU Regulation?
- 6. Final thoughts and wrap up.





Welcome and intro: The Collaborative Soy Initiative

Heleen van den Hombergh & Lieven Callewaert

Vision of the Collaborative Soy Initiative:

100 % conversion free sustainable soy production and uptake on a global scale

Mission of the Collaborative Soy Initiative:

- + Inform about the actions that are on-going;
- + Facilitate synergies between stakeholder initiatives and actions;
- + Come-up with new actions that are not yet done, but needed and when relevant to the above

By doing this, CSI seeks to support genuine impact on nature conservation, people's rights and responsible land use.

Website... and check info hub:

https://thecollaborativesoyinitiative.info/ what-we-do/ongoing-activities



csi Meta Meetings in face of overall goal 100 % conversion free sustainable soy on a global scale:

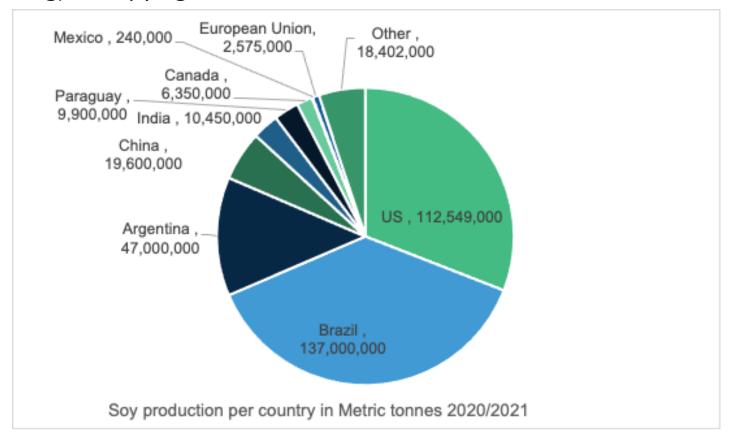
collective learning and thinking between international and regional soy initiatives: becoming stronger together, searching for synergy of routes, coming to consistency while dealing with diversity

Priorities identified in Meta Meetings:

- 1. Promote ambitious, compatible sustainability goals & targets by users/buyers to create scale for conversion free sustainable soy.
- 2. Based on these goals & targets create consistent (at least compatible) asks to traders and producers.
- 3. Develop a shared narrative of these asks.
- 4. Engage with traders and producers to create effective & constructive communication about asks.
- 5. Create incentives for producers to meet requirements.



Global soy production 364 million tonnes 20/21 (European Soy Monitor, forthcoming) occupying about 130 million hectares.



The narrative Multiple Routes to Sustainable Sourcing

Heleen van den Hombergh

The multiple routes to responsible sourcing

Combining the best of approaches for conversion-free sustainable soy A narrative and "Magicube" tool

There is no single path to sustainable soy. At the Collaborative Soy Initiative we believe we can achieve our vision of 100% conversion-free sustainable soy production and market uptake on a global scale. However, there are several ways to get there, and they best work in combination.





Bird's eye view over added values: please read the narrative!

- A. Robust certification schemes set and control environmental and social criteria, including and beyond conversion
- **B. Biome wide moratorium** esp if strong verification mechanism: one clear requirement and landscape wide effect
- **C. Clean suppliers approach**...create volume of conversion-free, and avoid leakage to other biomes and markets
- **D. Landscape initiatives** engage producers at all levels, government and promote additional conservation
- **E.** *Pre-competitive initiatives*: compatible asks, scale in volume and... resources, combine tools from A-D
- **F.** Carbon footprint framework: beyond LCA: make carbon important factor in policies. Combine tools from A-D.





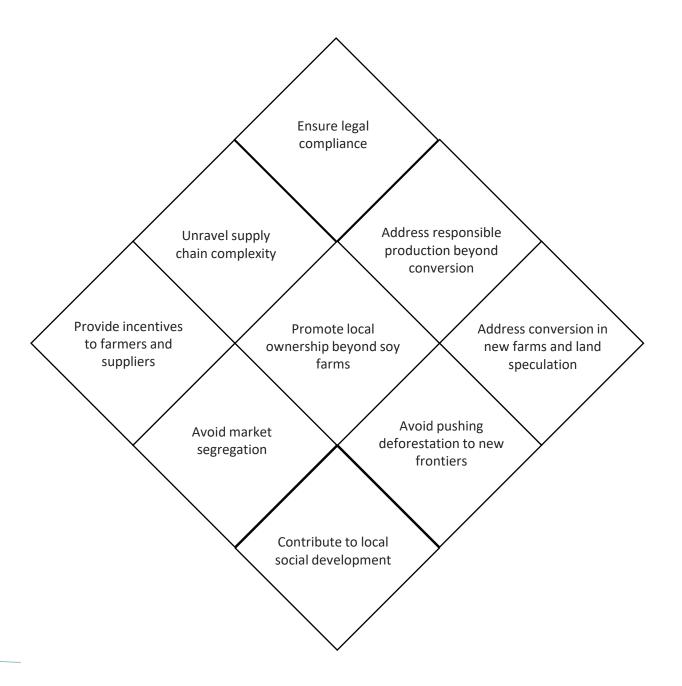
The Soy Magicube

Jane Lino

A 'magicube' for conversion free sustainable soy:
a tool to discuss the potential impact of combinations of approaches

