Soy Traders Assessment
So that the Assessment Tool could be applied with Mantiqueira Group, the Internal Operations and the Suppliers Engagement elements were consolidated, and the entire questionnaire was Yesplified. These modifications aimed a more objective tool, focusing on the essential items of the evaluation.
Selected Soy Traders

- ADM
- Bunge
- Caramuru
- Cargill
- CJ Selecta
- COFCO
- LDC

Analyzed Documentation

Public Information disposable at:

- Companies’ websites.
- Their most recent Sustainability Reports.
- The most recent Soft Commodities Forum Report.
- Other trustful websites to deepen secondary research.
Archer Daniels Midland
Main Practices

- Assumed a public commitment to achieve zero Deforestation and Conversion in their value chain in 2021;
- Compromised in achieving 100% direct and indirect suppliers' traceability in Brazil in 2021;
- **Target Date is 2025**;
- **Cut-off date for Amazon is 2008 and it was not identified for other biomes**;
- The Company does not specify the definitions of “deforestation and conversion” nor define the threatened biomes as stated in the **Accountability Framework**;
- Created an Action Plan for 2021/2022 to follow the sustainable soy commitment evolution;
- In 2021, updated their Policy for Protection of Forests, Biodiversity and Communities, with new goals and action and implementation plans for soy and palm oil, based on four pillars:
  - Traceability, Suppliers Engagement and Monitoring, Verifying and Reporting;
  - Besides these, for soy They go beyond with traceability risk analysis and monitoring of the Conversion of native vegetation, environmental embargoed areas, Soy Moratorium and Green Grains Protocol of Pará.
- For direct suppliers there are programs like “Produzindo Certo”, “Sustentágil” e “AGRO PLUS” which incorporate requirements and best practices in the farms;
Main Practices

Risk Profile and Traceability

• ADM traces 100% of direct suppliers in Brazil to the farm level;
• Traces 100% of indirect suppliers in Brazil to the first aggregation point and monitor a ratio around these locations to verify deforestation;
• Has mapped all direct suppliers from Brazil with their farm’s polygons;
• In 2020, 97% of soy volume traded with direct suppliers was free from deforestation and conversion;
• According to the SCF Report, 49.3% of ADM’s traded soy comes from areas in the Cerrado and 74% are from direct suppliers.
ADM participates in several multi-stakeholder global initiatives which are Leading the soy chain transformation, focusing on establishing common standards to enhance sector's transparency and searching for financial incentives that promote biomes preservation and degraded areas recuperation;

- They are engaging indirect suppliers in Brazil to identify and test digital tools that enable verification of the supply chain;
- They also engage direct producers through programs such as "Produzindo Certo," "Sustentágil," and "Soja Plus";
- They have a Non-Conformant Supplier Management Protocol that provides guidelines for blocking partners who do not meet the requirements of the deforestation and conversion combat policy, with two levels of severity.
Main Practices

Monitoring, Verifying and Reporting

• Since 2018, they have been using third-party monitoring systems to cross-reference information with the farm polygons of their direct suppliers to ensure compliance with their zero deforestation and conversion commitment;
• They monitor indirect suppliers up to the first aggregation point;
• **They do not monitor indirect suppliers down to the farm level, only up to the first aggregation point**, and they conduct monitoring of points with indications of deforestation in the surrounding areas;
• In high-risk areas, they require indirect suppliers to be in compliance with their soy policy;
• They use a third-party system to monitor suppliers, but do not mention which one;
• They verify information provided by suppliers by cross-referencing it with public databases;
• They publish in their annual sustainability report the progress of their zero deforestation and decarbonization goals, and on their website, they maintain an updated sustainability tracker of their progress.
Main Practices

• Bunge has a public commitment to combat deforestation and conversion, with a focus on:
  • Concentrating efforts in areas where deforestation is a greater risk
  • Encouraging the purchase of certified products
  • Applying to both direct and indirect sourcing
  • Achieving 100% traceability and monitoring of farms and plantations
  • Engaging the supply chain to increase ambition and create common standards;

• They have a commitment to achieve full traceability of direct and indirect suppliers to the most appropriate geographical level within high-risk regions;

• The target date is 2025;

• The cut-off date for the Amazon is 2008, but no specific cut-off date has been identified for the Cerrado;

• The company does not specify the definitions of “deforestation and conversion” but defines biomes at risk as specified by the Accountability Framework;

