



## SOY FREE OF DEFORESTATION AND HUMAN RIGHTS ABUSE: A ROADMAP FOR PROGRESS AND TRANSPARENCY IN THE CHAIN

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### KEY MESSAGES

- The disclosure roadmap creates the opportunity to underline the soy producers' commitments on deforestation/conversion of native vegetation and respect for human rights.
- For sustainable soy production to be recognised, it is still necessary for companies to unify their corporate policies and for these efforts to be implemented in practice.
- Participating in this process helps soybean producers increase their market share and opens possibilities for new partnerships and new clients.

According to the FAO (2017), Brazil will rank first in world soybean production by 2025, hitting 135 million tons and surpassing the United States. For the Brazilian economy, soybean is the most relevant cash crop, accounting for approximately 70% of exports (Trase, 2019; Soterroni et al., 2019). The U.S. produced more than 123 million tons of grain in 2019, while Brazil reached almost 115 million tons (Embrapa, 2019). It was in the following year that the positions switched due to a drop in the U.S. output caused by a trade crisis with China and the Brazilian super-harvest that yielded 126 million tons (USDA, 2020). During this period, almost 36 million hectares of soybeans were planted in Brazil, and total exports exceeded US\$ 40 billion (Agrostat 2020).

The planted area has grown by more than 200% in thirty years and production has increased by almost 500% (Embrapa, 2019), with most of the expansion taking place in the Brazilian Cerrado regions and across the Amazon border. For comparison purposes, only 14% of

Brazil's soybean production was harvested in the Amazon in 2015, while 48% derived from the Cerrado region (PAM/IBGE, 2019; Soterroni et al., 2019). This number has been growing in both biomes. Currently, the Matopiba region (comprising the states of Maranhão, Tocantins, Piauí and Bahia) is home to almost a quarter of the Cerrado soybean area. However, it is worth noting that although soybean cultivation occurs over already consolidated areas, the literature shows that its production accounts for most of the increase in deforestation (Rajão et al., 2020; Reis et al., 2020; Vasconcelos et al., 2020), which has a serious impacts on biodiversity (Green et al., 2019; Duran et al., 2020) and on the populations living in the producing regions (Weinhold, Killick & Reis, 2013; Favareto et al., 2022).

In light of the socio-environmental risks resulting from this expansion, along with the mismatch between initiatives led by different stakeholders in the fight against deforestation, by both the private sector or civil society organisations, Imaflora and The Nature Conservancy (TNC) have drawn up a Roadmap for Disclosures. The purpose of the document is to help companies in the chain to report the production progress of soy free of deforestation, and/or conversion of native vegetation, as well as human rights abuse in South America, primarily in the Amazon, Cerrado and Chaco biomes. The groundwork for this roadmap came from the Accountability Framework initiative (AFi), the Global Reporting Initiative (GRI 102, 2016), Carbon Disclosure Project (CDP Forests, 2022) and the United Nations (UN) Parameters to protect, respect and restore (UNGPs, 2011).

This disclosure report offers to all members in the chain a parameter for communication and more transparency and alignment of results for all the traders in the sector. It sets out a logical sequence in the hierarchy of indicators to establish what can actually be reported, using the company's strategy and installed capacity.



This enables buyers and other stakeholders to understand the ambition and performance, as well as the progress of the companies' commitments in terms of the elimination of deforestation and/or conversion of native vegetation, either by 2025 or 2030, and respect for human rights associated with the soy sourcing process. The script is organised into two major components: one descriptive and the other demonstrative.

