



Sourcing Soy Responsibly

A risk-based approach to supplier chain management



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A world where
**human
choices**
ensure
**a sustainable
future**



OUR VISION

To build
**commitment and
capacity**
for
**mainstreaming
sustainability**

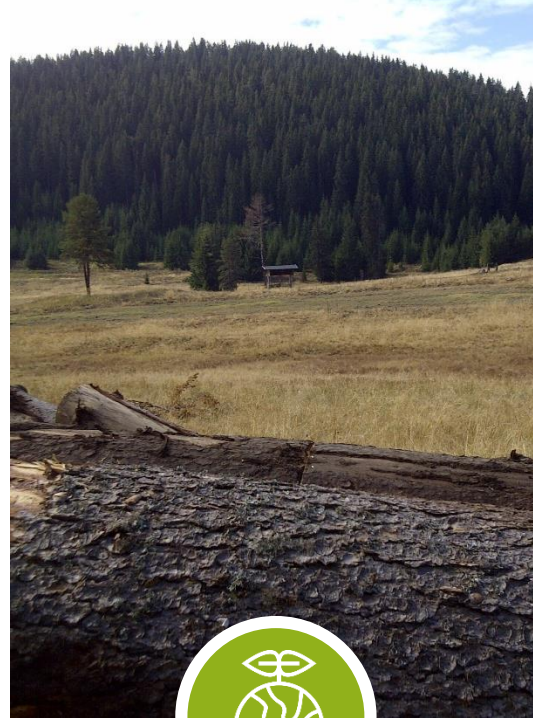


OUR MISSION

NEPCon's Programme Focus



Conservation



Land Use

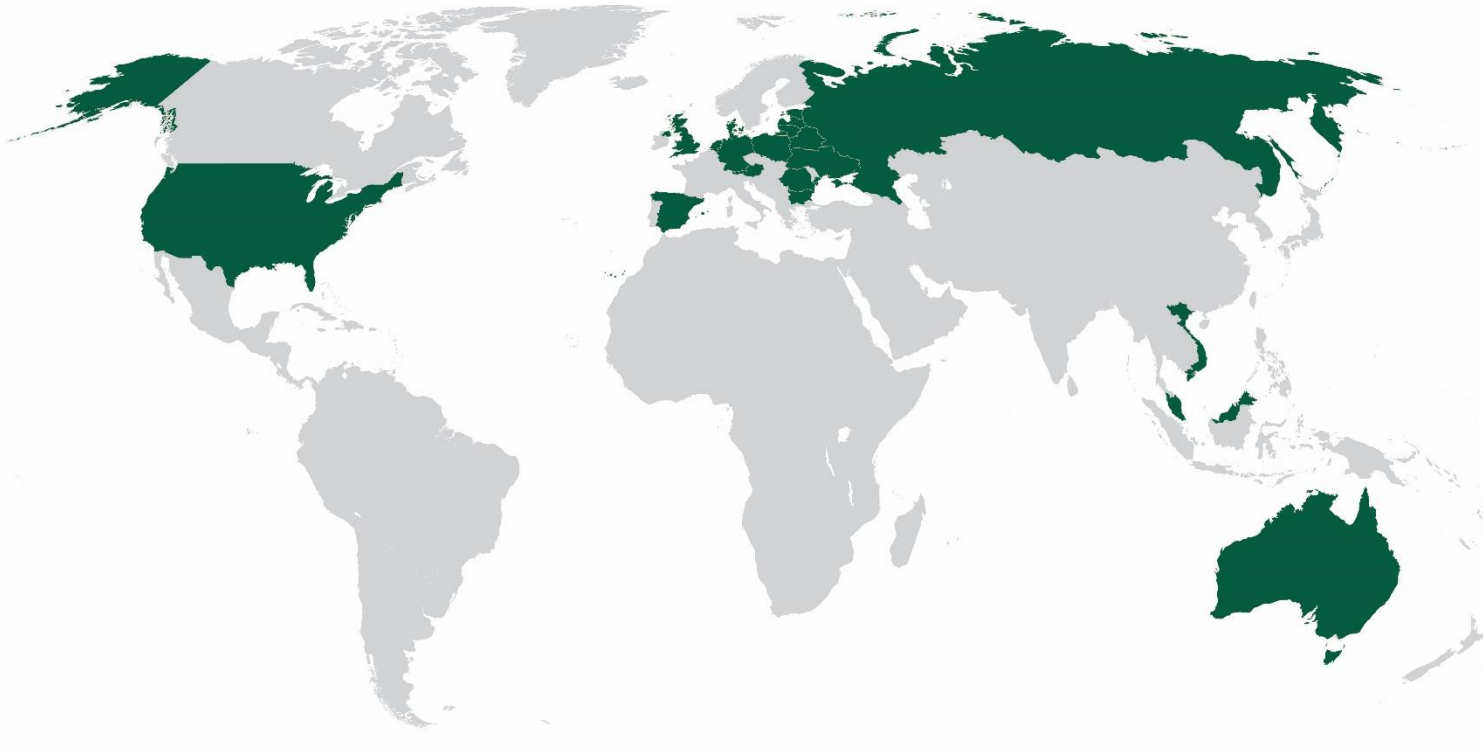


Traceability



Responsible
Sourcing

Our Team around the World



120+ full-time staff

19 countries

24 nationalities



Network of **160+** consultants

16 legal registrations

across **Europe, US**

Russia and Asia



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Our Clients

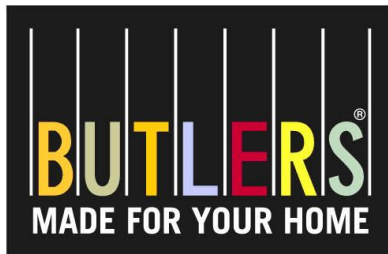