• There is an Implementation Plan 2025, but it does not provide details of the actions to be taken or the timeframe for their achievement.
Main Practices

Risk Profile and Traceability

They have mapped 100% of the farms of their direct soybean suppliers and achieved 100% traceability of direct suppliers in the Cerrado “Mato Grossense” (Brazilian state) and MATOPIBA regions;

They have the location of 100% of indirect suppliers located in priority areas (Mato Grosso and MATOPIBA);

Over 95% of Bunge's soybean supply chain was free from deforestation in 2021, compared to 2020;

Approximately 44% of the soy traded by Bunge originates from the Cerrado.
Main Practices

- The company has established purchasing requirements for direct and indirect suppliers linked to combating deforestation and conversion;

- It maintains engagement with suppliers that it no longer sources from, to ensure that they have positively impacted the issue of land-use change;

- They are committed to building long-term relationships based on trust, so that they are able to raise awareness among farmers about the commitment to combat deforestation and conversion, and the commercial and financial risks associated with deforestation;

- They provide resources to support farmers as they expand into lands that were already degraded;

- They offer tools and programs that incentivize better agricultural practices through digital solutions and incentives for direct and indirect suppliers;

- "Bunge adopts a proactive and risk-based approach to engagement with its suppliers, to ensure that they sign its internal policies, undergo due diligence processes upon integration, participate in audits and certifications, so that they can monitor complaints and collaborate at sectoral and governmental levels."
Main Practices

• It uses state-of-the-art satellite images to monitor its direct and intermediary suppliers.
• Currently, it can monitor 100% of the direct suppliers in priority regions of the Cerrado and Gran Chaco, and 64% of the farms of intermediary suppliers in the Cerrado.
• 99.9% of all direct suppliers in Brazil are verified as DCF.
• It uses an industry-leading internal monitoring system in terms of scale and depth, along with third-party sensor and satellite image technology on farms (MSI sensor and Sentinel 2 satellite).
• It cross-checks data to verify information provided by farmers.
• The main indicators reported annually by the company in its sustainability reports are the numbers and actions to improve traceability, monitoring, value chain engagement, and non-conformity management.
Main Practices

- Caramuru affirms its commitment to combating deforestation and conversion, stating that it respects agreements such as the Soy Moratorium and current legislation;

- They affirm their commitment to monitoring 100% of the raw materials they acquire;

- **They do not define a target date**;

- **The cut-off date for the Amazon is 2008 and for the Cerrado it is 2020**;

- **They do not provide definitions of deforestation and conversion**, nor of the biomes involved, as recommended by the Accountability Framework.

- They have a Sustainability Policy that outlines the socio-environmental requirements to be met internally and by their partners;

- "**They have not published any Implementation Plan to achieve the deforestation and conversion free commitment**"
Main Practices

Risk Profile and Traceability

• They monitor 100% of the suppliers (5.5 thousand), but they do not mention up to what geographic level, nor whether they have polygons of the farms or how many of these are direct or intermediary suppliers;

• They have the Sustentar Program, which promotes socio-environmental traceability of suppliers in Goiás, Mato Grosso, and Paraná (Brazilian states).
Main Practices

- Caramuru applies purchasing requirements for suppliers regarding their commitment to zero deforestation and conversion, using its Supplier Policy and internal programs to establish guidelines and support these partners;

- They do not mention a specific engagement plan, but they have the Sustentar Program, which in addition to performing traceability, also provides an opportunity for suppliers' indicators in non-compliance to be adjusted through training and improvements in property management;

- In 2021, they conducted an evaluation process of their business partners (5,650) and terminated the relationship with 35 suppliers (0.62%) due to their non-compliance with the zero-deforestation commitment.

- They claim not to acquire inputs from raw material suppliers with non-compliance restrictions.
Main Practices

Monitoring, Verifying and Reporting

- They use artificial intelligence and geospatial technology to monitor 100% of the raw material supply chain, using socio-environmental criteria, with compliance being a determining factor for purchase;
- In 2021, 100% of new raw material suppliers were evaluated based on environmental criteria, and 98.1% (1,543) of them were approved;
- They do not mention monitoring down to the farm level for intermediary suppliers;
- They use public databases and an external tool (Agrotools) for monitoring suppliers;
- They verify information provided by suppliers participating in the “Sustentar Program”;
- They report annually on their efforts within the DCF commitment, updating qualitative and quantitative indicators of material topics for their stakeholders.
Cargill
Cargill has four public commitments regarding soy production in South America, one of which is to “Transform our supply chain to be deforestation-free, protecting native vegetation beyond forests.”

