



Amazon Soy Moratorium Protocol. 2019/2020 Crop year

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1. CONTEXT

On July 24, 2006, companies associated with the Brazilian Association of Vegetable Oil Industries (ABIOVE - acronym in Portuguese) and the Brazilian Association of Cereal Exporters (ANEC - acronym in Portuguese) executed a commitment agreeing not to sell soybeans deriving from deforested areas in the Amazon Biome. Such commitment became known as the Amazon Soy Moratorium.

A list of rural properties not in compliance with the criteria of the Moratorium is compiled annually using geospatial monitoring, which has been used since July 2008 to detect soybean crops growing in deforested areas, and data collected from existing properties in the Rural Environmental Registry (CAR - acronym in Portuguese) and the institute to regulate land reform and register rural properties (INCRA - acronym in Portuguese). The lists include the coordinates

of the non-compliant areas, the city, state, name of the owner/entrepreneur, name of the farm and CPF/CNPJ taxpayers' registry numbers.

1.1.MAIN CHANGES

The Amazon Soy Moratorium Protocol (2019/2020 crop year) has been adjusted in format and content with basis on the results and suggestions of improvements made by audit firms over the years to make them easier to understand. Namely:

- Guidelines for audit firms and organisations regarding remote audits
- Inclusion of verification for remedial action plans, drawn up by the company and based on "root cause" analysis of non-compliances detected in previous year audits
- Disclosure of the Public Summary of the Final Audit Report for transparency on the efforts made to comply with the requirements of the Amazon Soy Moratorium by the signatory companies

2. OBJECTIVE

The Protocol offers specific concepts, definitions, procedures and instructions to:

- help the signatory companies comply with the Amazon Soy Moratorium
- allow independent audit organisations, hired by the signatories, to assess compliance with the moratorium criteria

3. SCOPE

This Protocol defines the guidelines and procedures for signatory companies to comply with the Amazon Soy Moratorium and for independent audit organisations to carry out verification for the 2019/2020 crop year, encompassing the period from April 1, 2019 to March 31, 2020.

4. AMAZON SOY MORATORIUM REQUIREMENTS.

The companies that signed the Soy Moratorium agree not to trade, acquire and finance soybeans from:

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| <ul style="list-style-type: none">a. Areas within the Amazon Biome that were deforested after July 2008.b. Areas included in the list of areas embargoed due to deforestation by the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA - acronym in Portuguese).c. Suppliers included in the slave-like labour list. |
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The lists of the Amazon Soy Moratorium, the environmental embargo for deforestation and slave labour, described in Annex VI, are analysed to monitor the requirements of the Amazon Soy Moratorium. Other tools that the company considers relevant can also be used to reduce the risk of non-compliant soy purchases, such as the use of data and geographic information to carry out the geomonitoring of suppliers.

5. GENERAL INSTRUCTIONS FOR COMPANIES

Management system

The signatory companies of the Soy Moratorium that sell the product in the Amazon biome must implement a management system that includes:

- 1) An automatic blocking system for suppliers (direct producers and intermediaries) who are not in compliance with the requirements of the Amazon Soy Moratorium
 - a. Assurance that the most up-to-date lists available of the Amazon Soy Moratorium and of environmental embargoes on deforestation and slave labour are used.
 - b. Complementary checks may be carried out to ensure compliant purchases from suppliers with blocked CNPJ/CPF taxpayers' registry numbers, such as in cases of pre-financing and farms in compliance with deforestation requirements.
 - c. The implementation of geomonitoring systems for deforestation in the supply chain is recommended because it reduces the company's risk.
- 2) The company must establish requirements for direct purchases to prevent triangulation of soybean among its suppliers (leakage or laundering).
- 3) The company must detail the requirements of the Amazon Soy Moratorium in the contractual clauses or in a statement of suppliers for the sale and acquisition of soy from intermediate suppliers.

Verification Audit

The management system of soybean sales in the Amazon biome must be verified annually by an independent (third party) auditing firm hired directly by the signatory company.

The companies must send all requested and pertinent information to the audit firm with the highest possible degree of completeness, accuracy, consistency and transparency.

It is the signatory companies' responsibility to allow free access to all soy purchase documents and their operation control systems to the audit team, which will issue its opinion in the format of a **Final Audit Report**, according to the Report Template (Annex III).

The auditing and reporting period extends from **September 1 to October 31, 2020**.

Final Audit Report

Upon receipt of the **Final Audit Report**, the company must look into what caused the non-compliance (root cause analysis) and put in place remedial action plans for each of the non-compliances detected.

The signatory must draw up the **Action Plans** (Annex IV) and send the document with the reports by **November 15, 2020** to the GTS audit coordination for assessment.

Transparency

The Final Audit Report, with the action plan, if applicable, sent to GTS will be analysed by the Assessment Committee composed of industry and civil society representatives. The result of the analysis may be published in a consolidated manner preserving the individual results of each company.

In addition, the company may choose to publicly disclose the audit by publishing the **Public Summary of the Final Audit Report** issued by the audit organization. This is considered good practice in terms of transparency and allows constructive comments and suggestions to be received by the stakeholders. The result of the GTS analysis and the public announcement may be made on the website or in the social networks of the signatory companies and on the website

of the Soy Working Group (GTS), when permission has been granted by the company in the Final Audit Report.

Good Management System Implementation Practices

It is recommended for signatory companies to systematically implement good practices in the management system to meet the moratorium requirements, for example:

- Written procedures that systematize and standardize the management process of the Amazon Soy Moratorium requirements
- Training for employees involved in the activities and processes described in the procedures
- Internal audits for periodic verification of compliance with requirements
- Use of the results of root cause analysis for the flaws detected in the processes of the company and its suppliers to improve the management system
- Participation of collaborative processes involving stakeholders in the development of metrics to measure progress and effective feedback mechanism of the management system.

6. GENERAL INSTRUCTIONS FOR AUDIT FIRMS

Requirements for the audit team:

When hired by the signatory company, the audit firm will first allocate a team that must have:

- participated in the Annual Training Workshop to update procedures and documentation for the performance of the Amazon Soy Moratorium audits.
- signed the "NDA" (Annex II).
- the qualifications, skills and knowledge listed in the following table:

Qualification		Skills	Specific knowledge
Mandatory	<ul style="list-style-type: none"> • Management system auditor • Agricultural supply chain management • Software management (of databases) 	<ul style="list-style-type: none"> • Assessment of applicable data, systems and processes. • Effective communication, verbal and written, in appropriate language and in a professional manner that is comprehensible to all 	<ul style="list-style-type: none"> • Data audit and verification and management system
		<ul style="list-style-type: none"> • Understanding the requirements of the Amazon Soy Moratorium commitment 	<ul style="list-style-type: none"> • Deforestation and conversion • Environmental embargo due to deforestation • Blacklist of Slave Labour
		<ul style="list-style-type: none"> • Understanding of soybean supplier management 	<ul style="list-style-type: none"> • Trade modalities of soybean supply • Purchases from direct and intermediate producer • Assessment of soy purchase system controls and blocking systems

	Qualification	Skills	Specific knowledge
Desirable	<ul style="list-style-type: none"> Analysis of geoprocessing and remote sensing systems 	<ul style="list-style-type: none"> Understanding of methodologies to check the accuracy of geomonitoring systems 	<ul style="list-style-type: none"> Deforestation and conversion database (e.g: Prodes and Deter)

The audit organisation must keep all records necessary to show that the auditors have complied with the above requirements, and make them available for later searches, upon request.