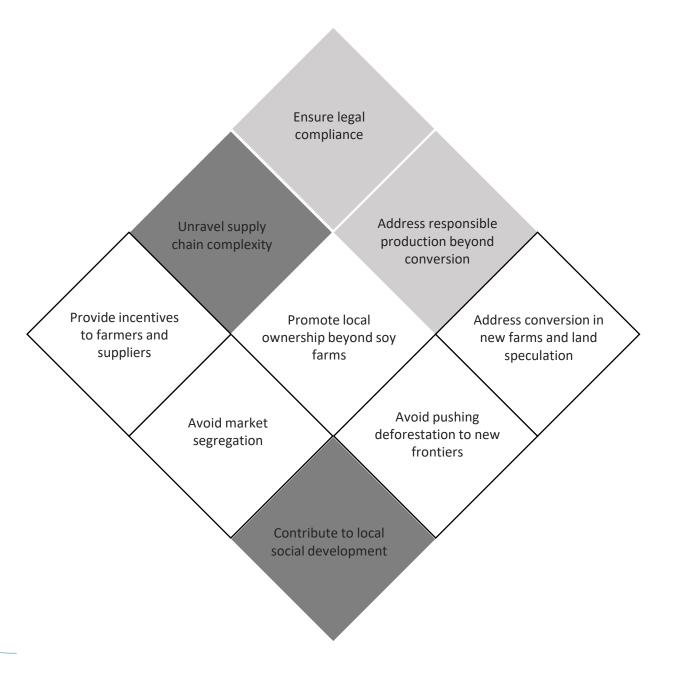








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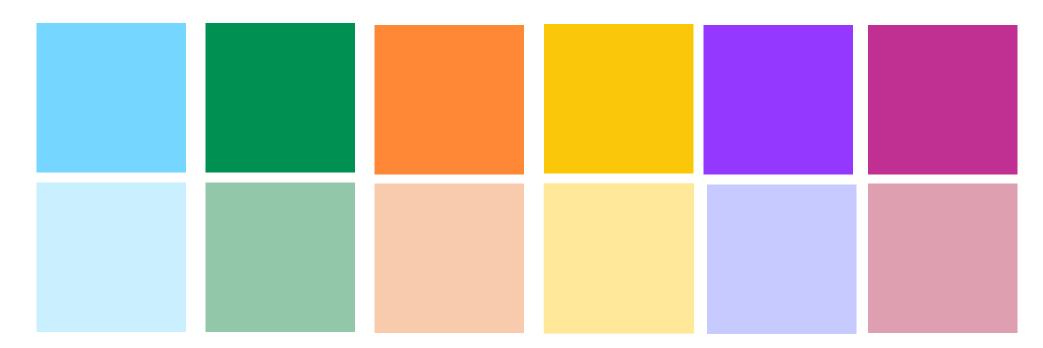
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Potentially capable of delivering



Not capable of delivering



Robust Certification Schemes

Biome-wide Moratorium

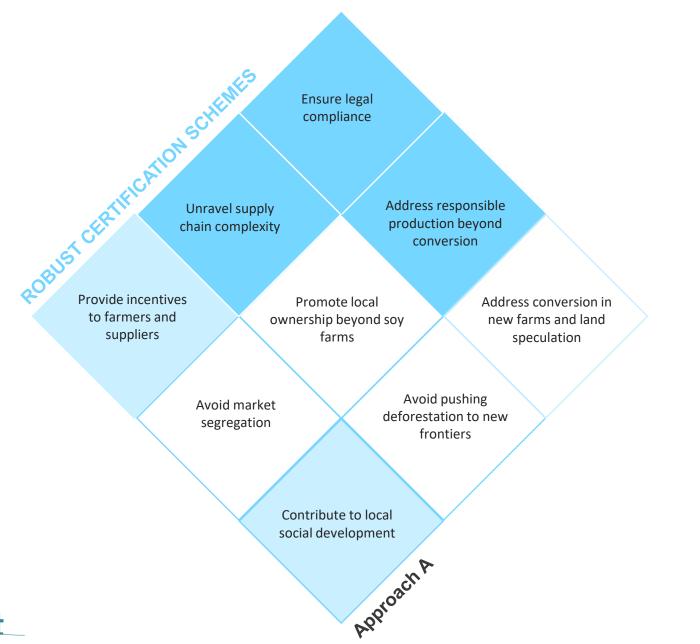
Clean Supplier Approach Landscape/Jurisdictional Initiatives