The company committed to have 100% of its direct suppliers traced. In Brazil, the entire priority region (Mato Grosso and MATOPIBA) is already completed.

**Target date set for 2030.**

**Cut-off date: 2008 for the Amazon. Other biomes not identified.**

Among other sources, Cargill extracted guidance for its action plan from The Soy Toolkit developed by Proforest and its 5-element approach, as well as the Accountability Framework Initiative. There was no identified influence from AFI on the commitment, only on the plan;

The company **does not specify the definitions of what is “deforestation and conversion”, but defines the biomes at risk** as specified by the Accountability Framework

Cargill developed an action plan anchored in the concepts of the Soy Toolkit in six elements:

- Evaluation and implementation plan;
- Understanding the risks of the supply chain;
- Engagement of partner suppliers;
- Implement leverage actions;
- Advance in transformative partnerships;
- Monitoring, verification, and reporting

In 2019, Cargill published an International Forest Policy.
Risk Profile and Traceability

- Cargill has 92.3% of its direct suppliers in Brazil with mapped and traced polygons;
- Cargill has mapped the farms of all direct suppliers in 66 municipalities defined as priorities (located in the states of Bahia, Goiás, Maranhão, Minas Gerais, Mato Grosso do Sul, Mato Grosso, Piauí, and Tocantins) with polygons;
- Cargill estimates that 96% of its direct suppliers in Brazil are in compliance with DCF guidelines;
- Cargill also identified that 43% of its soy comes from the Cerrado biome;
- According to a WBCSD report, 100% of indirect suppliers in priority municipalities (only 61 on this list) are traceable up to the first aggregation point.
Main Practices

- The 3S sustainability program, launched by Cargill in 2021 and implemented by the BioSistêmico Institute (IBS), is a continuous improvement program that provides technical assistance and supports soybean producers in improving their social, environmental, management, and productivity indicators. The program promotes regenerative agriculture in its operations and in Brazil, it has 231 beneficiaries;

- Cargill also developed a project with family farmers, promoting training, soil analysis, and fertilizer application analysis. Between 2019-20, the family farming program directly benefited more than 1,700 farmers;

- Cargill also has the Agro Plus Program (formerly known as Soja Plus), organized by the Brazilian Association of Vegetable Oil Industries (Abiove), which provides training to soybean producers;

- The Cargill actively participates in sectoral forums and meetings on the topic, such as the Soft Commodities Forum (SCF), Advisory Panel on Sustainability for Land Use and Forests, Visión Sectorial del Gran Chaco Argentino (ViSeC), and the Argentine Program for Carbon Neutrality;

- Conducted a comprehensive assessment of traceability, social safety, environmental risks, management, and systems of cooperatives (indirect suppliers), and evaluated their adherence to Cargill’s guidelines and sustainability protocols.;

- Implemented a system to block suppliers listed in embargoes by multiple agencies (federal, state, and sectoral).
Main Practices

They verify through monitoring of direct suppliers in priority regions of Mato Grosso and MATOPIBA that 94% of soy volume from these municipalities is already free from deforestation and conversion since 2008;

Launched in 2021, the SoyaWise™ traceability portal is a mapping tool developed with ArcGIS that allows to track the shipping route of soybeans back to their region or even municipality of origin. It is used for the 3S soy program;

The complaint system implemented by Cargill recorded 35 reports related to soybeans in the first half of 2021, and 77% of them were not related to operations or supply chains;

It publishes annual sustainability reports. It also has a separate report on the progress of the soy policy.
They have an uncompromising commitment to only source soy from deforestation-free areas. They are signatories of the Soy Moratorium and members of the National Association of Cereal Exporters (ANEC) and the Brazilian Association of Vegetable Oil Industries (ABIOVE);

Commitment to achieve 100% traceability of direct suppliers by 2023 and improve traceability of indirect suppliers;

They are working with indirect suppliers through an initiative with Unilever that seeks to increase scale through new partnerships;

Target Date set for 2025;

CJ Selecta’s sustainability policy is based on the Accountability Framework Initiative (AFi) Responsibility Framework;

Commitment to deforestation and conversion free, both legal and illegal;

Cut-off date: Amazon 2008 (Moratorium) and Cerrado 2020;

The company developed an Implementation Plan towards deforestation and conversion-free supply chains, participating in a working group mobilized by Rabobank.