Step 1 - Planning the audit (desk review)

The audit firm must ask the signatory company to send all the information it deems necessary for the definition of the audit plan and for risk analysis.

The auditor must prepare an Audit Plan and send it to the company at least 14 days in advance. The audit plan must detail the items defined below, and others as needed.

Audit Plan

- **Audit objective:** a clear definition of what the audit wants to achieve.
- **Audit criteria:** a clear definition of the requirements to be audited and additional instructions.
- **Scope:** definition of the Units included within the scope of the company and the departments involved in the soybean procurement process, possibly including the geomonitoring service providers.
- **Auditors:** definition of the audit team and statement of its qualifications.
- **Duration of the audit:** how many audit days are required, considering preparation, desk review, audit (remote and/or on-site) and report preparation.
- **Programming:** programming of remote and/or on-site audit activities, considering risk analysis and necessary tests.

The Audit Plan is just a preview to formalize the process and estimate the time needed for each step. The check times for each process may change during the audit if the analysis of the data and control systems results in a greater risk than initially expected.

The Audit Plan must contain the agreement for full access to documents and information essential for compliance assessment (procedures, lists, records, supplier registration, tax documents, etc.) and must be approved by the person in charge assigned by the company.

If an auditor does not obtain formal agreement and confirmation to fully access documents and data, he or she must decide if proceeding with the audit is feasible or if the process needs to stop until an agreement is reached.

When an auditor has obtained the agreement and formal confirmation of full data access but during the audit any access is denied, a non-compliance in the management/control system will be issued and recorded in the final report along with a remedial action claim.

Risk analysis

With basis on the information provided by the company, the auditors make a prior risk assessment and define the time that will be needed to verify, either remotely or on-site, the data and systems of the signatory company.

In this risk analysis, the audit firm must assess if the blocking sample and contract analysis tests need to be changed, according to its understanding, to ensure the audit objective is reached. For such, the auditors will need to request the complete list of purchases made in the period under assessment and the following criteria are suggested for the risk analysis:

- **Analysis of purchases with suppliers not in compliance with the Moratorium list:** check if purchases were made with suppliers barred by the Soy Moratorium lists. Depending on the outcome of this check, the auditor may consider the company's blocking system to be low or high risk, and may reassess the test sampling of the verification that will be carried out on site.
- **Scope analysis:** auditors can perform their own geospatial analysis with the help of experts from the audit firm to detect and rate the risk of deforestation around the company's processing units (analyse municipalities with the highest number of non-compliant areas - Soy Moratorium Monitoring Report -) <https://abiove.org.br/relatorios/moratoria-da-soja-relatorio-12o-ano/>.
- **Analysis of volume traded:** analyse the total volume traded by the company with non-compliant suppliers and/or by units in regions with higher number of non-compliant areas (scope).
- **Action plans implemented:** the auditor may assess, if provided by the company, a summary of the actions implemented to improve the soybean purchase management system based on non-compliances or suggestions for improvements detected in the previous year's audit (internal or external audit).

Based on the purchase list received, the auditors may define the sample of purchases that will be assessed during the audit and inform the customer in advance.

Note 1: *it is important to note that the sampling method must be random but this sample may be stratified on the basis of risk analysis.*

Note 2: *If any future contract or financing agreement exists outside the audited period, i.e. in a period prior to the list 1 provided, the company must send the list in force in the period to the auditor before the date of the audit to attest compliance. The previous lists can be obtained by the audit firm directly from the Brazilian Association of Vegetable Oil Producers (Abiove) and the National Association of Grain Exporters (Anec).*

Analysis of traded soybeans

In the desk review, the auditor must request from the company the list of all suppliers that traded soybeans during the audited period (purchase or financing) and cross-check them with the lists of non-compliant rural properties of the Amazon Soy Moratorium to identify which suppliers have possible non-compliances.

This list will be used by the auditor to check the next step of the audit (remote and/or in person) of purchases with caveats or non-compliant purchases. Important: this list must be compared with the list extracted at the time of the audit.

2nd Step - Conducting the audit (remote and/or in person)

The Amazon Soy Moratorium compliance auditors must follow the procedures and instructions described in this protocol and its complementary documents. The quality of evidence of compliance and non-compliance is under the responsibility of the auditors and is subject to assessment by GTS.

The structure below aims to guide the auditor during the verification of the Amazon Soy Moratorium requirements through verifiers, indicators, guiding questions, methods of collecting evidence and the step-by-step testing needed to verify each requirement:

- 1) The company must implement and maintain a management system for soybean trading in the Amazon biome to comply with the Soy Moratorium.
- 2) Not trade, acquire and finance soybeans from areas of the Amazon Biome deforested after July 2008.

Annex V offers detailed flowcharts to assess direct purchases, future direct purchases and financing, and for indirect/intermediary purchases and clauses in intermediary agreements.

The auditor must describe and analyse the company's processes and procedures in the **Final Audit Report**. The questions in the tables below are a guide for the auditor to assess the processes and procedures and do not need to be answered directly in the Final Report. Instructions for auditors regarding the record-keeping of evidence and non-compliances are provided in the Report Template (Annex III).

Requirement:	The company must implement and maintain a management system for soybean trading in the Amazon biome to comply with the Soy Moratorium
<i>What the auditor must check</i>	<i>Indicators, guiding questions, methods of collecting evidence and examples.</i>
1. Verify the soy supplier registration system	Indicator: Complete and updated registries of suppliers
	Guiding questions: <ul style="list-style-type: none"> • Is there a procedure in place for the registration of suppliers (individuals and companies)? <ul style="list-style-type: none"> ○ Is the registration corporate or done by each grain purchase unit? • Are all suppliers registered? <ul style="list-style-type: none"> ○ Is there a list of suppliers from the company's commercial registry, who traded soybeans during the audited period? ○ What is the update procedure and how is it informed to all those involved in the company? • What type of supplier and property data is entered (tabular and/or geographic?) <ul style="list-style-type: none"> ○ What type of tabular data (address, farm name, supplier name)? ○ What type of geographic data (georeferenced map, shapefiles etc.)? • What types of documents are required for vendor registration (contract number, CAR, State Registration, property registration, lease, etc.)?
	Method of collecting evidence: <ul style="list-style-type: none"> • Documentary analysis. • Analysis of supplier registration records. • Interviews with the supplier registration manager.
2. Verify the registration and update procedure of the moratorium lists	Indicator: The lists of rural properties not in compliance with the Soy Moratorium are systematized and updated in the management system.
	Guiding questions: <ul style="list-style-type: none"> • What is the registration and update procedure of the lists? <ul style="list-style-type: none"> ○ How often are the lists updated? ○ Who is responsible for registering and updating the information? • How does it integrate with the corporate management system? <ul style="list-style-type: none"> ○ Are the lists registered in the geomonitoring system, ERP (SAP, Oracle, Datasul, etc.) or in another? ○ What is the automation level of the list updates? Does the data need to be manipulated? ○ Are all the names on the lists entered or only those that are registered in the company's system?