Chart 9: Global middle class in 2009 and prediction for 2030



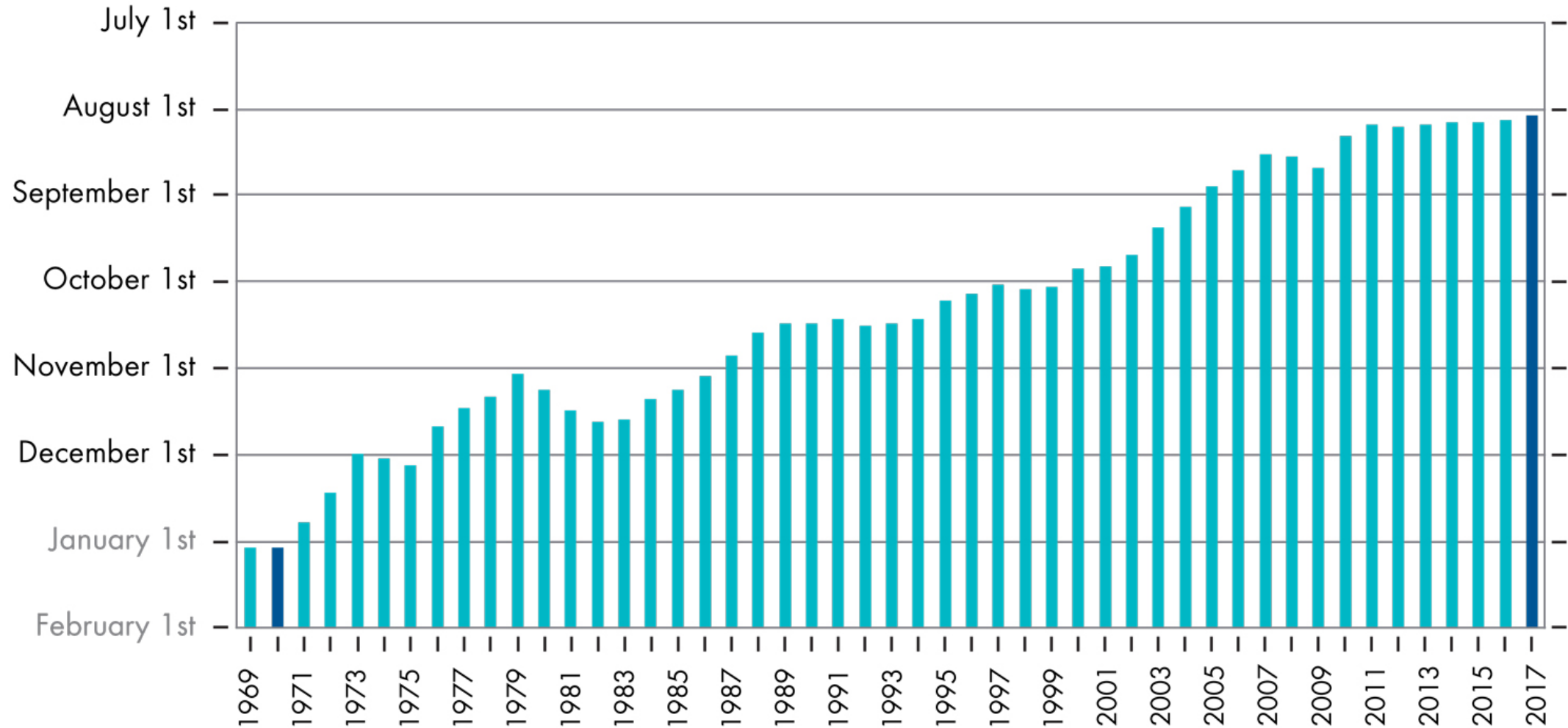


1 Earth

Earth Overshoot Day 1969-2017



1.7 Earths



Source: Global Footprint Network National Footprint Accounts 2017

Earth Overshoot Day: www.overshootday.org





A complex **problem**



Sourcing policies



Implementing



RISKS
at the ground level
?

A risk-based approach can enable YOU
to focus the most effort where there is the most need.

What is a risk based approach?





Treat the risks

Assess the risks

Know your supply chain

NEPCon Sourcing Hub

FREE



Timber



Palm Oil



Beef



Soy

www.nepcon.org/sourcinghub



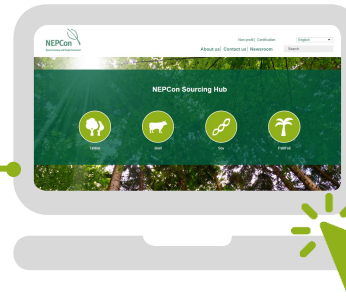
78

Country risk assessments
for
**timber, palm oil,
beef, and soy**
covering supply chains
from all over the world