Pre-competitive Initiatives

Carbon Footprint Framework



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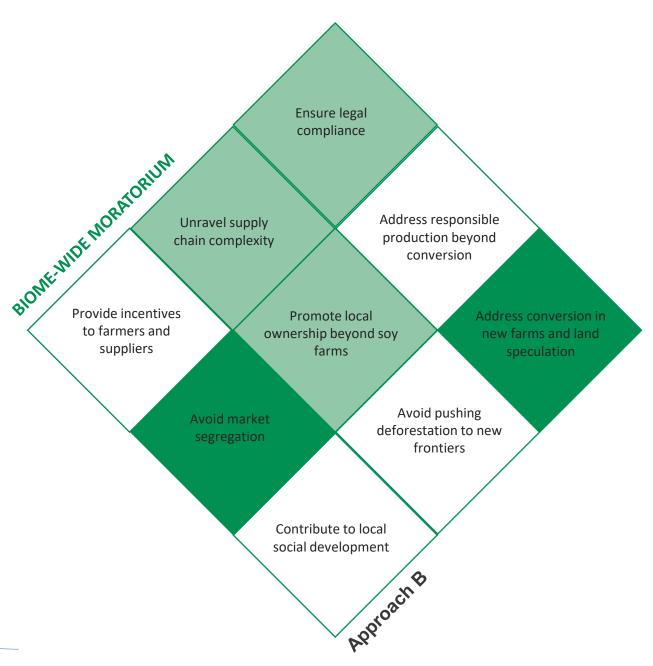
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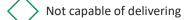


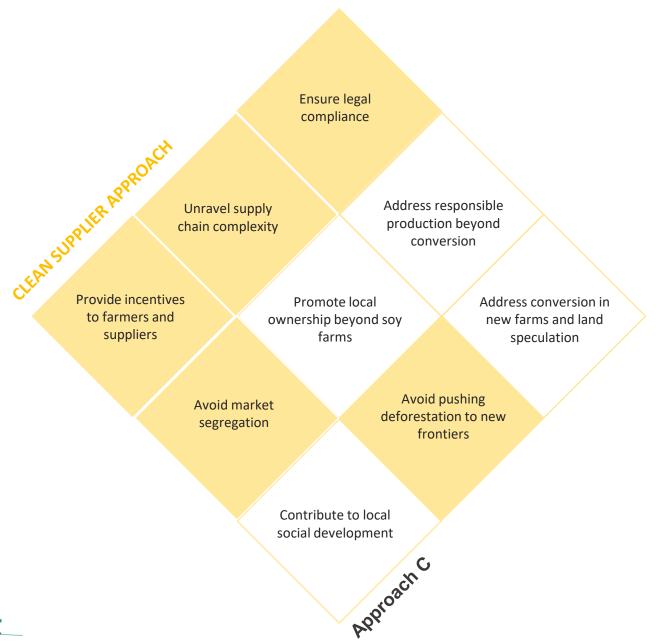


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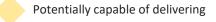




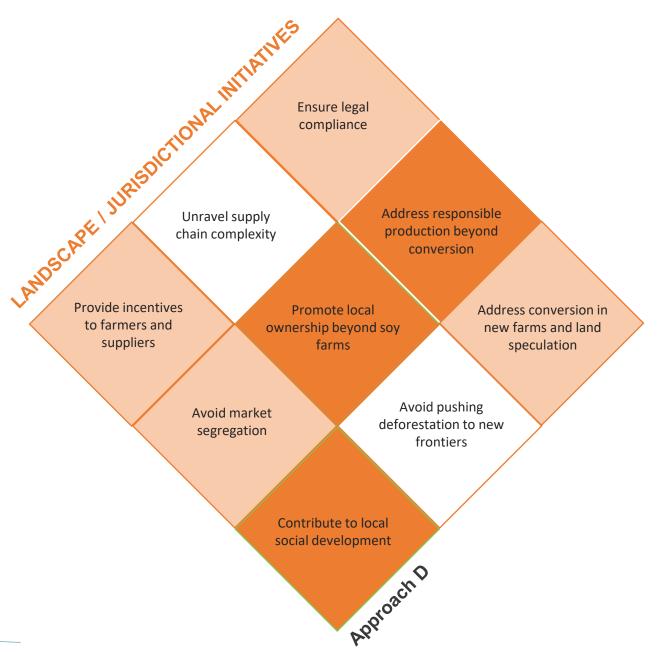
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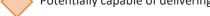




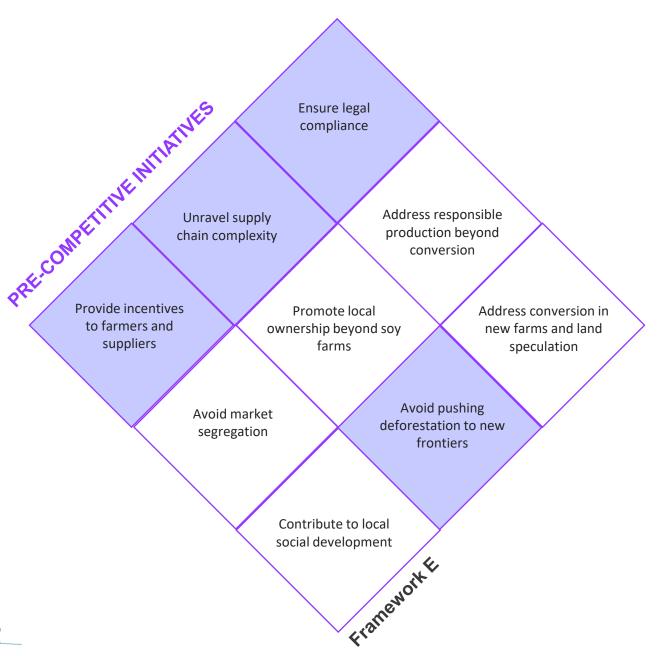
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Potentially capable of delivering