The company does not specify the definitions of what is “deforestation and conversion”, but defines the biomes at risk as specified by the Accountability Framework.
In the sustainability report, it is mentioned that the company has expanded satellite monitoring of farms, but it is not stated how much this represents. In parallel, as previously mentioned, the company has a commitment to achieve 100% traceability of direct suppliers by 2023.

- It was not identified whether the company has the location or polygons of its indirect suppliers.
Main Practices

- The company has developed a Supplier Relationship Policy, establishing guidelines for ethical and transparency-based work. Suppliers commit to not carrying out illegal deforestation operations within the registered cultivation area and to initiate measures to resolve any environmental liabilities corresponding to the legal reserve and preservation areas. In addition, soybean suppliers from the Amazon Biome declare to be in compliance with the terms of the Soy Agreement to prevent deforestation in the Amazon Forest;

- CJ Selecta has developed requirements that reflect its expectations for all suppliers to comply with its sustainability policy, among which is to ensure no deforestation or conversion of natural vegetation in the supply chain;

- The company has defined that all requirements applied to direct suppliers must also be applied to indirect ones;

- The company has developed a booklet of socio-environmental practices for soybean producers with a focus on their engagement with the company's sustainability policy;

- In 2021, the company monitored the work of more than 1,000 producers and cooperatives;

- CJ Selecta developed a Sustainability Committee, whose responsibilities include the execution of contract termination when suppliers do not comply with CJ Selecta's requirements.

- The company plans to stop buying soy from the Amazon as part of its “Seed Project”;

- The CJ Selecta is working with indirect suppliers through an initiative with Unilever that seeks to increase scale through new partnerships.
Main Practices

CJ Selecta uses the Monitoring Reporting Verification (MRV) protocol, an audit protocol designed by the ProTerra Foundation and validated by NGOs in the Cerrado Working Group (GTC). The audit aims to create a profile of its soybean suppliers and structure a risk management tool in the raw material procurement process. In 2021, 450,000 tons of soybeans were verified on 123 farms.
Main Practices

• COFCO publicly commit to achieving deforestation-free soy supply chains throughout the Amazon, Cerrado, and Gran Chaco;

• The company has committed to have 100% of its direct suppliers in Brazil traced by 2023 and to apply traceability down to the farm level for both;

• The target date is set for 2030;

• The cut-off date for the Amazon is 2008, and for the Cerrado and other biomes, it has not been identified. However, they mention the creation of the COFCO International Conversion-Free Soy Standard in 2021, stating that certified batches meet customer cut-off date requirements.

• The company does not specify the definitions of "deforestation and conversion" nor does it define the biomes at risk as specified by the Accountability Framework;

• They do not mention an implementation plan for deforestation-free soy (only for Palm Oil), but they have a Sustainable Soy Sourcing Policy, with a global reach and specific requirements for Brazil.
Main Practices

Risk Profile and Traceability

- COFCO ensures traceability of 100% of its direct suppliers located in the 61 main municipalities of the Soybean Agribusiness Chain in the Brazilian Cerrado;
- 100% of indirect suppliers from priority municipalities are traceable up to the first aggregation point;
- They do not mention having the polygon of the farms of the intermediary suppliers;
- About 26% of the soy traded by COFCO comes from the Cerrado.
Main Practices

• COFCO sets forth in its Sustainable Soy Supply Policy and Supplier Code of Conduct requirements that must be met by all Brazilian suppliers;

• They present a Stakeholder Engagement Policy, in which they commit to building good relationships with stakeholders;

• In its 2021 Sustainability Report, the company mentions the goal of implementing the Stakeholder Engagement Plan in high-impact operations, but its achievement was zero by that year;

• The Supplier Code of Conduct mentions a hotline for reporting non-conformities, but there is no information about a system for blocking purchases from suppliers in this situation.
Main Practices

COFCO monitors and discloses the percentage of deforestation and conversion-free soy from all of its direct suppliers in the 61 focus municipalities of the Soybean and Corn Expansion Moratorium (SCF);

They have committed to monitoring purchases from both direct and indirect suppliers;

They have not yet implemented farm-level monitoring for indirect suppliers;

The monitoring process is currently is only internal;

Approximately 76% of the soy from the 61 municipalities targeted by the SCF is verified and free from deforestation and conversion;

