



# **From field to port: traceability in soy supply chain**

Deforestation/conversion  
and human rights impacts  
in South America

*Roadmap for progress reports  
January 2023*



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## Context and objectives

The Institute for Forest Management and Certification (Imaflora) and The Nature Conservancy (TNC) have developed a proposed roadmap for the creation of progress reports on deforestation-free soy and native vegetation conversion and human rights abuses for priority biomes in South America (Amazon, Cerrado and Chaco). This proposal was elaborated on the basis of the Accountability Framework (AFi) and the Global Reporting Initiative (GRI), CDP and the UN Benchmarks to Protect, Respect and Restore, with the addition of specific issues not considered in these benchmarks.

This roadmap provides traders and other companies in the sector with a communication and transparency parameter for soy from the three priority biomes for this crop in South America: Amazon, Cerrado and Chaco. At the other end of the agro-industrial chain, it will allow grain buyers and other actors to know the performance and evolution of the commitments made by companies in relation to the elimination of deforestation and conversion of native vegetation and respect for human rights in the soy sourcing process.

The diversity of methodologies and indicators currently used in progress reports are insufficient for consumers and other actors in the supply chain to understand the environmental and social impacts associated with soy. An example of this is how data on “deforestation-free and native vegetation conversion” products are often shown in progress reports without specifying the reference date, geographic scope or which links in the chain they refer to.

Even with such challenges, it is well known that the agenda for eliminating deforestation and converting native vegetation in the soy supply chain is at a more advanced stage than that for monitoring human rights impacts. As a result, the issue of human rights was brought up here as an initial exercise to gather information on how much companies include and assess human rights issues in their supply chain.

The focus of this progress reporting framework is therefore to enable companies to objectively specify the amount of deforestation/conversion of free native vegetation products and how the organisation assesses, addresses and deals with the human rights aspect for soy from priority biomes in South America.

The roadmap is divided into four parts. The first provides general guidance on information disclosure. The second requests information on the organisation that is preparing the progress report. In the third part, indicators are suggested in order to measure specific progress in areas where a trader sources soy (own and from suppliers) in terms of elimination of deforestation and conversion of native vegetation and respect for human rights. The fourth part lists the terms and definitions used in this document to help make the proposed requirements and indicators easier to understand.

## PART 1

### General guidelines for dissemination

As mentioned above, the purpose of this paper is to improve transparency of disclosure on deforestation/conversion of native vegetation and respect for human rights in the soy supply chain. We believe it is essential to address some general issues before addressing detailed recommendations on indicators of progress.

#### Transparency of disclosure

Throughout the document, information, indicators and sub-indicators have been categorised into core and additional indicators. Core and additional indicators should be answered only if they apply to the context of the company preparing the progress report. It is recommended that the progress report follows the order of the sections and indicators proposed in this roadmap.

The company should be objective in the information it discloses. If the company is unable or unwilling to disclose information about its entire supply chain, it should present its decision, the main obstacles and a plan and timeline for disclosure. If the company decides not to share specific details, it should give a reason for this decision.

#### Geographical level of detail

In order for companies to demonstrate progress against their commitments, it is essential to present indicators at the highest possible level of geographical detail, ideally at the municipality/department level. The level of geographical disaggregation should be sufficient to document the geographical distribution of risk and the impact on the company's operations and supply base. An alternative is to conduct a risk assessment at the area level and prioritize reporting for jurisdictions where problems are concentrated. If this option is chosen, it is essential that the report details the methodology used for risk assessment and prioritization. It is also necessary to

report how much soybeans represent these areas as a whole.

#### Scope of monitoring in the supply chain

Reporting should include all of its suppliers, at the farm level where soy production takes place. If this cannot be achieved from the outset, the company should include a plan and timeline for closing this monitoring gap in its disclosures.

It is common for companies to report their indicators of progress only to their direct suppliers, usually because it is easier to track and monitor these suppliers. However, for the purposes of transparency in relation to deforestation/conversion of native vegetation and respect for human rights, it is not acceptable to use indirect sourcing as a synonym for unmonitored supplier. Indirect sourcing is a major blind spot that has the potential to introduce most non-compliant products into the supply chain. Companies must fully address the issue of indirect supplier monitoring, starting by consistently reporting in greater detail on how much and where it occurs.

#### DCF Calculation

For the purposes of this guidance, sourced soybeans can be considered free of deforestation and native vegetation conversion if it has been confirmed through traceability, monitoring and control methods, at the lot/establishment level that the soybeans have not been produced as a result of deforestation on that farm - and not just in that soybean field. For situations where the company sources soybeans from areas of risk considered negligible, data on these volumes should be reported with the total volume from the established geographical scopes, however, they should be calculated separately from the DCF volumes with traceability, tracking and control.