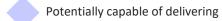
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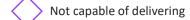


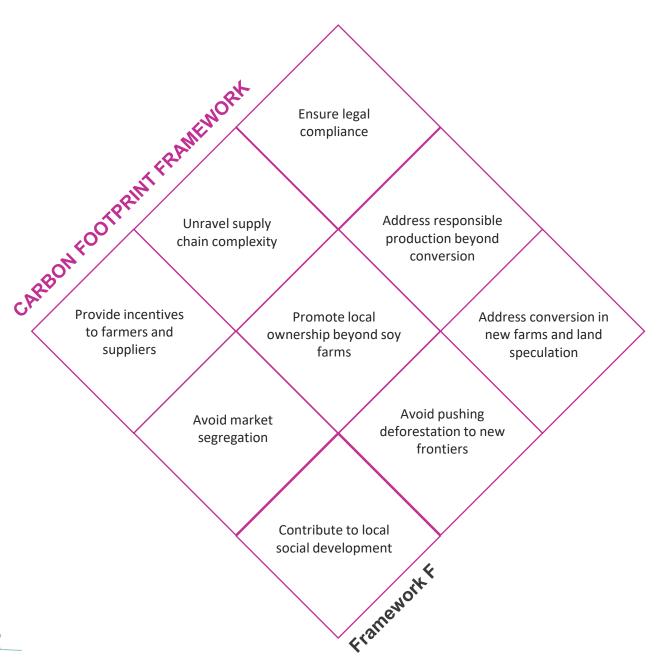
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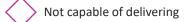


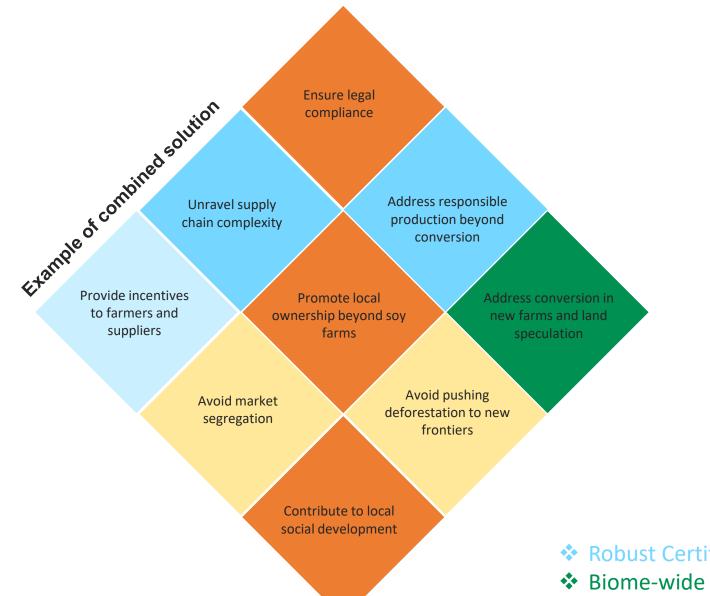
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- Robust Certification Scheme
- Biome-wide Moratorium
- Clean Supplier Approach
- Landscape/Jurisdictional Initiatives

10 min questions & dialogue



The art of combining
Retailers Soy Group
clean suppliers approach as
part of sectoral initiative

Principles for achieving deforestation free strategies

1. Credible Commitments



Every company should have effective policies regarding the sustainable production of soy that use the definitions, principles, and guidance agreed within the Accountability Framework initiative.

Commitments must include the presence of a cut-off date (August 2020 at the latest) after which the legal or illegal conversion of natural ecosystems is prohibited. Companies should require direct and indirect suppliers to have aligned public commitments, as well as to have time-bound action plans for delivering against them.

2. Transparency



Sourcing transparency should be provided by each link in a value chain.

Transparency must be underpinned by reliable and robust mechanisms for monitoring, reporting, and third party verification. This transparency is critical to understanding progress with the time-bound policies they have in place.

3. Engagement, not exclusion



Deliberately excluding suppliers or regions at risk of deforestation and conversion should not be the primary way of achieving a sustainable soy supply chain, and companies and financial institutions should only keep this as a last resort should all other options be exhausted.

High-risk producers and regions must be engaged as a priority, before any exclusions are considered.

4. Collaboration



Since conversion drivers are systemic, collaboration is essential to eliminate deforestation and conversion.

Biome, landscape, and large scale jurisdictional-level solutions in sourcing regions where the risk of deforestation is the highest should be the first and foremost strategic priority of any company, regardless of its place in the supply chain. How this manifests in a specific business should be reflective of its position in the system and its levers of influence.

5. Sustainable diets



Promoting sustainable diets and diversifying ranges should be prioritised.