Compared to other sustainability reports, the company communicates progress and non-achievements in a simple manner, with a lack of information;

The report is published on an annual basis.
Louis Dreyfus Company
Main Practices

DCF Commitment and Policy

- They made a public commitment to combat deforestation and native vegetation conversion;
- This commitment is annually emphasized in their Sustainable Soy Policy;
- They have a robust Sustainable Agriculture Program created in 2019 with a focus on engaging the supply chain;
- They have developed the Carbon Solutions Platform, which focuses on specific sustainability policies for each product, setting commitments to zero deforestation and conversion;
- "They have set a target date of 2025; they are working with experts to determine the target date for the commitment to not engage with soy linked to Cerrado deforestation;"
- The cut-off date for the Amazon is 2008 and for the Cerrado is 2020;
- The company does not specify the definitions of "deforestation and conversion", nor does it define the biomes at risk as specified by the Accountability Framework.
• They have not yet achieved 100% traceability of direct suppliers, which is a goal scheduled to be completed by the end of 2023. Currently, they are at 70%;

• Currently, they trace 100% of the direct suppliers located in the main municipalities and 87% of the direct suppliers from other locations;

• The next steps in advancing this front consist of building the risk profile of the entire supply chain for each threatened region, generating periodic reports;

• The traceability models pointed out in the Sustainable Soy Program are mass balance and book and claim;

• About 34% of the soy transacted by LDC comes from the Cerrado.
Main Practices

Internal Operations and Suppliers Engagement

- In 2021, LDC conducted a thorough analysis of its suppliers to identify those who exceed legal limits of deforestation and conversion, aiming to act as an influencer and support the conservation of threatened biomes;

- They are developing an internal methodology for verifying the purchase of deforestation-free and conversion-free soy, which is expected to be completed by the end of 2022 and applied globally;

- They prefer financing options that incentivize the expansion of soy production on already degraded areas both in the Cerrado and Chaco regions. Additionally, they provide extra financing and price incentives for the continuity of conservation efforts in these biomes.
Main Practices

- The Sustainable Soy Program was created in 2019 to support sustainable soy production and offer verified sustainable products to the market. It undergoes external auditing to verify the practices of partner producers;
- They use an internal monitoring system, which is being improved;
- They conduct external audits to verify the compliance of their suppliers;
- This program has been successfully implemented with a group of soybean producers in Brazil and the company is continuing its expansion;
- In this program, the need to create an internal system capable of monitoring the progress of traceability is identified;
- In 2021, they started developing the methodology for verifying the volumes of soy purchases free from deforestation and conversion.
## Assessment Extract

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<thead>
<tr>
<th>Company</th>
<th>DCF Public Commitment***</th>
<th>Target Date</th>
<th>Cut-off Date Amazon</th>
<th>Cut-off Date Cerrado</th>
<th>Direct suppliers’ traceability to farm level</th>
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*Track direct suppliers located in high-risk areas (Mato Grosso and MATOPIBA) down to the level of the originating farm.

**ADM, Cargill, and COFCO trace 100% of their indirect suppliers up to the first aggregation point.

***Not all companies make it clear whether their commitment is related to legal deforestation, illegal deforestation, or both.

****CJ are extending the requirements applied to direct suppliers to indirect ones in a project with Unilever.

All data presented in this material are solely the result of searches in publicly available information.
Beyond individual practices mapped for each trader, some of them analyzed in this project are composing a sectoral initiative that deserves a highlight: the “Agriculture Sector Roadmap”. Follow bellow a brief of this work:

In partnership with Tropical Forest Alliance in 2022, fourteen agricultural commodities traders engaged in the development of a Sectorial Roadmap to achieve the goal of limiting the global warming to 1.5°C, which was launched in COP 27.

The Roadmap can be summarized in three pillars of action:

- Individual actions that companies should take in their supply chains to reduce emissions through land use change;
- The role that these companies have in supporting the transition to forest-friendly commodity production and land use systems;
- The common work to be done with other stakeholders to support the transformation of the sector.

Five of the seven analyzed traders are participating in the Roadmap: ADM, Bunge, Cargill, COFCO International, and LDC. They are, therefore, committed to achieving the following milestones in the coming years:

- 2023 - Reporting on progress in COP 28;
- 2024 - Reporting on progress and reporting emissions from land use change;
- 2025 - Achieving the established goals to ensure global warming is limited.