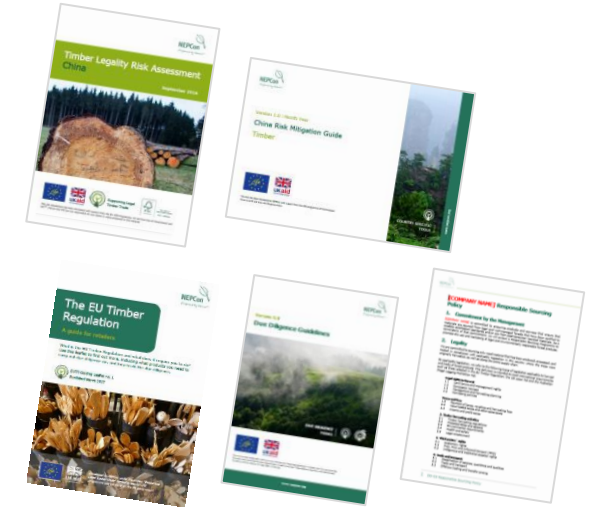
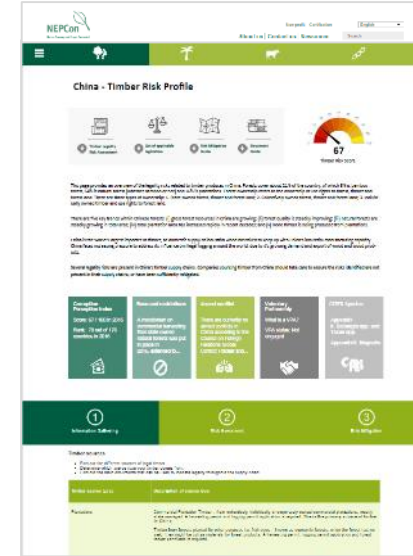
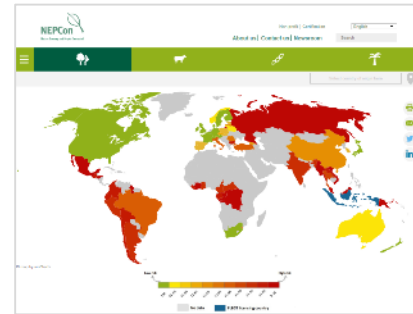
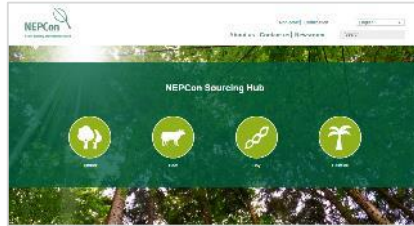
125+

Guidance and tools
to help
companies
evaluate and manage
the risks
in their supply chain



Everything you need for due diligence in one place

FREE



1

SELECT
commodity

2

ACCESS
an overview map of
sourcing risks
+
SELECT
country for details

3

VIEW
country detailed risk data
(e.g. risks related to each
type of forest
production...)

4

EXPLORE
a suite of country
guidance and due
diligence tools to
mitigate the risks

Risk assessments...