Requirement:	The company must implement and maintain a management system for soybean trading in the Amazon biome to comply with the Soy Moratorium
	<ul style="list-style-type: none"> ○ Does the system keep track of the lists or does it write over the information when a new list is inserted into the system? <p>Method of collecting evidence:</p> <ul style="list-style-type: none"> • Documentary analysis. • Analysis of registration of records and list updates. • Interviews with the person in charge of registering and updating the lists.
3. Verify the registration and update procedure of the lists for environmental embargoes due to deforestation	<p>Indicator: The lists of areas with environmental embargoes due to deforestation are systematized and updated.</p> <p>Guiding questions:</p> <ul style="list-style-type: none"> • What is the registration and update procedure of the lists? <ul style="list-style-type: none"> ○ How often are the lists updated? ○ Who is responsible for registering and updating the information? • How does it integrate with the corporate management system? <ul style="list-style-type: none"> ○ Are the lists registered in the ERP system (SAP, Oracle, Datasul, etc.), geomonitoring system or in another? ○ What is the automation level of the list updates? Does the data need to be manipulated? ○ Are all the names on the lists entered or only those that are registered in the company's system? ○ Does the system keep track of the lists or does it write over the information when a new list is inserted into the system? • Does the company use geospatial data to verify environmental embargoes due to deforestation? <p>Method of collecting evidence:</p> <ul style="list-style-type: none"> • Documentary analysis. • Analysis of registration of records and list updates. • Interviews with the experts who make up the audit team with the person responsible for the registration of lists or IT.
4. Verify the registration and update procedure of the slave labour lists	<p>Indicator: The Slave Labour Blacklists are systematized and updated.</p> <p>Guiding questions:</p> <ul style="list-style-type: none"> • What is the registration and update procedure of the lists? <ul style="list-style-type: none"> ○ How often are the lists updated? ○ Who is responsible for registering and updating the information? • How does it integrate with the corporate management system? <ul style="list-style-type: none"> ○ Are the lists registered in the ERP system (SAP, Oracle, Datasul, etc.), geomonitoring system or in another? ○ What is the automation level of the list updates? Does the data need to be manipulated? ○ Are all the names on the lists entered or only those that are registered in the company's system? ○ Does the system keep track of the lists or does it write over the information when a new list is inserted into the system? <p>Method of collecting evidence:</p> <ul style="list-style-type: none"> • Documentary analysis. • Analysis of registration of records and list updates. • Interviews with the person in charge of updating the lists.
5. Verify the implementation of a geomonitoring system, if applicable	<p>Indicator: Geomonitoring is a procedure adopted by the company to check for deforestation in supplier farms.</p> <p>Guiding questions:</p> <ul style="list-style-type: none"> • Is there a procedure for managing suppliers through geomonitoring?

Requirement:	The company must implement and maintain a management system for soybean trading in the Amazon biome to comply with the Soy Moratorium
	<ul style="list-style-type: none"> ○ What requirements are verified in geomonitoring (e.g. Prodes deforestation, environmental embargoes due to deforestation, Indigenous Lands, Protected Areas and others). ○ Are complementary geomonitoring analyses carried out (e.g. temporal dynamics of deforestation)? ○ What criteria are used to define which purchases should be analysed using geomonitoring? <ul style="list-style-type: none"> ● What are the monitoring steps? ● What monitoring parameters are used? ● Who operates the geomonitoring? ● How are the results of the assessments reported for the company's decision-making? <p>Method of collecting evidence:</p> <ul style="list-style-type: none"> ● Documentary analysis. ● Analysis of geomonitoring records by the experts in the audit team. ● Interviews with the manager of the geomonitoring system. <p>Indicator:</p> <p>Complete and up-to-date geospatial database</p> <p>Guiding questions:</p> <ul style="list-style-type: none"> ● Is there a procedure for managing databases? ● How are the databases formed (which databases are part of this database: annual deforestation database; temporal dynamics of deforestation)? ● Who manages the databases (own or outsourced management, qualification of own or third party technicians, etc.)? ● How are the databases updated (duties, frequency)? ● Do the databases include 100% of the registered suppliers? <ul style="list-style-type: none"> ○ If less than 100%, what is the development/organisation status of the database? <p>Method of collecting evidence:</p> <ul style="list-style-type: none"> ● Documentary analysis. ● Analysis of geomonitoring records by the experts in the audit team. ● Interviews with the manager of the geomonitoring system.
6. Verify the system procedure for the blocking/unblocking of suppliers	<p>Indicator:</p> <p>Purchases from suppliers who are not in compliance with the requirements of the Amazon Soy Moratorium are blocked.</p> <p>Guiding questions:</p> <ul style="list-style-type: none"> ● Is there a procedure for managing supplier blocks? <ul style="list-style-type: none"> ○ What are the steps and criteria to block purchases when monitoring shows non-compliance in a supplier? ○ At what stages of the soybean sourcing operation is the block put in place (registration, contract, soybean receipt, payment of the contract, etc.)? ○ Are the blocks of the moratorium requirements carried out in the same system (moratorium lists, environmental embargoes due to deforestation, slave labour and geomonitoring analysis, if applicable)? ○ How does it integrate with the corporate management system? ● Is the block manual or automatic? <ul style="list-style-type: none"> ○ Is there any level of conflict of interest and independence of the person in charge (e.g. is the blocking decision taken by the same operator negotiating the purchase agreement)? ● How are the blocking results reported for the purpose of decision-making? <ul style="list-style-type: none"> ○ What happens to the procedure and decision-making flow after the block (independence and impartiality in the process)? ○ Who is informed of the block? ○ When is the block informed? ● Are additional good practices implemented in the blocking process of suppliers? <ul style="list-style-type: none"> ○ Is an analysis performed using the collection of evidence, photos, field visits, follow-up reports, etc? <p>Method of collecting evidence:</p>