## PART 2

### Organizational information

This section lists some of the information needed to understand the company's profile, size, policies and procedures on deforestation, native vegetation conversion and human rights in the soy supply chain.

Some of the information in the following table can be found in other standardised methodologies commonly adopted by companies in their reporting, such as the Global Reporting Initiative (GRI 102, 2016), CDP Forests (2022) and the UN Guiding Principles on Business and Human Rights (UNGPs, 2011). Next to each requested information, the respective reference is available to avoid duplicate/redundant processes.

	Information	Reference	Nature of the information
1	Name of the organization	GRI 102-1	Basic/Central
2	Activities, brands, products, and services	GRI-102-2 CDP F0.1	Basic/Central
3	Location of the headquarters	GRI-102-3	Basic/Central
4	Indicate the start and end date of the year for which you are disclosing data	CDP F0.2	Basic/Central
5	Locations where the company operates in South America, by country, region, state, province, department, and municipality	GRI-102-4	Basic/Central
6	Participation in joint ventures or other groups of the same company to obtain, process or market soybeans: name, address, type and size of participation, associated companies, and geographical scope of supply in South America		Basic/Central
7	Description of the company's supply chain (number of direct and indirect suppliers, identified by geographical area, see previous section).	GRI 102- 9	Basic/Central
8	Are there parts of your direct operations or supply chain that are not included in your disclosure?	CDP F0.5	Basic/Central

	Información	Referencia	Naturaleza de la información
10	<p>Soybean commitments without deforestation/ conversion of native vegetation. The company must detail:</p> <p><b>i.</b> Whether it has made public commitments on deforestation/conversion of native vegetation-free soy in its supply chain for the Amazon, Cerrado and/or Chaco region, and the reference link for such public commitment.</p> <p><b>ii.</b> What concept of Deforestation and Conversion of Free Native Vegetation (DCF) does the company work with (what is considered forest, to which biomes does it apply, etc.);</p> <p><b>iii.</b> What is/are the expected date(s) for full implementation of the commitment?</p> <p><b>iv.</b> Whether the commitment indicates a Cut Off Date for the elimination of deforestation/ conversion of native vegetation in its soy supply and implementation timelines for the Amazon, Cerrado and Chaco. Specify reference dates and timelines.</p> <p><b>v.</b> The extent of supply chain engagement (indirect and indirect suppliers, geographic coverage).</p>	<p>CDP F2.1</p> <p>CDP F2.1a</p> <p>CDP F4.5</p> <p>CDP F4.5a</p> <p>CDP F4.6</p> <p>CDP F4.6a</p> <p>CDP F4.6b</p>	Basic/Central
11	In case risk analysis is used to define priority areas, detail the methodology used, the scope defined and the implementation timelines for the rest of the supply chain		Additional
12	Does the organization have traceability system(s) in place to track and monitor the origin of soybeans?	<p>CDP F6.2</p> <p>CDP F6.2a</p>	Basic/Central
13	Has the organization adopted a third-party certification scheme for soybeans? Please provide detailed information on the volume, percentage, and geographical scope of your production and/or consumption by certification scheme.	<p>CDP F6.3</p> <p>CDP F6.3a</p>	Basic/Central
14	Does the organization have a system in place to control, monitor or verify compliance with commitments not to convert native vegetation and/ or deforestation for soy? Provide details on the system, approaches used to monitor compliance, quantitative progress against the indicators in this document, and non-compliance protocols for implementing the organization's commitments not to convert native vegetation and/or deforestation.	<p>CDP F6.4</p> <p>CDP F6.4a</p>	Basic/Central

	Información	Referencia	Naturaleza de la información
15	Describe the main barriers or challenges to eliminating deforestation and/or conversion of native vegetation of other natural ecosystems from your direct operations or other parts of your supply chain.	CDP F8.1	Basic/Central
16	<p>Responsibility to respect human rights. The company should detail:</p> <ul style="list-style-type: none"> <li>a. Whether it has a public commitment to comply with its responsibility to respect human rights applicable to the supply chain.</li> <li>b. Disclose whether the policy includes commitments to respect human rights in the supply chain, in priority biomes, covering the rights of: <ul style="list-style-type: none"> <li>i. Indigenous peoples, traditional peoples and communities.</li> <li>ii. Local communities and settlements.</li> <li>iii. Male and female workers</li> </ul> </li> <li>c. Do you have a human rights due diligence process to identify, prevent, mitigate, and account for how you address your human rights impacts in the supply chain? If yes, describe how it is conducted, what elements are assessed, geographic scope, scope within the chain and other related procedures.</li> <li>d. In relation to indigenous peoples and traditional communities describe: <ul style="list-style-type: none"> <li>i. The methods adopted to identify and monitor the impacts of soy production, in their own or suppliers' areas, on Indigenous Lands or Local Communities and settlements.</li> <li>ii. Remediation procedures and corrective measures implemented for potential adverse impacts identified or reported to the company, in relation to the rights of indigenous peoples and traditional and local communities.</li> </ul> </li> <li>e. In relation to workers describe: <ul style="list-style-type: none"> <li>i. Procedures to identify and address labour situations in your supply chain that may not be in accordance with OIT core labour rights and/or may not respect applicable labour laws.</li> <li>ii. Procedures to remedy any adverse impacts of the company on working conditions identified or reported to the company in the supply chain.</li> </ul> </li> </ul>	<p>UNGPs - 15</p> <p>CDP (F4.5; F4.6b)</p>	Basic/Central