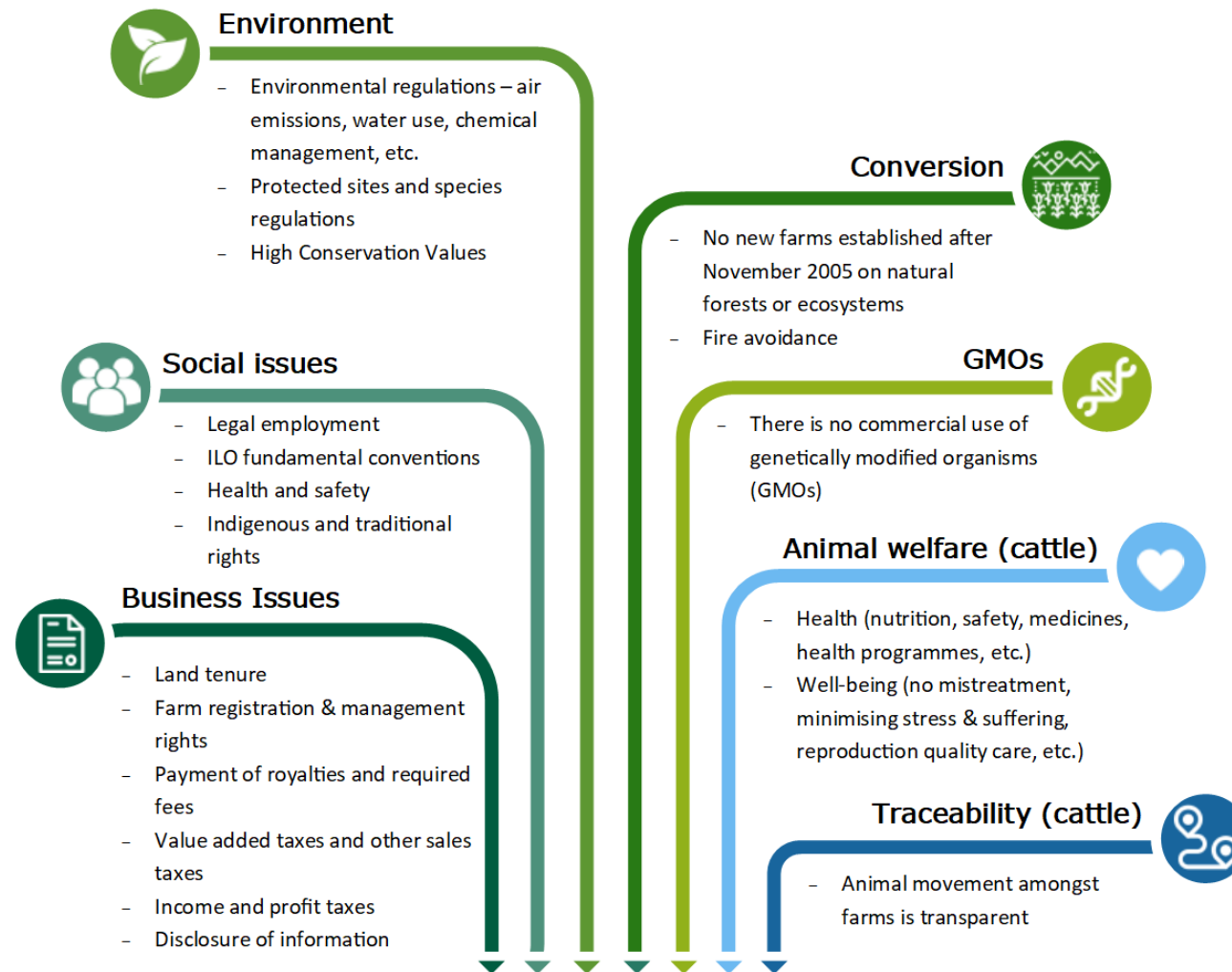
The heart of the Hub



Risk assessments available for beef

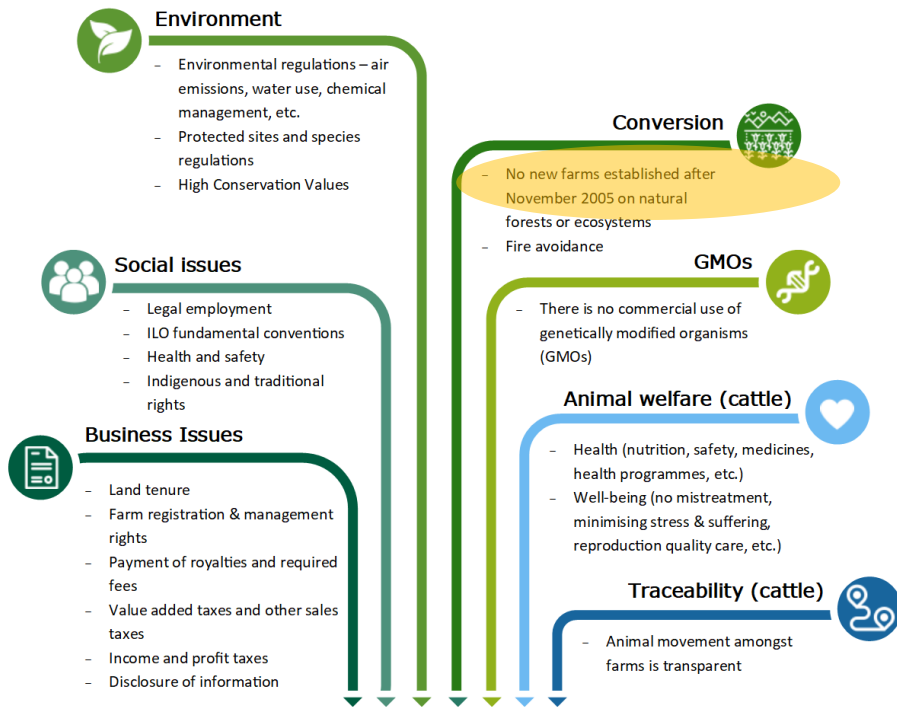


Risk assessments methodology



The palm oil, soy and beef framework considers social, environmental and legality risks across **7 categories** and **19 sub-categories**

What is in a risk assessment?

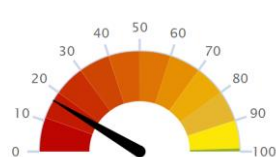


The palm oil, soy and beef framework considers social, environmental and legality risks across **7 categories** and **19 sub-categories**

- ✓ Applicable laws and regulations
- ✓ Legal authority
- ✓ Legally required documents or records
- ✓ Sources of information
- ✓ Overview of Legal Requirements
- ✓ Description of risk
- ✓ Risk conclusion (low or elevated)
- ✓ Control measures and verifiers

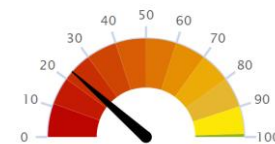
For each of the 19 sub-categories

Paraguay



Legal Category	Sub-category	Risk conclusion		
		Smallholder	Medium Commercial	Industrial
Business Issues	1.1. Land tenure	Specified	Specified	Specified
	1.2. Plantation registration & management rights	Low	Low	Low
	1.3. Payment of royalties & required fees	N/A	N/A	N/A
	1.4. Value Added taxes & other sales taxes	Low	Low	Low
	1.5. Income and profit taxes	Specified	Specified	Specified
	1.6. Disclosure of Information	Low	Low	Low
Social Issues	2.1. Legal employment	Specified	Specified	Specified
	2.2. ILO Fundamental Conventions are upheld.	Specified	Specified	Specified
	2.3. Health and safety	Specified	Specified	Specified
	2.4. IP and TP rights are upheld.	Specified	Specified	Specified
Environmental Issues	3.1. Environment	Specified	Specified	Specified
	3.2. Protected sites and species	Specified	Specified	Specified
	3.3. HCV	3.3.1 Species diversity.	Specified	Specified
		3.3.2 Landscape-level ecosystems & mosaics.	Low	Low
		3.3.3 Ecosystems and habitats	Specified	Specified
		3.3.4 Critical ecosystem services.	Specified	Specified
		3.3.5 Community needs	Specified	Specified
		3.3.6 Cultural values.	Specified	Specified
Conversion	4.1. New plantations since November 2005 have not replaced natural forest or ecosystems.	Specified	Specified	Specified
	4.2. Fire avoidance	Specified	Specified	Specified
GMOs	5.1. No GMO's	Low	Low	Low