Requirement:	The company must implement and maintain a management system for soybean trading in the Amazon biome to comply with the Soy Moratorium
	<ul style="list-style-type: none"> • Documentary analysis (procedure, blocking records, internal audits, if applicable, and remedial actions) • Interview with the person in charge of the purchase blocking operation • Testing of the blocking system according to requirement 7 <p>Indicator:</p> <p>When a supplier's block is lifted, the requirements of the Amazon Soy Moratorium are guaranteed to be met.</p> <p>Guiding questions:</p> <ul style="list-style-type: none"> • Is there a procedure for managing supplier unblocking? <ul style="list-style-type: none"> ○ What are the steps and criteria for lifting blocks on purchases? Consider the lists of the moratorium, environmental embargoes due to deforestation, slave labour and geomonitoring, if applicable. ○ At what stages of the soybean sourcing operation is the block lifted (registration, contract, soybean receipt, payment of contract, etc.)? ○ What procedures are put in place to prevent soybean triangulation on unblocked farms? • Who is responsible for the unblocking operation? <ul style="list-style-type: none"> ○ Is there any conflict of interest between the person responsible for lifting the block and the commercial area/sourcing of the soybeans? In other words, is there any level of independence of the person in charge (e.g. is the unblocking decision taken by the same operator negotiating the purchase agreement)? • Is there a mechanism in place to prevent a block from being lifted unintentionally? <ul style="list-style-type: none"> ○ In case of operation failure (involuntary unblocking) is there a remedial action procedure in place? • Are additional good practices implemented in the unblocking process of suppliers? <ul style="list-style-type: none"> ○ Is an analysis performed using the collection of evidence, photos, field visits, follow-up reports, etc? <p>Method of collecting evidence:</p> <ul style="list-style-type: none"> • Documentary analysis. • Analysis of the unblocking records in the system. • Interview with the person in charge of the purchase unblocking operation
7. Verify the efficiency of the supplier blocking system	<p>Test the blocking system by simulating purchases using data from suppliers detected with deforestation in the soy moratorium list.</p> <p><i>Note: This cannot be assessed if the blocking system is not automated.</i></p> <ol style="list-style-type: none"> 1. Select the verification sample from at least the square root of the number of company suppliers during the audit period, limited to the maximum square root of the number of non-compliant suppliers in the Soy Moratorium list in force on the date of the audit. <ul style="list-style-type: none"> ○ Note: 1: the auditor must adjust the testing strategy according to the blocking procedures adopted by the company. For example, the company may have a procedure that activates the block when the supplier is registered or at the time the soybeans are purchased. ○ Note: 2: the auditor may change the sampling, according to the risk analysis performed in the audit plan. The suppliers named in the moratorium list and that are located in the municipalities where the company operates should be tested, with priority given to the municipalities with the highest rate of deforestation¹. 2. Based on the name and CPF/CNPJ taxpayers' registry number simulate the purchase process in the company's blocking system using the selected suppliers. 3. Record examples of evidence of the blocking system testing for reporting purposes.

¹ <https://abiove.org.br/relatorios/moratoria-da-soja-relatorio-12o-ano/>.

Requirement:	The company must implement and maintain a management system for soybean trading in the Amazon biome to comply with the Soy Moratorium
	If failure to block non-compliant suppliers or the company's system are identified, evidence should be collected for reporting purposes.
8. Verify the control procedure for purchases from direct suppliers	<p>Indicator:</p> <p>The company implements measures to impede the triangulation of soybeans among its direct suppliers.</p> <p>Guiding questions:</p> <ul style="list-style-type: none"> • Are there procedures in place to detect potential triangulation of soy among the direct suppliers and farms of origin? <ul style="list-style-type: none"> ○ What control measures have been implemented? The description must consider the setting of alerts in soybean sourcing based on the information available. ○ Is the supplier's productivity index calculated? What limit has the company set to monitor the productivity index, to prevent soybean triangulation? What measures are taken when the index is above the benchmark set by the organisation? ○ Who is in charge of impeding/analysing soybean triangulation among direct suppliers? <p>Method of collecting evidence:</p> <ul style="list-style-type: none"> • Documentary analysis. • Interview with the person involved in the soybean triangulation analysis
9. Verify the control procedure for purchases from intermediaries (cereal traders, resellers, co-ops, trading companies, etc.)	<p>Indicator:</p> <p>The company details the requirements of the Amazon Soy Moratorium during the trade and acquisition of soybean with intermediaries through the clauses of contracts or in the intermediaries' statement.</p> <p>Guiding questions:</p> <ul style="list-style-type: none"> • Are there standard contract models or supplier statements regarding the Soy Moratorium? <ul style="list-style-type: none"> ○ What types of contracts exist (financing, over-the-counter, fixed price, to be fixed, etc.)? Were any of the models changed during the audit period? If yes, are there any contracts in force using the old version of the contract? ○ Do the clauses or statement mention the prohibition to purchase products from deforested areas in the Amazon biome, as well as from areas with environmental embargo due to deforestation or names on the Blacklist of Slave Labour? ○ Does the statement include the name of the supplier and the CPF/CNPJ taxpayer' registry number? ○ Who is in charge of drawing up the contracts or statement of the intermediaries (e.g: legal department)? <p>Method of collecting evidence:</p> <ul style="list-style-type: none"> • Analysis of contract records and documents The number of intermediaries to be sampled must be the square root of the total intermediaries of the company. The auditor may change the sample, according to the risk analysis performed in the planning of the audit, keeping at least 05 intermediaries and showing all the contract models in force at the company (e.g.: over-the-counter purchase, financing, others). • Interview with the person involved in drawing up the contracts or supplier statement. • <u>Check at least two contracts for each supplier sampled:</u> <ul style="list-style-type: none"> ○ Contracts and/or statements of different soybean sourcing periods (harvest). ○ Contracts and/or statements from different units that received the soybean produced in the Amazon biome. <p>Indicator:</p>

Requirement:	The company must implement and maintain a management system for soybean trading in the Amazon biome to comply with the Soy Moratorium
10. Analyse the implementation of ongoing improvements in the monitoring system.	The company implements improvements in the soy purchase management system to meet the requirements of the Soy Moratorium.
	Guiding questions: <ul style="list-style-type: none"> • Is there a procedure for ongoing improvements in the monitoring system? • Are improvement, remedial or preventive action plans put in place for non-compliances detected in audits (internal and external)? • Are plans established on the basis of root cause analysis? • Is the implementation of action plans monitored? Is the efficiency of the action plans assessed? • Are internal audits conducted? • Does the company implement an action plan based on improvements detected in the audits (internal and external)?
	Method of collecting evidence: <ul style="list-style-type: none"> • Documentary analysis (procedure, non-compliance records, action plans and other records) • Interview with the person in charge of Soy Moratorium management

Requirement:	Not trade soybeans from areas of the Amazon Biome deforested after July 2008.
<i>What the auditor must check</i>	<i>Indicators, guiding questions, methods of collecting evidence and examples.</i>
11. Verify the purchase history of direct suppliers (including future contracts and financing)	Indicator: Purchases from suppliers marked with deforestation on the Soy Moratorium lists are blocked.
	Guiding questions: <ul style="list-style-type: none"> • Is there any procedure in place to guide the purchase of soy from direct suppliers? <ul style="list-style-type: none"> ○ How is the assessment made if the purchase can be cleared? ○ Who is in charge of purchases from direct suppliers? • How does the company tackle situations of purchases with caveats (purchases of properties in compliance with the Soy Moratorium that belong to non-compliant producers due to the existence of another property in a situation of non-compliance). <ul style="list-style-type: none"> ○ What measures have been adopted by the company to eliminate risk in the sourcing of soy from these producers? • How does the company control the total amount of soybeans purchased in the harvest from non-compliant producers linked to future contracts and financing, i.e., that have been executed prior to the inclusion of the property in the list of non-compliant producers? • What is the share (in % of volume) of purchases from intermediaries in the company's total purchase volume during the audit period? • How are soybean purchases recorded in the company's system? <ul style="list-style-type: none"> ○ Are there any codes or fields that define the various purchasing methods (over-the-counter, financed, pre-financed, etc.)? ○ Does the system offer traceability of purchase records? In other words, is there a log and is it possible to check the transactions made by each user and their dates? ○ What is the procedure used to extract the purchase list of the period in the control system? Is any of the data manipulated (deletion of data from returns, correction of invoice data, etc.)? ○ Are corrections made in volumes received?
	Method of collecting evidence: <ul style="list-style-type: none"> • Interview with the person in charge of IT or the person responsible for extracting the list from the purchase registration system. • List of rural properties that do not comply with the commitment. <ul style="list-style-type: none"> ○ Select all suppliers who sold soybeans in the audit period from the company's commercial registry.