## PART 3

### Progress Indicators

Category	Indicator	Justification	Nature of the indicator
1	Total soybeans traded	1.1.1 Total volume of soybeans traded in South America.	Basic Central
		1.2 Percentage of total volume distributed by priority biome (Amazon, Cerrado and Chaco).	
		1.3 Percentage of soybean volume from the most detailed level geographically defined by the company (see Part 1).	
2	Implementation indicator	<p><b>2.1 Traceability</b></p> <p>2.1.1 Percentage of suppliers for which the company has traceability at lot/ establishment level (polygon, either registered in the ARG Rural Cadastre, location according to RENSPA or provided by the producer himself). Rate the information by:</p> <ul style="list-style-type: none"> <li>a) Geographical scope (see section 1)</li> <li>b) Relation with direct and indirect suppliers</li> <li>c) Ratio of total volume of soybeans traded in South America</li> <li>d) Ratio of total volume distributed by priority biome (Amazon, Cerrado and Chaco)</li> </ul> <p>The traceability indicator provides more accurate information on the company's actual installed capacity to trace the soybeans it is buying (by type of supplier and biome, for example). Only with effective traceability, which can cover the whole chain of direct and indirect suppliers, does supplier tracking become possible. Information must cover the entire supply chain, which includes direct and indirect suppliers. If this cannot be achieved from the outset, the company should disclose the proportion of direct and indirect suppliers under which it has traceability information (point b) and include a plan and timeline for closing this gap in its disclosures.</p> <p>Information on the polygon of the establishment based on the records of the Rural Cadastre, location registered in RENSPA, information provided by the producer or through traceability systems generated by their own monitoring systems or by certified georeferencing, provides greater reliability and accuracy to the soybean source data as it is the level of greater capacity and effectiveness of risk management associated with the supply chain.</p>	Basic Central

Category	Indicator	Justification	Nature of the indicator
2	Implementation indicator	<p><b>2.2 Monitoring</b></p> <p>Monitoring is the way in which the company will collect data, in a systematic way, to assess and document control actions to avoid sourcing soy from deforested/converted areas. Traceability capacity is directly related to the way traceability is structured and can be more or less effective in managing supply chain risks. If the company chooses to track based on a sourcing risk analysis, the information to be disclosed will be restricted to the scope defined by this analysis, but it should report how much the defined scope represents in terms of the total volume of soy sold.</p> <p>The monitoring indicator must be filled in. The company should select from the sub-indicators below those that represent its monitoring procedures. The proposed sub-indicators provide a gradation in terms of the monitoring system, to allow reporting to indicate progress over time in terms of quality of monitoring.</p>	Basic Central
		<p><b>2.2.1</b> Percentage of suppliers monitored through a search by establishments whose polygons overlap with the classification of land included in the Native Forest Management Law of each province. Rate the information by:</p> <ul style="list-style-type: none"> <li><b>a)</b> Geographical scope (see section 1)</li> <li><b>b)</b> Ratio of direct and indirect suppliers</li> <li><b>c)</b> Ratio of total volume of soybeans sold</li> <li><b>d)</b> Specify the criteria specified in the national/provincial OTBN law.</li> </ul>	Additional
		Monitoring through the geographical coordinate of the soybean source allows the identification of risks associated with an estimated location, without accuracy.	Additional