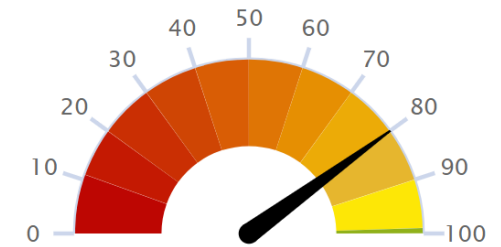
Bolivia



Legal Category	Sub-category	Risk Conclusion					
		Integrated Zone			Expansion Zone		
		Large Producers	Medium Producers	Small Producers	Large Producers	Medium Producers	Small Producers
Business Issues	1.1. Land tenure	Low	Low	Low	Specified	Specified	Specified
	1.2. Plantation registration & management rights	Specified	Specified	Low	Specified	Specified	Low
	1.3. Payment of royalties & required fees	N/A	N/A	N/A	N/A	N/A	N/A
	1.4. Value Added taxes & other sales taxes	Specified	Non-RAU registered	Non-RAU registered	Specified	Non-RAU registered	Non-RAU registered
	1.5. Income and profit taxes	Specified	Non-RAU registered	Non-RAU registered	Specified	Non-RAU registered	Non-RAU registered
	1.6. Disclosure of Information	Specified	Non-RAU registered	Non-RAU registered	Specified	Non-RAU registered	Non-RAU registered
Social Issues	2.1. Legal employment	Specified	Specified	Specified	Specified	Specified	Specified
	2.2. Health and safety	Specified	Non-RAU registered	Non-RAU registered	Specified	Non-RAU registered	Non-RAU registered
	2.3. ILO Fundamental Conventions are upheld.	Specified	Specified	Specified	Specified	Specified	Specified
	2.4. IP and TP rights are upheld.	Low	Low	Low	Specified	Specified	Specified
Environmental Issues	3.1. Environment	Specified	Specified	Specified	Specified	Specified	Specified
	3.2. Protected sites and species	Specified	Specified	Specified	Specified	Specified	Specified
	3.3. HCV	3.3.1 Species diversity.	Specified	Specified	Specified	Specified	Specified
		3.3.2 Landscape-level ecosystems & mosaics.	Low	Low	Low	Specified	Specified
		3.3.3 Ecosystems and habitats	Specified	Specified	Specified	Specified	Specified
		3.3.4 Critical ecosystem services.	Specified	Specified	Specified	Specified	Specified
		3.3.5 Community needs	Low	Low	Low	Specified	Specified
		3.3.6 Cultural values.	Specified	Specified	Specified	Specified	Specified
Conversion	4.1. New plantations since November 2005 have not replaced natural forest or ecosystems.	Specified	Specified	Specified	Specified	Specified	Specified
	4.2. Fire avoidance is being practiced	Specified	Specified	Specified	Specified	Specified	Specified
GMOs	5.1. No GMO's	Specified	Specified	Specified	Specified	Specified	Specified

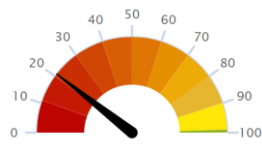
China

Legal Category	Sub-category	Risk conclusion		
		Farm collectives	State-owned farms	Certified organic farms
Business Issues	1.1. Land tenure	Specified	Low	Low
	1.2. Plantation registration & management rights	Specified	Low	Low
	1.3. Payment of royalties & required fees	N/A	N/A	N/A
	1.4. Value Added taxes & other sales taxes	N/A	N/A	N/A
	1.5. Income and profit taxes	N/A	N/A	N/A
	1.6. Disclosure of Information	N/A	N/A	N/A
Social issues	2.1. Legal employment	Low	Low	Low
	2.2. Health and safety	Specified	Low	Low
	2.3. ILO Fundamental Conventions are upheld	Specified	Specified	Specified
	2.4. IP and TP rights are upheld.	Low	Low	Low
Environmental issues	3.1. Environment	Specified	Specified	Low
	3.2. Protected sites and species	Low	Low	Low
	3.3. HCV	3.3.1 Species diversity.	Low	Low
		3.3.2 Landscape-level ecosystems & mosaics.	Low	Low
		3.3.3 Ecosystems and habitats	Low	Low
		3.3.4 Critical ecosystem services.	Specified	Specified
		3.3.5 Community needs	Low	Low
		3.3.6 Cultural values.	Low	Low
Conversion	4.1. New plantations since November 2005 have not replaced natural forest or ecosystems.	Low	Low	Low
	4.2 Fire avoidance is being practised	Low	Low	Low
GMOs	5.1. No GMO's	Low	Low	Low



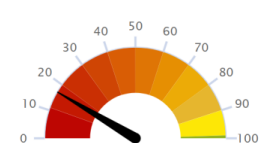
Risk Score: 80

Brazil



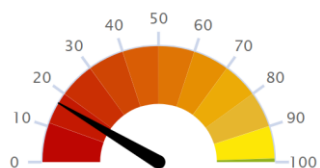
Legal Category	Sub-category		Risk Conclusion		
			Amazon	Cerrado	South
Business Issues	1.1. Land tenure		Specified	Specified	Specified
	1.2. Plantation registration & management rights		Specified	Specified	Specified
	1.3. Payment of royalties & required fees		Low	Low	Low
	1.4. Value Added taxes & other sales taxes		Specified	Specified	Specified
	1.5. Income and profit taxes		Low	Low	Low
	1.6. Disclosure of Information		N/A	N/A	N/A
Social issues	2.1. Legal employment		Specified	Specified	Specified
	2.2. ILO Fundamental Conventions are upheld.		Specified	Specified	Specified
	2.3. Health and safety		Specified	Specified	Specified
	2.4. IP and TP rights are upheld.		Specified	Specified	Specified
Environmental issues	3.1. Environment		Specified	Specified	Specified
	3.2. Protected sites and species		Specified	Specified	Specified
	3.3. HCV	3.3.1 Species diversity.	Specified	Specified	Specified
		3.3.2 Landscape-level ecosystems & mosaics.	Low risk for soy moratorium companies	Specified	Low
		3.3.3 Ecosystems and habitats	Specified	Specified	Specified
		3.3.4 Critical ecosystem services.	Specified	Specified	Specified
		3.3.5 Community needs	Specified	Specified	Specified
		3.3.6 Cultural values.	Specified	Specified	Specified
Conversion	4.1. New plantations since November 2005 have not replaced natural forest or ecosystems.		Low risk for soy moratorium companies	Specified	Low
GMOs	5.1. No GMO's		Low	Low	Low