Reducing global demand for soy will help address some of the drivers for land conversion and deforestation. However the alternatives to its use must represent a genuine lower impact whilst also supporting a reduction in the overall demand for soy.

Expectations for implementing change

Supply chains need to change as quickly as possible to deliver consistent demand throughout the system. Whilst some businesses may have established ways of working with their suppliers, others may be just getting started.

The steps to the right provide a reference point for the different levels of engagement that are considered effective, starting with what is considered minimum good practice, up to best practice. Companies should move as quickly as they can to best practice.

		Step 1	Step 2	Step 3 (by 2023 at the latest)
	1. Credible Commitments	Publicly available and including a clear cut-off date of August 2020 at the latest respecting existing regional agreements Livestock-specific roadmap for compliance	Suppliers expected to match commitments Monitoring, reporting and verification system implemented	Commercial penalties for non-compliance Grievance mechanism in place Roadmap for mainstreaming sustainable diets
	2a. Transparency Livestock Producers and Downstream Actors	Soy footprint Trader disclosure Communication of expectations to suppliers	Deforestation- and conversion-free requirement codified in supplier contracts Public disclosure of requirement for suppliers to match commitments	Non-conformance remediation actions taken Proportion of suppliers implementing equivalent policies
	2b. Transparency Traders	Soy footprint Origin (country), including volumes covered by Amazon Soy Moratorium Risk assessment process and outcomes	100% of direct sourcing deforestation and coversion free to farm level verified 100% of indirect direct sourcing origin disclosure from sub-region to market	100% of direct and indirect sourcing origin disclosure to farm level 100% direct and indirect sourcing verified deforestation- and conversion-free
	3. Engagement, not exclusion	Risk assessment methodology Engagement in high-risk areas	Disclosure of KPI performance and actions taken by your company	Financial mechanisms or support provided to soy producers
°	4. Collaboration	Membership of multi-lateral initiative (e.g. Amazon Soy Moratorium, Cerrado Working Group, <u>Soy Transparency Coalition</u> , <u>Forest</u> <u>Positive Coalition</u>)	Public advocacy for production and demand-side policies and regulations that will accelerate protection and restoration of forests and other natural ecosystems	Mobilising financial and/or technical support for expanded production on existing agricultural or degraded land
C. L.	5. Sustainable diets	Offering meat-alternative products Promoting feed innovation	Campaigns and promotions	Targets to increase sales of meat- alternative products to encourage higher plant-based protein in household diets



The art of combining RTRS/ PCI landscapes & standards work

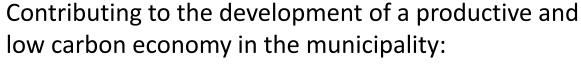
Produce Conserve and Include compacts & RTRS:

Sorriso compact in 2019: IDH, CAT and RTRS + Bayer + Public Sector

- Production pillar local target to expand area under certification
- IDH + CAT Sorriso Co-funding project 100K ha in 2022

Balsas Region compact in 2020: IDH, FAPCEN and RTRS + Bayer

+ Public Sector



- + expansion of the area under responsible production
- + promoting conservation and restoration
- + increasing sustainable production of small family owners,
- + encouraging the recovery of degraded lands and integration (LCI)
- + contributing to the implementation of the objectives of the Forest Code.

By the moment the compact was signed, by 2020 between 25 and 30% of the area planted with soybeans in Maranhão were certified by RTRS.



RTRS-Regional Approach: RTRS sustainable soy corridor in MATOPI (states of Maranhão, Tocantins and Piauí).

Port of Itaqui terminal, in the state of Maranhão, obtained Chain of Custody certification to meet the demand for RTRS certified soy with the support of Cargill--- movement to physical supply

Engagement involved: local government, Port of Itaquí, traders (Cargill— one of the companies responsible for speeding up this process) and RTRS producers:

- Port Itaquí is considered the third largest port for soybean exports.
- In 2020, the MATOPI region had more than 270 thousand hectares and more than 1 million tons of RTRS certified soy. This represents 36 RTRS certified producers and more than 184 thousand hectares of preserved native land.
- Over 95% of the total volume sourced in MATOPI by Cargill is exported through the Port of Itaqui (more than 900 thousand tons of soybeans). Part of this volume originated by Cargill in that region was already supplied by RTRS certified producers and represented between 8% and 12% of the total exported volume (75 thousand to 110 thousand tons). Now, with RTRS Chain of Custody certification in 47 locations (including, processing facilities; a transshipment facility; port terminals storage facilities) an important flow of soy exports in this region is generated and is prepared to meet the demand for RTRS certified soy via mass balance.







The art of combining
CGF Forest Positive Coalition:
Soy Roadmap and guidance
on pre-competitive supplierand landscape engagement







Led by 20 companies with a collective market value of around US\$2 trillion, The **Consumer Goods Forum** (CGF)'s Forest Positive Coalition leverages collective action and accelerates systemic efforts to remove deforestation, forest degradation and conversion from key commodity supply chains.



While our companies made progress on our 2020 goal to achieve zero-net deforestation, we have learned that acting on individual supply chains will not alone drive the transformation needed to achieve a forest positive future.