Category	Indicator	Justification	Nature of the indicator
2	Implementation indicator		
	<p>2.2.2</p> <p>Percentage of suppliers monitored by cross-referencing polygons from the rural land registry and the real estate registry with the forest classification of the OTBN law and the deforestation progress databases. Rate the information by:</p> <ul style="list-style-type: none"> <li>a) Geographical scope (see section 1)</li> <li>b) Ratio of direct and indirect suppliers</li> <li>c) Ratio of total volume of soybeans sold</li> <li>d) Specify the criteria monitored based on the Native Forest Management Law (e.g., classification of forests according to conservation category -green, yellow, red)</li> </ul>	<p>The national/provincial OTBN law provides us with information on which areas cannot be converted due to their conservation value. By cross-checking this information with public land registry databases and the same provincial native forest classification, we can identify the farms that have remnants of native vegetation.</p> <p>However, the main monitoring information is the boundary of the establishment where soybeans are harvested.</p>	Additional
	<p>2.2.4.</p> <p>Percentage of suppliers monitored by cross-referencing establishment polygons generated by the monitoring system or by certified geo-referencing with public deforestation databases. Rate the information by:</p> <ul style="list-style-type: none"> <li>a) Geographical scope (see section 1)</li> <li>b) Relation of direct and indirect suppliers</li> <li>c) Relation of total volume of soybeans sold</li> <li>d) Specify the criteria monitored using the establishment polygons (e.g., land classified as high conservation value - yellow or red -, land inhabited by indigenous peoples, protected areas).</li> </ul>	<p>Polygon comparison monitoring offers greater certainty in terms of monitoring capacity and risk management, largely because it works with more accurate data in relation to the production area, which offers the best conditions for decision making by the company compared to other methods presented</p>	Additional

Category	Indicator	Justification	Nature of the indicator
3 Progress towards the commitment to be free of deforestation/conversion of native vegetation	<p><b>3.1</b> <b>Deforestation-free and native vegetation conversion soybean</b></p> <p>3.1.1. Total volume of soybean sold without deforestation and/or conversion of native vegetation. Please rate the information by:</p> <p>a) Geographical scope (see section 1)</p> <p>b) Ratio of total volume of soybeans sold</p>	<p>Generally, different approaches are used to certify deforestation/conversion free soy: soy harvested in an area of negligible risk; soy certified by the DCF standard through supply chain monitoring at the farm level. The disclosure should specify the approach and specify the methodology used.</p> <p>Important: The adoption of the risk area classification to determine soybeans sourced as FSC can be considered as a starting point to guide companies' action in fulfilling their commitments. However, this approach does not guarantee that the sourced soy is indeed CFD, as this attribute can only be verified as a result of a process in which the origin of the soy is effectively known and tracked and monitored (through direct monitoring and/or certification).</p>	Basic Central
	<p><b>3.2</b> <b>Deforestation/conversion of native vegetation in the supply chain</b></p> <p>3.2.1 Total number of hectares of forest and/or other converted natural ecosystem detected in the supply base subject to the reference date. Please qualify the information by:</p> <p>a) Priority biome</p> <p>b) Ratio of total volume of soybeans sold</p> <p><i>Note: For companies that have not adopted a reference date, the data to be shown should refer to the last five years.</i></p>	<p>This information allows to know how much deforestation/conversion of native vegetation occurred after the reference date. It also identifies potential soybean expansion and/or the need for environmental restoration actions in the supply chain.</p>	Basic Central

Category	Indicator	Justification	Nature of the indicator
<div>4</div> <div>Respect for human rights in the supply chain</div>	<p><b>4.1</b> <b>Human rights assessment in the supply chain</b></p> <p>4.1.1. Percentage of suppliers assessed on human rights. Please rate the information by:</p> <p><b>a)</b> Geographical scope (see section 1)</p> <p><b>b)</b> Relation of direct and indirect suppliers</p> <p><b>c)</b> Ratio of total volume of soybeans sold</p>	<p>This information allows us to know whether the company assesses its supply chain in relation to human rights, especially the rights of indigenous peoples, traditional communities, local communities and workers.</p> <p>The objectives of the human rights assessment should be:</p> <ul style="list-style-type: none"> <li>• Avoiding causing or contributing to adverse human rights-related impacts</li> <li>• Prevent (or mitigate) such impacts and/or: <ul style="list-style-type: none"> <li>• Cooperate to provide remediation where it is determined that the company has caused or contributed to an adverse impact.</li> <li>• Ensure that voluntary, prior and informed consent has been obtained from them for any activity that may affect the rights, land, resources and territories, livelihoods and food security of indigenous peoples, traditional or local communities.</li> </ul> </li> </ul> <p>It is recommended to align the human rights approach with the UN Guiding Principles on Business and Human Rights - A Framework to Protect, Respect and Remedy”, in particular section II dealing with the corporate responsibility to respect human rights and with Principle 2 (Respect for Human Rights) of the AFI Fundamental Principles. Note: monitoring practices based on slave labour blacklist verification and geospatial analysis in relation to the overlap of production areas with Indigenous Lands can be considered part of the human rights analysis but are insufficient to address the problem as a whole.</p>	<p>Basic Central</p>

## PART 4

### Definitions

For definitions of terms used in this document visit the Glossary:

**[www.visec.com.ar/glosario](http://www.visec.com.ar/glosario)**

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