Argentina



Legal Category	Sub-category		Risk conclusion		
			Pampeña Central (Buenos Aires, Cordoba, Santa fe, la Pampa, entre rios) Cuyo (San Luis)	NOA (Salta, Santiago del Estero, Tucuman, Jujuy)	NEA (Chaco, Formosa, Misiones)
Business Issues	1.1. Land tenure		Low	Specified	Specified
	1.2. Plantation registration & management rights		Low	Specified	Specified
	1.3. Payment of royalties & required fees		Specified	Specified	Specified
	1.4. Value Added taxes & other sales taxes		Specified	Specified	Specified
	1.5. Income and profit taxes		Specified	Specified	Specified
	1.6. Disclosure of Information		Low	Low	Low
Social issues	2.1. Legal employment		Specified	Specified	Specified
	2.2. Health and safety		Specified	Specified	Specified
	2.3. ILO Fundamental Conventions are upheld.		Specified	Specified	Specified
	2.4. IP and TP rights are upheld.		Low	Specified	Specified
Environmental issues	3.1. Environment		Specified	Specified	Specified
	3.2. Protected sites and species		Specified	Specified	Specified
	3.3. HCV	3.3.1. Species diversity.	Specified	Specified	Specified
		3.3.2. Landscape-level ecosystems & mosaics.	Low	Specified	Specified
		3.3.3. Ecosystems and habitats	Specified	Specified	Specified
		3.3.4. Critical ecosystem services.	Specified	Specified	Specified
		3.3.5. Community needs	Low	Specified	Specified
		3.3.6. Cultural values.	Low	Specified	Specified
Conversion	4.1. New plantations since November 2005 have not replaced natural forest or ecosystems.		Low	Specified	Specified
	4.2 Fire avoidance is being practised.		Low	Specified	Specified
GMOs	5.1. No GMO's		Specified	Specified	Specified

An example: Argentina



Risk Score: 17

Soy Risk Score: 17 / 100 in 2017

This report contains an evaluation of the CSR risks in Argentina for five categories and 21 sub-categories. We found:

- Specified risk in 20 sub-categories.
- Low risk for 1 sub-category.

Sources of soy

Soy source types	Description of source type
Family agriculture	Soy from smallholder plantations that are privately or family-owned and family-managed. Supply chains can be uncertain.
Small/medium-sized plantations under agro-industry management pools	Soy from small and medium-sized plantations that are privately owned, but managed by private companies through a land leasing / sub-contracting scheme. The supply chains are vertically integrated.
Medium-sized, privately owned and managed plantations	Soy from medium sized, privately owned and managed plantations. The supply chain have links to local traders
Large, professionally managed plantations	Soy from large plantations that are owned by private companies (S.A.) or groups of holders. The plantations are professionally administered with fully integrated supply chains.

Risks associated with soy from Argentina





Risk of Illegal land conversion (mainly in NOA and NEA regions)



Map your supply chains – you need to know where your product is coming from to assess and mitigate the risks – tools available on the [Sourcing Hub](#)



Obtain and verify documents – e.g. Possession title (*Informe de Dominio*): Private land owners must hold a valid land title issued by the National Rural Land Registry of the Ministry of Justice and Human Rights (federal level) and the Provincial General Registry of property (province level) – full list on the [Sourcing Hub](#)



Consult with stakeholders – e.g. The Ministry of Justice and Human Rights and/or the National Agency of Rural Land confirm registration of farm has been granted following legally prescribed processes – full list on the [Sourcing Hub](#)



Carry out on-site verification – Confirm farm is within the authorized boundaries listed in the relevant licenses – full list on the [Sourcing Hub](#)



Risk of illegal land conversion (mainly in NOA and NEA regions)



Verify the cattle farm has the valid land tenure documents Verify that soy supplier farm(s) are not located in areas where it is prohibited nor have been established by conversion of primary forests or ecosystems:

1. Cross check the soy farm boundary map(s) with the Land-use Planning Map of Native Forests (Mapa Ordenamiento Territorial de Bosques Nativos) and maps of National and Provincial Protected Areas
2. Consult with stakeholders and their data (Greenpeace, World Wildlife Foundation Information and Proyungas) to that there has been no deforestation in the area where the soy farm is located.¹¹³ Soy Risk Assessment – Argentina
3. Check with the provincial application authority on land use regarding deforestation and land clearing authorization(s) in the area under evaluation for post-2005. If land use change has occurred request more details via the following documentation from the soy supplier farm(s) to verify the deforestation was not illegal:
 - Authorized Plan for Land Use Change (*Autorización para el Plan Del Cambio Del Uso Del Suelo*)
 - Environmental Impact Assessment (estudio del impacto ambiental) (incl. A CAR - A Rural Environment Registry receipt / record (Protocolo / recibo do Cadastro Ambiental Rural and a CCIR - Certificate of Registration of Rural Real Estate (Certificado de Cadastro do Imóvel Rural; An ITR - Proof of Registration of the Territorial Institute (Comprovante de Cadastro do Instituto Territorial)



Low risk



Tools to help source responsible soy

Non-profit | Certification

English

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Select country of origin here

Back to map

Argentina Soy Risk Profile

Soy Risk Assessment

Risk Mitigation Guide

Supplier checklist

Risk Score: 17

This page provides an overview of the corporate social responsibility (CSR) risks related to soy grown in Argentina.

Soybean production in Argentina is estimated to be over 60 million tonnes per year and is grown on approximately 20 million hectares of land. 84% of the soy is exported as bean and soy by-products, generating approximately US\$8 billion per year in export revenues.

Soy is grown in the temperate and subtropical biomes of:

- Chaco seco, Chaco húmedo, Espinal and Pampa biomes in the Northwest (NOA)
- Northeast Argentina (NEA)
- Pampeña in central Argentina.

Soy production involves a large number of producers (approximately 70,000), 6% of which manage 54% of the total production. Medium-sized farms (between 2,500 and 10,000 ha) are the most widespread, covering approximately 47 M ha. Large plantations (greater than 10,000 ha) cover over 65 million ha.