**In the organisational information, which is more descriptive in nature, the roadmap establishes the limits set by the company to influence the sector, take on responsibilities and show performance**, and is structured as follows:

- a. In the description of the companies' supply chain (number and scope of direct/indirect suppliers, with indication of geographical scope and range of action).
- b. In the description of commitments to fight deforestation/conversion of native vegetation, with benchmarks (dates/terms).
- c. In the description of the methodologies in the risk analyses of the priority areas.
- d. In the description of the traceability and monitoring systems and certification, if applicable.
- e. In the description of the systems for assessing compliance with the commitments, and main challenges to eliminate deforestation/conversion of native vegetation.
- f. In the description of the commitments associated with the human rights angle and applicable to the chain, demonstrating the methods used to identify and monitor the impact of production on affected populations and rural workers, and the remedial procedures and measures.

**The roadmap establishes in the progress indicators, used to measure/quantify, what can be reported based on the installed capacity and the verticality of the supply chain for the implementation of policies**, and is structured as follows:

- a. In the demonstration of soybean volumes traded in South America and percentage by biome of origin.
- b. In the demonstration of the percentage of suppliers over which the company has traceability, via suppliers' geospatial data (CAR or polygon).

- c. In the demonstration of percentages of suppliers monitored through cross-checking registration data (CPF/CPNJ taxpayer registry numbers), lists of embargoes (Ibama) and blocks (Soy Moratorium, Green Grain Protocol of Pará), with geospatial data.
- d. In the demonstration of soybean volumes traded in accordance with the attainment of commitments free of deforestation/conversion of native vegetation, and in accordance with the cut-off date.
- e. In the demonstration of total number of hectares of forest and/or other converted natural ecosystem found in the supply base.
- f. In the demonstration of percentages of suppliers assessed through confirmation of practices that uphold human rights.

## OPPORTUNITIES AND CHALLENGES

The way the document is structured gives companies the opportunity to increase the consistency of the commitments undertaken. It also enables the assessment of their performance and progress to be reflected in the review, adjustment and even changes to their corporate policies on deforestation/conversion of native vegetation and human rights abuse, creating a steady flow of improvement in their activities.

The roadmap also requires the information provided by companies to be accurate and complete, which in turn increases the quality of the data analysed. This helps increase the market share of these organisations and opens the way for new partnerships and new clients.

In addition, the reported results can be compared by the different companies, even if such have different targets for eliminating deforestation and the conversion of native vegetation. In other words, the more ambitious parties are setting 2025 as the target date, while others have chosen 2030.

This document is the outcome of years of work; however, for sustainable soy production to be recognised, companies still need to unify their corporate policies and these efforts also need to be put into practice.

The biggest challenge in the upcoming months of implementation is to engage the leadership of soy producers to adopt the disclosure roadmap in their corporate policies by:



- a. establishing clear and objective ways to achieve feasible but, above all, ambitious targets to end deforestation/conversion of native vegetation in their chains;
- b. establishing bold objectives and targets that ensure human rights and respect for indigenous populations, traditional communities, rural workers and populations surrounding productive areas;
- c. developing broad and inclusive communication channels capable of giving greater transparency to the activities carried out by companies.

A team of experts, supported by local and international strategic partners, works to find solutions for a deforestation-free and transparent chain.

So producers, soy processors of all sizes, traders and also investors, can use this environment to find the material they need to improve and implement their commitments and policies.

The general public can also use it as a source of data and resources to track the progress of the agreements signed by the network.

See more and join us!

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**SOY ON TRACK**

**THE TRANSPARENCY PLATFORM IN THE SOY VALUE CHAIN.**

The Soy on Track Program is a set of actions aimed at underpinning social and environmental commitments and corporate policies in the soy value chain in the Amazon and the Cerrado region.

Its main goals are to support the implementation of the Soy Moratorium in the Amazon, the Green Grain Protocol of Pará state and the sector and corporate chain of deforestation-free soybeans in the Cerrado region.

The Soy on Track platform is a hub that offers access to systems, tools, data and technical information for a deforestation-free soybean chain.



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Imaflora is a Brazilian non-governmental organization created in 1995 to promote the conservation and sustainable use of natural resources by generating social benefits in the forestry and agricultural sector.