- Our previous strategy was rooted in remediating our individual company supply chains, often through certification – but we have learned certification is not enough.
- Now, we're working to promote and adopt sustainable business practices, including sourcing deforestation-free commodities such as palm oil, soy, and paper and packaging, and ensuring fair and decent working conditions in line with the CGF Priority Industry Principles.

7 Levers to End Deforestation

18+ Months: "What will it take to effectively end deforestation globally?

Outcome: 7 Levers to End Deforestation:

- 1. Supply Chain Management from producers through traders and buyers, implement policies and practices that incent conversion free production and dis-incent production linked to conversion.
- 2. Jurisdictional Wins intense focus on the supply side levers (1,2 and 3) in a specific geography to create success stories to protect key places and catalyze further action.
- 3. Forest Positive Policies for producer countries, narratives about standing forests as a resource, not an obstacle to economic development that catalyzes political will, electability, policy making, governance and illegality. For developed countries, trade policies supportive of protection and restoration.
- **4. Reduce Dependence** identify ways to shift demand away from materials driving forest risk to those with low forest risk avoiding other sustainability impacts.
- 5. Demand Shift create a desire to protect forests in consumers and then wherever it exists, convert that latent desire into product choices.
- **6.** Capital Markets for financial institutions attached to supply chains, shift capital towards conversion free production and away from those engaged in conversion.
- 7. Carbon Markets expand the scope of global carbon markets (both compliance and voluntary) and recognize forest carbon in those markets e.g. REDD+.

Deforestation Theory of Change

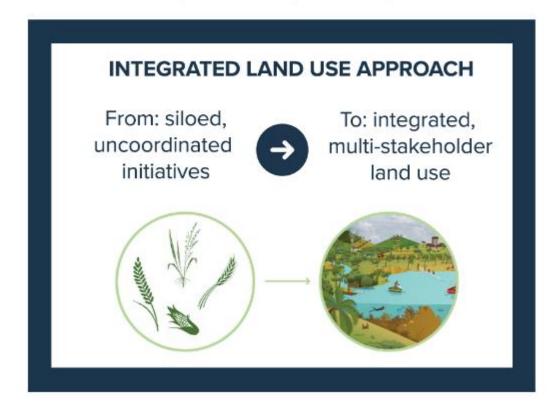
Together, we can create a #forestpositive future

Accelerating efforts to remove deforestation from commodity supply chains



Encouraging more transformational change in key commodity landscapes





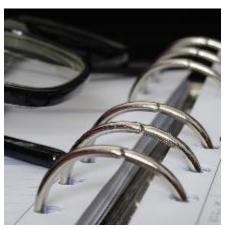
Coalition Structure



Four Coalition-wide Actions



Engaging
Suppliers and
Traders



Enhancing
Transparency and
Accountability



Collaborating in Key Production Landscapes



Engaging
Stakeholders and
Governments

Four Coalition-wide Actions

- We will engage with suppliers and traders and ask they implement forest positive commitments across their entire commodity operations;
- We will join forces to address forest conservation challenges in key production landscapes;
- We will engage governments and stakeholders to create an enabling environment for forest conservation; and
- We will ensure transparency and accountability by regularly reporting on progress.



Soy WG: 2020-21 Actions and Progress

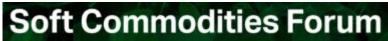


Published Soy Roadmap, including aligned KPIs

Dialogue with **traders** and the **feed sector**









Active engagement with **key stakeholders** including inputs on Roadmap



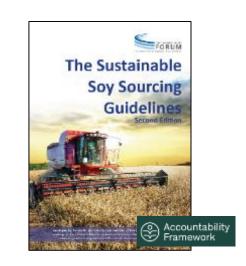
Publication of first annual KPI
Report— "Nurturing Transparency:
The Path to Forest Positive"



Supplier and Trader Engagement: Agreed basic Forest Positive Ask and guidance for engagement with soy suppliers and traders

Soy WG: Main Goals for 2022

- Update CGF Soy Sourcing Guidelines, including engagement with AFi
- Collective and individual engagement with suppliers and traders to implement Forest Positive Asks across their entire soy business
- Continued dialogue with the Soft Commodities Forum and feed industry
- Build a shared understanding of high-risk origins (starting with priority areas in Cerrado)
- Work within Coalition-wide Landscapes WG to transform production
 landscapes to Forest Positive by 2030
- Work towards alignment of existing KPI methodologies and extend reporting beyond the Coalition
- Continue to engage with governments in Producer and Demand-Side Countries
- Ongoing engagement with NGOs and other stakeholders to share progress, ensure accountability and identify venues for collaboration.