Requirement:	Not trade soybeans from areas of the Amazon Biome deforested after July 2008.
	<ul style="list-style-type: none"> <ul style="list-style-type: none"> <ul style="list-style-type: none"> ▪ Request information based on the date the soy was received within the audit period, associating at least the identification of the supplier (name, farm, municipality, CPF/CNPJ ID tax number), the date of the contract and the volume received in the period. ○ Check the list extraction procedure in the system, ensuring the filters applied cover all purchases for the period in question ○ From this extracted list, cross-check all the selected suppliers/suppliers in the trade register with the lists of non-compliant rural properties • When identifying purchases from vendors on the list, request the transaction statement and the purchase documents and invoices of receipt by the vendor for the period during which these suppliers remained on the list. <ul style="list-style-type: none"> ○ If the purchase was made while the property was not on the list, the purchase is "compliant"; ○ If the purchase was made while the property was included in any list, the purchase is "non-compliant". <ul style="list-style-type: none"> ▪ For future purchases or financing, the auditor must ensure that the volumes received do not exceed the contractual amounts (transaction statement). If so, information and records must be collected and the case must be reported as a "qualified opinion" ○ If a purchase is made with a supplier who has a rural property included in a non-compliance list but the property with trade registration is not the one listed, the purchase is compliant and the auditor must also register a purchase with "qualified opinion"; ○ If other cases are found that point to a non-compliant property (e.g.: estate, nomenclature including "others", lease, etc.), the case must be reported as a "qualified opinion".
	<p>Evidence</p> <p>For all purchases classified as "qualified opinion", the auditor must highlight and record the following information in a report.</p> <ul style="list-style-type: none"> • Information and data: <ul style="list-style-type: none"> ○ Sourcing branch (name and place) ○ Name and ID of supplier ○ CPF/CNPJ taxpayers' ID number ○ Name of farm or corporate title from where the soy was sourced ○ Geographical coordinates of the farm ○ CAR number ○ Production area <ul style="list-style-type: none"> ○ Trading period ○ Contract number ○ Contract date • Statement of transaction (dates, contract numbers, Invoice numbers, volume received, State Registration, farm name); • Sampling of invoices.

Step 3: Concluding the Amazon Soy Moratorium Verification Audit

At the conclusion, the audit team must clearly and objectively inform the company if the Moratorium requirements have been met. Examples of the evidence leading to this conclusion must be provided orally, and must be detailed in the Final Report submitted to the company within a period predefined by the parties.

Should disagreements arise between the company and the auditor during the audit and in the final conclusions, such issues must be forwarded to GTS for further analysis.

Step 4: Reporting the outcome of the audit

The completeness and clarity of the information presented by the auditors is essential for the companies to establish actions to improve their compliance with the Amazon Soy Moratorium, and to demonstrate their commitment to buyers and other stakeholders.

7. PUBLICATION OF RESULTS

Final Audit Report:

The audit organisation must send a report to the company with the conclusion and findings of the audit. The report must include all items detailed in the Report Template (Annex III).

The auditor must:

- describe in the report the company's management procedures for the audit's guidance requirements
- provide a list of evidence supporting compliances and non-compliances
 - for non-compliances, it is important to provide a clear statement in a negative format about what is wrong in the assessed items.
- mark if the company complies with each indicator yes, partially or no.

Reminder: The guiding questions in the tables below are only a guide for the auditor to assess the processes and procedures and do not need to be answered directly in the Final Report. More instructions for auditors regarding the record-keeping of evidence and non-compliances are provided in the Report Template (Annex III).

Non-compliances may refer to:

- **Amazon Soy Moratorium Commitment** - non-compliant purchase or business transactions performed by the company that does not meet the Amazon Soy Moratorium requirements. *An issued non-compliance demonstrates that the company does not comply with the Soy Moratorium.*
- **Management System and Audit Process** - Failure to meet a management system requirement: registration of suppliers, registration and update of lists, blocking system, contractual clause or intermediaries' statement, lack of access to information or auditor systems, etc.

The company must prepare a **Remedial Action Plan** (Annex IV) based on root cause analysis for every non-compliance and add it to the **Final Audit Report**, for the conclusion of the process and submission to GTS.

Public Summary of the Final Audit Report: the audit firm will issue a document that may be made public by the companies, containing the summary results of the audits, safeguarding all confidential information, according to the Report Template (Annex III). Report topics labelled with the word *confidential* must be deleted from the Public Summary (keep the topic in the summary of the abstract so the elements that compose the report can be properly identified).

Transparency:

The Final Audit Reports sent to GTS will be evaluated by a GTS audit coordination committee composed of industry and civil society representatives. The result of the analysis may be published in a consolidated manner aligned with the individual results of each company. The company can publicly disclose the audit by publishing the **Public Summary of the Final Audit Report** issued by the audit organization.

The result of the GTS analysis and the public announcement may be made on the website or in the social networks of the signatory companies and on the website of the Soy Working Group (GTS).

8. ANNEXES

ANNEX I - LISTS OF RURAL PROPERTIES NOT IN COMPLIANCE WITH THE AMAZON SOY MORATORIUM

In the audit period - April 1, 2019 to March 31, 2020, the lists of non-compliant properties were in force, as shown below.

Therefore, for the Amazon Soy Moratorium audit of the current year, the following lists will be used for verification:

2018/2019 Crop year

- **List 1:** valid for auditing receipts and soybean purchasing and financing transactions from **01/04/2018 to 16/04/2018**
- **List 2:** valid for auditing receipts and soybean purchasing and financing transactions from **17/04/2018 to 19/06/2018**
- **List 3:** valid for auditing receipts and soybean purchasing and financing transactions from **20/06/2018 to 05/12/2018**
- **List 4:** valid for auditing receipts and soybean purchasing and financing transactions from **06/12/2018 to 05/02/2019**
- **List 5:** valid for auditing receipts and soybean purchasing and financing transactions from **06/02/2019 to 31/03/2019**

2019/2020 Crop year

- **List 1:** valid for auditing receipts and soybean purchasing and financing transactions from **01/04/2019 to 18/06/2019**
- **List 2:** valid for auditing receipts and soybean purchasing and financing transactions from **19/06/2019 to 28/08/2019**
- **List 3:** valid for auditing receipts and soybean purchasing and financing transactions from **29/08/2019 to 10/11/2019**
- **List 4:** valid for auditing receipts and soybean purchasing and financing transactions from **11/11/2019 to 31/03/2020**

2020/2021 Crop year

List in force on the date of the audit: valid for defining the sampling and blocking system tests (checker 7).