The most serious threat linked to soy production is deforestation. Since 1990 Argentina has lost 7.5 million hectares of Native Forest, almost 80% of the deforestation has taken place in the NOA and NEA regions.

Major ecological threats associated with soy farming in Argentina include deforestation, biodiversity loss, and carbon emissions resulting from land use change and forest fires. Land tenure conflicts and indigenous communities' rights are an area of high concern. It is also reported there is a high level of informal labour used in soy farming and production, other business and legal risks. The biggest underlying contributors to these problems are corruption, lack of effective laws and weak enforcement of existing laws.

A number of CSR risks are present in Argentinian soy supply chains. The risks are wide ranging and appear across the business, social and environmental areas. If you are sourcing soy from Argentina you should take care to ensure the extensive risks identified are not present in your supply chains, or have been sufficiently mitigated.

Corruption Perceptions Index
Score: 36 / 100 in 2016
Rank: 95 out of 176 countries in 2016

Armed conflict
There are currently no armed conflicts in Argentina according to the Council on Foreign Relations' Global Conflict Tracker.

Certification
Soy from Paraguay can be certified by the Round Table on Responsible Soy (RTRS). 56,641 ha is certified (2017).

1 Information Gathering

2 Risk Assessment

3 Risk Mitigation

Soy Risk Assessment Argentina

Version 1.1 | August 2017

COUNTRY RISK ASSESSMENTS

This risk assessment has been developed by NEPCon under the project "Responsible Sourcing of Soy, Palm Oil and Cattle" with support from DANIDA, Ministry of Foreign Affairs of Denmark.

www.nepcon.org/sourcinghub

Version 1.0 | August 2017

Argentina Risk Mitigation Guide

Soy

This tool has been developed by NEPCon under the project "Responsible Sourcing of Soy, Palm Oil and Cattle" with support from DANIDA, Ministry of Foreign Affairs of Denmark.

COUNTRY SPECIFIC TOOLS

Version 1.0

Supplier evaluation checklist

Soy from Argentina

COUNTRY SPECIFIC TOOLS

This tool has been developed by NEPCon under the project "Responsible Sourcing of Soy, Palm Oil and Cattle" with support from DANIDA, Ministry of Foreign Affairs of Denmark.



Argentina Soy Risk

NEPCon has evaluated the risks in A



Business Issues



Social Issues



Environmental Issues



Conversion



GMOs

The key CSR risks identified in this
Risk Mitigation Guide provides advice

Soy source types and risks

There are four soy source types four
types can be subject to different ap

Small Family agricultur



Environmental Issues

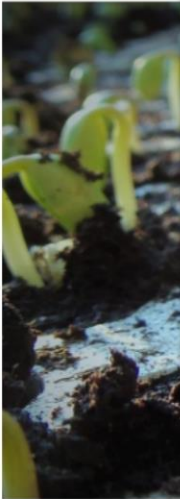
The following two risks have been identified related to the soy production in Argentina:

1. Risk of environmental degradation and conversion of native forests, the displacement of wildlife, climate change emissions (fire and methane), soil compaction and erosion (wind and water) and overall a high level of non-compliance with the environmental legislation (including a lack of national and provincial coordination on implementation of relevant environmental regulations).
2. Risk of degradation of protected areas through illegal conversion.
3. Risk that high conservation values (HCVs) are being threatened by soy farming.

Risk	Mitigation recommendations
Environmental degradation, conversion of native forests and non-compliance with the environmental legislation.	<ol style="list-style-type: none">1. Confirm the soy farm has the following valid documentation (if applicable)<ul style="list-style-type: none">o Approved Environmental impact report or study (Informe de impacto ambiental aprobado)o Environmental monitoring plan (Plan de monitoreo ambiental predial)o Mitigation plan (Plan de mitigación)o Provincial approved environmental resolution or certificate for forest management or land use changes (Resolución o nota de aprobación ambiental provincial)o Authorisation for the use of agrochemicals (Autorización de uso de agroquímicos)o Authorisation for hazardous waste registration (Resolución de aprobación de inscripción de residuos peligrosos) signed by the Director General.o Provincial approved resolution for the use of fire (Resolución de Aprobación Provincial del Uso del Fuego)

Supplier checklist

Version 1.0
Supplier
Soy from



This tool has been developed by the
Sourcing of Soy, Palm Oil and
of Foreign Affairs of

Supplier Name: _____
Address: _____
Material Type: _____
Material Certification: _____
Date of evaluation: _____
Description of evaluation: _____

Document Guidance

Please fill out this form by indicating "Y" for Yes, "N" for No, and "DOC" for Document. If the supplier is compliant, tick the "DOC" column if a copy of the required document is provided. If the supplier is not compliant, "N/A" answers please provide an explanation of the non-compliance.

The red dot next to the indicator highlights where the national level for soy in Argentina and thus it is on the red dotted indicators.

1. The supplier is compliant with all the relevant laws which applicable to the business, and has records of this.

- 1.1. The supplier has a valid, non-contested and appropriate land tenure right, that is registered.

Document required:

- Farm registration – verify through the Ministry of Justice and Human Rights Report and National Agency of Rural Land Registration
- Confirm there are no outstanding conflicts with traditional communities.
 - Request a map showing any traditional communities settled close to areas of the soy farm to assist in identifying potential conflicts over land use – especially for medium and large enterprises.
 - Ministry of Justice and Human Rights: <http://www.jus.gob.ar/derechoshumanos/publicaciones/busqueda-por-temas/pueblos-originarios.aspx>
 - Amnesty International Argentina: <http://www.territorioindigena.com.ar/Pueblos-Originarios>

For suppliers that own their land:

- Possession title - Informe de Dominio
- Provincial Real Estate Property Registry: Report of domain conditions - Registro de la Propiedad Inmueble Provincial: Informe de condiciones de dominio
- Provincial Revenue Agency Office: Basic Real Estate Tax Debt-free certificate - Renta Provincial Libre Deuda del Impuesto Inmobiliario Básico
- Federal Administration of Public Income (AFIP in its Spanish acronym): Tax Debt-free certificate - AFIP: Libre Deuda Fiscal
- Report of Municipal Debt Free - Informe de Libre Deudas Municipal

For suppliers that are tenant of the land:

- A legal long term leasing contract. This contract should be filed in the Federal Administration of Public Income (AFIP [15]) and registered before a certifying officer in the General Provincial Registry of Property in the respective province.