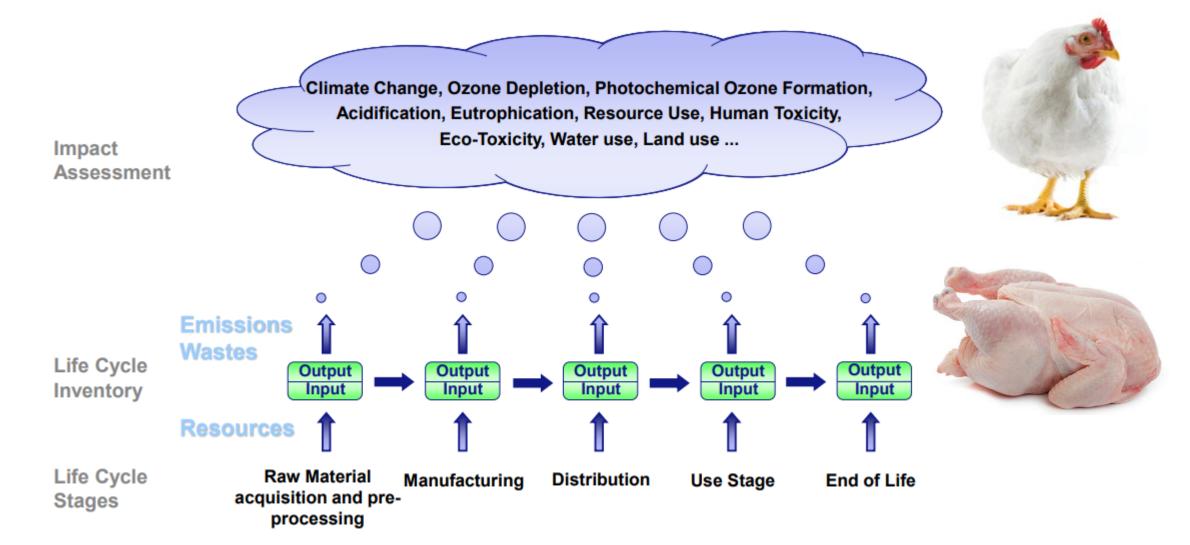






The art of combining Proterra & FEFAC carbon policies and robust standards

Life Cycle Assessment (LCA) Environmental Footprinting





Environmental Impacts Covered

PEF

 LCA environmental footprinting (16 impact categories)

- Carbon footprinting, GHG emissions, Land Use Change (LUC)
- Deforestation and Land Use Change not necessarily the same (methodogical) thing!



DATA COLLECTION REQUIREMENTS



SCOPE





Environmental impacts of the sourced feed ingredients







Inbound Transport

Default distances available in the PEFCR Feed



Outbound Transport

▶ Factory energy consumption



▶ List of Feed Ingredients part of the feed composition

Livestock Farm Stage



Emissions related to feed digestion

Animal Products





Red Meat PEFCR?

Egg PEFCR?

Poultry Meat PEFCR?

Marine Fish PEFCR?



Environmental footprint





Why is this needed?

- Complexity
- Alignment do have comparable results
- High-quality, company-specific data
- Diversification for companies that invest in sustainable rawmaterials
- Open-sourced data to setup supply chains solutions
- Support company commitments
- Scale up and promote collaboration

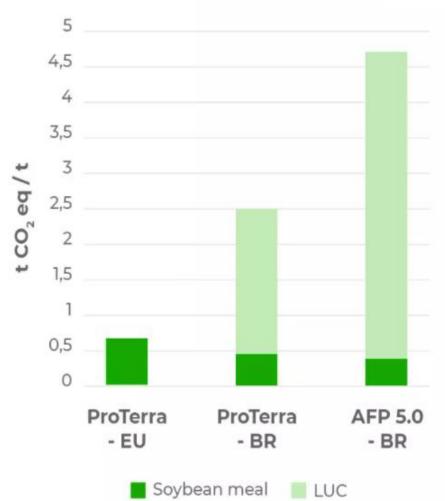
How can standards help?