ANNEX II – CONFIDENTIALITY AGREEMENT

COMMITMENT TO CONFIDENTIALITY, IMPARTIALITY AND CLARIFICATION OF CONFLICTS OF INTEREST

I, [Click here to type](#) residing and domiciled in the city of CITY , enrolled with the CPF Individual Taxpayers' Registry under no. [Click here to type](#) and RG Individual ID no. [Click here to type](#) agree to:

1. include in this document any current or previous association with the client and/or affiliated parties that represent or could come to represent a conflict of interest with the activities rendered. This statement includes all employment or business relationships, affiliations, personal or investment connections that I have had with the client and/or affiliates in the past five years
2. maintain complete confidentiality of all documentation, interviews, conversations and any information related to auditing, verification and all its clients, obtained during my work with the Soy Working Group - GTS
3. not discuss the content of this information with other parties/persons/institutions; make or distribute copies of any document or report unless specifically authorized by GTS
4. maintain impartiality in all work rendered in audit and verification activities
5. I will immediately report to GTS any occurrence of threats or effective actions of coercion, corruption or receipt of gifts of considerable financial value during the performance of the activities
6. I hereby declare that:
 - I have no potential or actual conflicts of interest in my work
 - I have potential or actual conflicts of interest in my work

In case of a conflict of interest, please specify below:

[Click here to type](#)

I fully agree with all the conditions established by the contractor, and I warrant that all the information provided here is true and correct to the best of my knowledge.

CITY, [Click here to enter a date](#)



AMAZON SOY MORATORIUM
2019/20 Crop year

AUDIT REPORT

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1. PRESENTATION

Instruction for auditors: use the standard text below and fill in only the shaded areas.

This report aims to present the outcome of the verification audit carried out at COMPANY NAME signatory to the Amazon Soy Moratorium and associated with Choose an item.

This report is in accordance with the "**Amazon Soy Moratorium Protocol 2019/2020**", of **July 22, 2020**, which sets forth the guidelines to be followed by the independent auditors duly approved by the *Soy Working Group*.

The results reported hereby encompass a description of the applied audit procedures, a description of the processes adopted by the companies to monitor purchases and soybean financing and purchases with caveats, the registration of non-compliances issued, objective evidence of non-compliance and compliance and audit conclusion.

2. GENERAL INFORMATION REGARDING THE VERIFICATION AUDIT

2.1 PLACE AND DATE

DD/MM/YYYYY	Until	DD/MM/YYYYY	City:	Name of city, State
-------------	-------	-------------	-------	---------------------

2.2 IDENTIFICATION OF AUDIT TEAM

Data from the verification body:

Verification body	
Name:	Click here to type
Address:	Click here to type
Contact (name and tel./e-mail):	Click here to type

The audit team was composed of the following auditors (confidential):

Name of auditor	Title	Qualifications
NAME OF AUDITOR	Choose an item	Description
NAME OF AUDITOR	Choose an item	Description
NAME OF AUDITOR	Choose an item	Description

The auditors named here have signed a **Confidentiality Agreement**, attached to this report.

2.3 SCOPE OF AUDIT

Instruction for auditors: describe the units of the company that source soybeans grown in the Amazon biome.

Name of unit	Type of operation	Location (City, State)
		Press TAB to add lines

2.4 Resources and List of Documents used in the audit

The audit team states hereby that access to the resources needed for the audit, such as systems, programs, documents, employees and physical spaces, under the scope of the audit were Choose an item in order to make it possible Choose an item for the audit to be conducted Choose an item.

The documents accessed are listed below:

- Amazon Soy Moratorium Protocol 2019/2020**
- Lists of rural properties not in compliance with the Amazon Soy Moratorium - 2019/2020, 2018/2019 and 2017/2018 crop year, if necessary
- Complete list of purchases made by the company
- Others: List other documents used as reference for the audit

3. Audit Conclusion

Based on the procedures applied and the results reported in section 5 concerning the information and processes linked to compliance with the Amazon Soy Moratorium for the period from April 1, 2019 to March 31, 2020, we conclude that the company **Choose an item** with the requirement **not to trade, acquire and finance soybeans from areas of the Amazon Biome deforested after July 2008.**

Instruction for auditors: optional completion. The description must be clear and not contradict the conclusion above.

Objectively describe additional comments that the auditor believes reinforce the above conclusion: in the case of compliance (strengths, good monitoring practices considered benchmarks) or in case of non-compliance with the Moratorium (points of weakness and inconsistencies).

4. AUTHORIZATION TO DISCLOSE THE PUBLIC SUMMARY OF THE AUDIT

Choose an item in accordance with the publication of the Public Summary on the transparency platform endorsed by ANEC/ABIOVE.

5. Verification Results

5.1 REQUIREMENT 1: NOT TRADE, ACQUIRE AND FINANCE SOYBEANS FROM AREAS OF THE AMAZON BIOME DEFORESTED AFTER JULY 2008.

5.1.1 NON-COMPLIANCE (CN) WITH AMAZON SOY MORATORIUM

Instruction for auditors: Non-compliance with the Amazon Soy Moratorium applies only to requirement 1 of the protocol. Only issue a general non-compliance below in the event of purchases from non-compliant farms included in the lists issued by GTS. Do not include information about the producer that does not comply with the moratorium since this part of the report will be included in the Public Summary of the Audit Report.

Description of NC

Objectively describe the non-compliance rendered with basis on the aspect assessed and refer to the requirement and non-compliant indicator.

Evidence

Objectively describe the evidence found that led to the issuance of the NC. Do not name the producer that did not comply with the moratorium since this part of the report will be included in the Public Summary of the Audit Report.

5.1.2 Assessment of the indicator and records of evidence of non-compliant purchases with caveats (confidential)

Instruction for auditors: describe the evidence of compliance or noncompliance and your assessment of compliance with the indicator. Example of good practice in writing to support evidence:

"Documents and records of sale (ref. XX evidence) confirm that soybeans were purchased from areas with deforestation after 2008 in the period from XX/XX/XX to XX/XX/XX. The person in charge of the YY area agrees that discrepancies in purchase control have occurred..."

11. Verify the purchase history of direct suppliers (including future contracts and financing)
Indicator: Purchases from suppliers marked with deforestation on the Soy Moratorium lists are blocked.
<i>Instruction for auditors: Briefly describe the procedure performed for the verification. This audit procedure must include at least the procedure to check the extraction of the purchase list (record the system codes that demonstrate that the list is complete and includes over-the-counter purchases, financed and pre-financed purchases and others) and an analysis of purchase documents, invoices and statements and transactions for cases of non-compliant purchase and purchases with caveats.</i> <i>The description must contain at least the content verified in accordance with the guiding questions of the Protocol.</i>
Evidence: <ul style="list-style-type: none"> • No. of direct purchases: <ul style="list-style-type: none"> ○ No. of future purchases and financing: ○ No. of non-compliant purchases: ○ No. of purchases with caveats: • No. of purchases with intermediaries: <ul style="list-style-type: none"> ○ No. of non-compliant purchases: ○ No. of purchases with caveats:

Instruction for auditors: Replicate the registration box below as needed. Digital or scanned records must be organized in a digital file so they can be analysed more easily by the GTS assessment committee. Include in the evidence field examples of invoices and images of the contract that include the contract number, name of the farm, contracted volume and date of execution. The auditor may include more evidence in the Annexes, if necessary.