- 1.2. The supplier has all relevant farm registration and management rights.

Document required:

Document required:

- Registered pre-employment and periodic medical examinations

- 6.6. A general analysis of occupational risks was conducted subject to Annex I under Superintendence of Occupational Risks Resolution 463/09 (Relevamiento General de Riesgos laborales Anexo I Resolución SRT 463/09).

Document required:

- Report on the general analysis of occupational risks (Informe del relevamiento general de riesgos laborales)

7. The supplier respects and upholds the rights of Indigenous and traditional peoples.

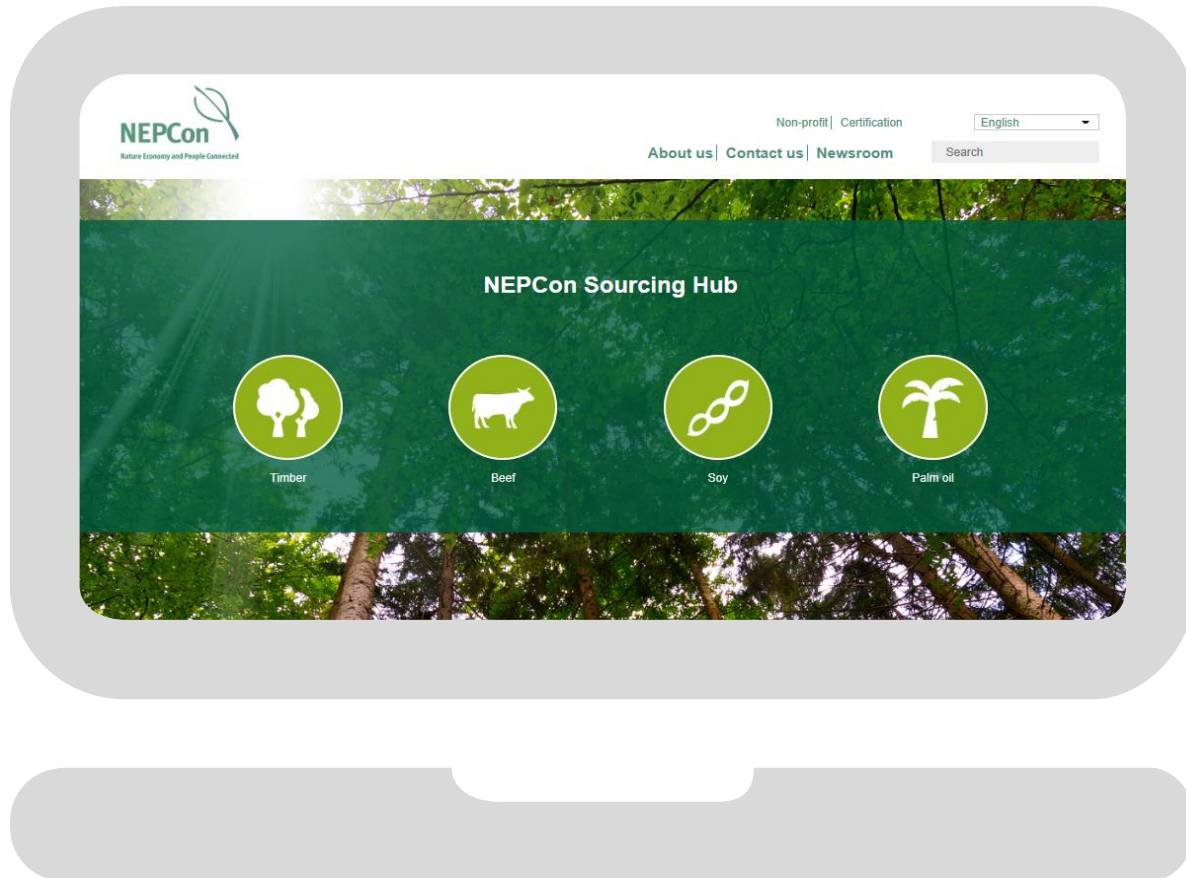
- 7.1. The supplier respects and upholds the rights of indigenous and traditional peoples and the business is not involved in any outstanding disputes of substantial magnitude with indigenous or traditional communities.

Document required:

- GIS Map showing the boundaries of their farm(s) and the location of any indigenous peoples, their land and their local communities.
- Report and location map of fundamental places and resources for the well-being of local communities and indigenous peoples, such as water access sites (which may be the only access to water), access sites to other basic commodities, access to water for their farming activities (which may be their only access to water for farming), food sources to maintain basic food security such as protein sources and other elements to meet basic dietary needs such as fish or meat proteins, as well as other elements that are fundamental to human health such as medicinal plants.
- Copies of negotiated agreements detailing the process of free, prior and informed consent are available.
- Evidence of maps of an appropriate scale showing the extent of recognised legal, customary or user rights developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities) are available.
- Evidence there is a mutually agreed and documented system for dealing with complaints and grievances and is accessible and agreed upon by all affected parties
- Action plan for the application of mitigation measures

- 8. The supplier is compliant with all the relevant environmental and protected areas/species laws and does not threaten High Conservation Values.

Everything you need for due diligence in one place



FREE



Thank you

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