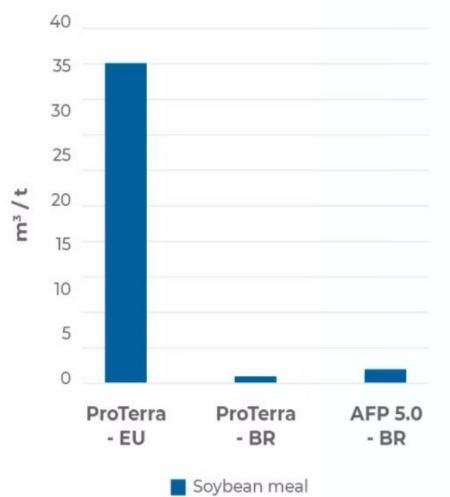
Carbon footprint

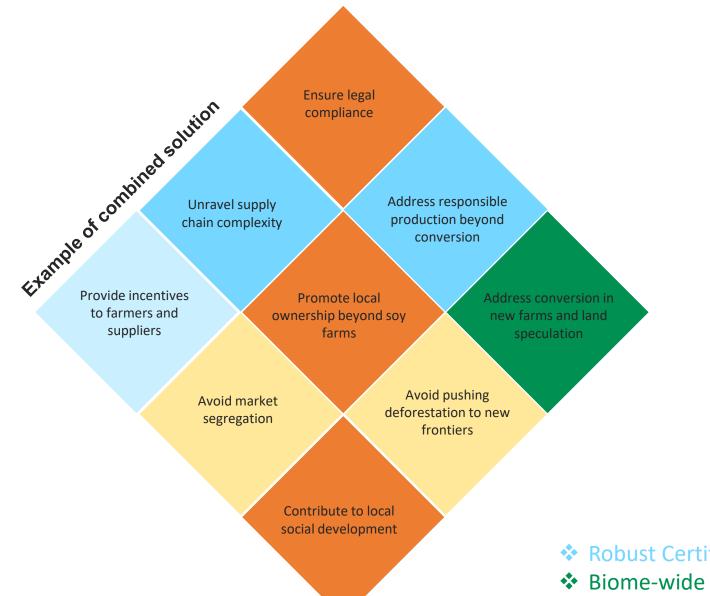




Water consumption







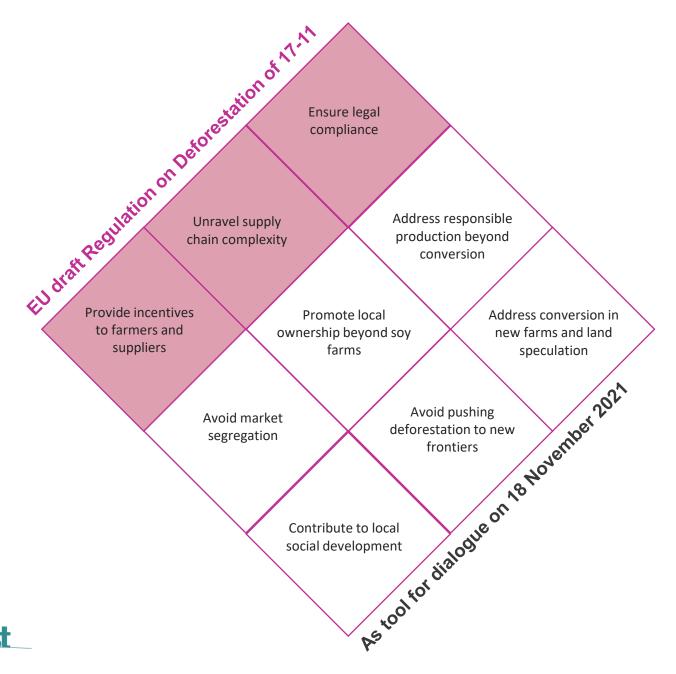




- Robust Certification Scheme
- Biome-wide Moratorium
- Clean Supplier Approach
- Landscape/Jurisdictional Initiatives

Documents on website:

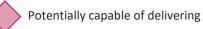
https://thecollaborativesoyinitiative.info /what-we-do/ongoing-activities/metameetings-of-soy-initiatives Up to the test.... and how about EU Regulation on Deforestation?



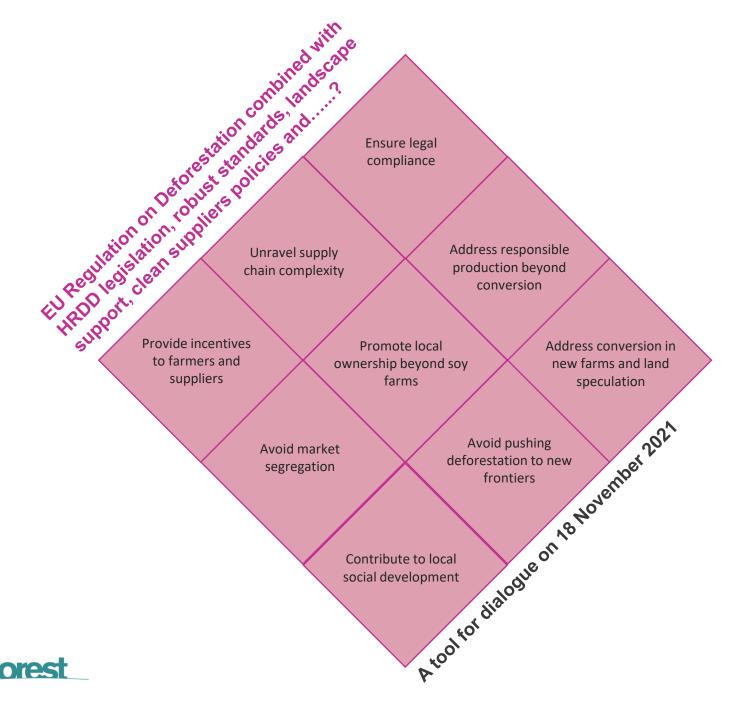
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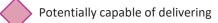




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Final thoughts and wrap up

Multiple requirements?

+ Conversion free, + deforestation free, + no HR infringements + legally compliant, + good agricultural practices and + traceable.....

Challenge: sufficient incentives

- + market access
- + preferential sourcing
- +premiums (and more demand)
 - +longer term agreements
 - + tax incentives
 - + sustainability linked loans
- +payments for ecosystem services: carbon and biodiversity

Challenge:

How to enhance credibility through our collaboration?

Moving multiple actors

Action required:

translate the concept of combining approaches to achieve impact to: government, traders, buyers, finance, NGOs.

Let's communicate and cooperate to achieve this impact



Collaborative Soy Initiative

Thank you for your interest and feedback

Heleen van den Hombergh

coordinator@thecollaborativesoyinitiative.info