Recording evidence - Non-Compliant Purchase
E. 01– Information and data: Sourcing branch (name and location): Click here to type Name and identification of producer - CPF/CNPJ (taxpayer registry ID no.): Click here to type Name of farm or corporate title where the soy was sourced Click here to type Volume of soy trade: Click here to type Trading period: Click here to type Contract number: Click here to type Contract date: Click here to type Other information (e.g. invoice number): Click here to type

Recording evidence - Non-Compliant Purchase			
E. 01 – Brief description		E. 02 – Brief description	
E. 03 – Brief description		E. 04 – Brief description	

Instruction for auditors: Replicate the registration box below as needed. Digital or scanned records must be organized in a digital file so they can be analysed more easily by the GTS assessment committee.

Recording evidence - Purchases with caveats
<p>E. 01– Information and data:</p> <p>Sourcing branch (name and location): Click here to type</p> <p>Name and identification of producer - CPF/CNPJ (taxpayer registry ID no.): Click here to type</p> <p>Name of farm or corporate name of farm listed in the Moratorium: Click here to type</p> <p>Name of farm or corporate title where the soy was sourced Click here to type</p> <p>Geographic coordinates of farm where the soy was sourced: Click here to type</p> <p>CAR number of farm where the soy was sourced: Click here to type</p> <p>Production area of farm where the soy was sourced: Click here to type</p> <p>Trading period: Click here to type</p> <p>Contract number: Click here to type</p> <p>Contract date: Click here to type</p> <p>Volume of soy trade: Click here to type</p>

Recording evidence - Purchases with caveats			
E. 01 – <i>Brief description</i>		E. 02 – <i>Brief description</i>	
E. 03 – <i>Brief description</i>		E. 04 – <i>Brief description</i>	

5.2 Requirement 2: The company must implement and maintain a management system for soybean trading in the Amazon biome to comply with the Soy Moratorium

5.2.1 Non-compliance (NC) in the Management System and Audit Process

Instruction for auditors: The non-compliance applies to requirement 2 or is related to the audit process in the management system assessment. Issue a non-compliance for each aspect of the management system established by the company that is not fully met. Replicate the table below in case of more than one non-compliance so each NC can be recorded individually.

No.	01/XX	Aspect of NC	Choose an item
Description of NC			
<i>Objectively describe the non-compliance rendered with basis on the aspect assessed and refer to the requirement and non-compliant indicator.</i>			
Evidence			
<i>Objectively describe the evidence found that led to the issuance of the NC.</i>			

5.2.2 Opportunities for Improvement in the Management System

Instruction for auditors: The auditor must register aspects in the audit process that point to opportunities for the company to add improvements to its management and control system, so as to achieve greater compliance with the Soy Moratorium.

Reminder: an opportunity for improvement is not the correction of a non-compliance, but an aspect of the management system that can be improved.

No.	Category	Description
1	Choose an item	
2	Choose an item	
3	Choose an item	
4	Choose an item	
5	Choose an item	<i>Press TAB to add lines</i>

5.2.3 Assessment of indicators and records of evidence of the Management System (confidential)

Instruction for auditors: describe the evidence of full, partial or no compliance and your assessment of the compliance with the indicator. Example of good practice in writing to support evidence:

"The analysis of the management documents (ref. evidence XX) showed that the procedure for registration of individual and corporate suppliers in the Alfa-Beta-Gama system exists and is implemented in a centralized way. The person in charge of the YY area procedure can inform the steps..."

It was also verified that geographic data is entered for all registered suppliers. A sample of X supplier registrations from a total of Y, shows that there is no lack of information etc...."

1. Verify the soy supplier registration system
Indicator:
Complete and updated registries of suppliers
<i>Instruction for auditors: Briefly describe the standard procedure adopted by the company for the registration of suppliers. Also describe how the company updates the information.</i>
<i>The description must contain at least the content verified in accordance with the guiding questions of the Protocol.</i>
List of evidence (documents, records and interviews):
• • •
Complies: yes <input type="checkbox"/> partially <input type="checkbox"/> no <input type="checkbox"/>
2. Verify the registration procedure and update the moratorium lists
Indicator:
The lists of rural properties not in compliance with the Amazon Soy Moratorium are systematized and updated in the management system.
<i>Instruction for auditors: Briefly describe the standard procedure adopted by the company for the registration the moratorium lists. Also describe how the company updates the information.</i>
<i>The description must contain at least the content verified in accordance with the guiding questions of the Protocol.</i>
List of evidence (documents, records and interviews):
• •

•
Complies: yes <input type="checkbox"/> partially <input type="checkbox"/> no <input type="checkbox"/>
3. Verify the registration and updating procedure of the lists for environmental embargoes due to deforestation
Indicator: The lists of areas with environmental embargoes due to deforestation are systematized and updated.
<i>Instruction for auditors: Briefly describe the standard procedure adopted by the company for the registration of environmental embargoes due to deforestation lists. Also describe how the company updates the information.</i>
<i>The description must contain at least the content verified in accordance with the guiding questions of the Protocol.</i>
List of evidence (documents, records and interviews): • • •
Complies: yes <input type="checkbox"/> partially <input type="checkbox"/> no <input type="checkbox"/>
4. Verify the registration and updating procedure of the slave labour lists
Indicator: The Slave Labour Blacklists are systematized and updated.
<i>Instruction for auditors: Briefly describe the standard procedure adopted by the company for the registration of slave labour lists. Also describe how the company updates the information.</i>
<i>The description must contain at least the content verified in accordance with the guiding questions of the Protocol.</i>
List of evidence (documents, records and interviews): • • •
Complies: yes <input type="checkbox"/> partially <input type="checkbox"/> no <input type="checkbox"/>
5. Verify the implementation of a geomonitoring system, if applicable
Indicator: Geomonitoring is a procedure adopted by the company to check for deforestation in supplier farms.
<i>Instruction for auditors: Briefly describe the supplier management procedure by geomonitoring adopted by the company. Also describe how the company makes decisions based on this information.</i>
<i>The description must contain at least the content verified in accordance with the guiding questions of the Protocol.</i>
List of evidence (documents, records and interviews): • • •
Complies: yes <input type="checkbox"/> partially <input type="checkbox"/> no <input type="checkbox"/>
Indicator:

Complete and up-to-date geospatial database
<i>Instruction for auditors: Briefly describe the geospatial databank management procedure adopted by the company.</i>
<i>The description must contain at least the content verified in accordance with the guiding questions of the Protocol.</i>
List of evidence (documents, records and interviews):
<ul style="list-style-type: none"> • • •
Complies: yes <input type="checkbox"/> partially <input type="checkbox"/> no <input type="checkbox"/>
6. Verify the system procedure for the blocking/unblocking of suppliers
Indicator:
Purchases from suppliers who are not in compliance with the requirements of the Amazon Soy Moratorium are blocked.
<i>Instruction for auditors: Briefly describe the procedures adopted by the blocking systems in operation and their structural characteristics. Briefly describe the established planning for its maintenance and improvement.</i>
<i>The description must contain at least the content verified in accordance with the guiding questions of the Protocol.</i>
List of evidence (documents, records and interviews):
<ul style="list-style-type: none"> • • •
Complies: yes <input type="checkbox"/> partially <input type="checkbox"/> no <input type="checkbox"/>
Indicator:
When a supplier is unblocked, the requirements of the Amazon Soy Moratorium are guaranteed to be met.
<i>Instruction for auditors: Briefly describe the procedures adopted by the unblocking systems in operation and their structural features.</i>
<i>The description must contain at least the content verified in accordance with the guiding questions of the Protocol.</i>
List of evidence (documents, records and interviews):
<ul style="list-style-type: none"> • • •
Complies: yes <input type="checkbox"/> partially <input type="checkbox"/> no <input type="checkbox"/>
7. Verify the efficiency of the supplier blocking system
Test the blocking system by simulating purchases using data from suppliers detected with deforestation in the Amazon soy moratorium list.
<i>Instruction for auditors: Describe the procedure used to test the blocking system, naming the systems that were accessed by the auditor during the check as well as the steps taken.</i>
<i>What are the strengths and weaknesses of the implemented system that have been tested? Based on the test performed, conclude whether the blocking system is effective.</i>
Evidence:

- Number of simulations performed:
- No. of simulations with non-compliance results:

Instruction for auditors: Digital or scanned records must be organized in a digital file so they can be analysed more easily by the GTS assessment committee.

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E. 01 – Brief description

E. 02 – Brief description

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E. 03 – Brief description

E. 04 – Brief description

Complies: yes partially no

8. Verify the purchasing control procedure for direct suppliers

Indicator:

The company adopts measures to impede the triangulation of soybeans among its direct suppliers.

Instruction for auditors: Describe the practices adopted by the company in the analysis of potential triangulation of soybean from non-compliant properties through the use of compliant properties.

The description must contain at least the content verified in accordance with the guiding questions of the Protocol.

List of evidence (documents, records and interviews):

-
-
-

Complies: yes partially no

9. Verify the purchasing control procedure of intermediaries (cereal traders, resellers, co-ops, trading companies, etc.)

Indicator:

The company details the requirements of the Amazon Soy Moratorium during the trade and purchase of soybean with intermediaries through the clauses of contracts or in the intermediaries' statement.

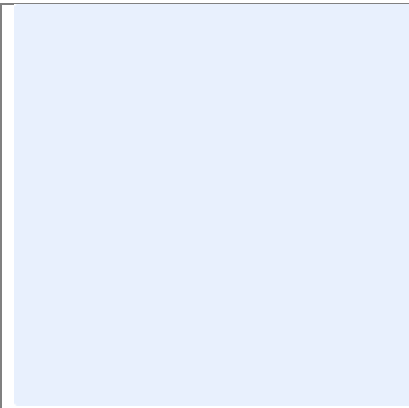
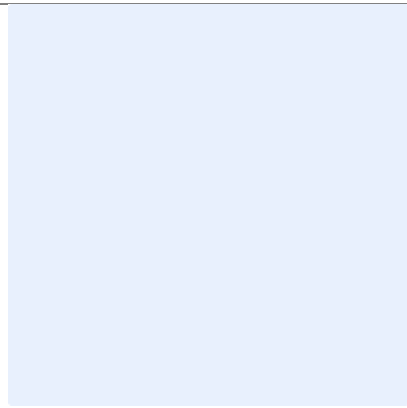
Instruction for auditors: Briefly describe the procedure carried out by the auditor to establish a sample of purchases from intermediaries for verification of a clause in the contract or statement by the supplier of compliance with the Soy Moratorium. Consider applying the sample calculation criteria by identifying the soybean receipt units in terms of their location and the risk analysis performed.

The description must contain at least the content verified in accordance with the guiding questions of the Protocol.

Evidence:

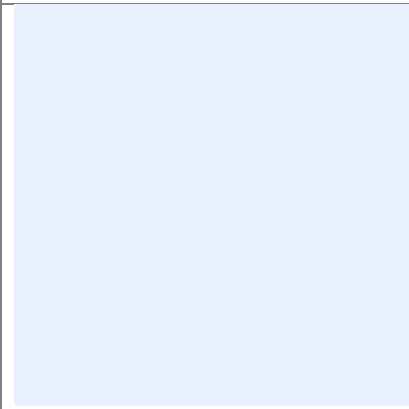
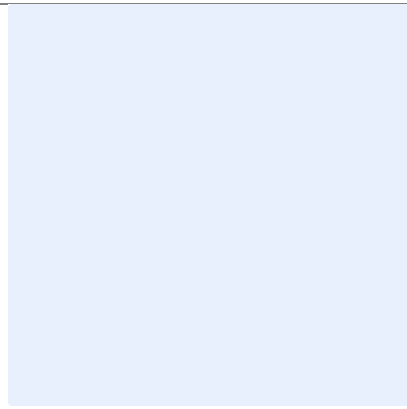
- Number of intermediaries:
- Sampling:
- Number of non-compliant suppliers:

Instruction for auditors: Digital or scanned records must be organized in a digital file so they can be analysed more easily by the GTS assessment committee.



E. 01 – Brief description

E. 02 – Brief description



E. 03 – Brief description

E. 04 – Brief description

Complies: yes partially no

10. Analysing the implementation actions for ongoing improvements in the monitoring system.

Indicator:

The company implements improvements in the soy purchase management system to meet the requirements of the Soy Moratorium.

Instruction for auditors: Briefly describe the management procedure for ongoing improvement of the management of the moratorium. The description must contain at least the content verified in accordance with the guiding questions of the Protocol.

List of evidence (documents, records and interviews):

<ul style="list-style-type: none"> • • •
Complies: yes <input type="checkbox"/> partially <input type="checkbox"/> no <input type="checkbox"/>

6. Points of disagreement between auditor and audited party (confidential)

Description
<i>Objectively describe any points of disagreement between the company and the auditor during the audit and in the final conclusions if necessary.</i>

7. Annexes (confidential)

- Additional evidence (optional)

Instruction for auditors: this annex may include more evidence than what is requested above, and that demonstrates compliance and non-compliance with the requirements of the Soy Moratorium.

Reminder: Rows can be inserted in the tables in section 5 for the inclusion of more evidence, as needed by the auditor.

- Audit Plan

Instruction for auditors: a copy of the Audit Plan agreed with the company and the description of any change made in the audit plan during the course of the audit must be included in this annex.

- Attendance list

Instruction for auditors: all people interviewed during the audit, either remotely or in person, must be listed in this annex, specifying those who were in attendance at the opening and closing meetings. A signed attendance list may be included, if applicable.

- Risk analysis - remote and/or in person

Instruction for auditors: as defined in item B - Risk Analysis, of the ANNEX - GUIDELINES FOR REMOTE AUDITING, in case of remote audit, the auditor must present in this annex a reason for choosing either the remote and/or face-to-face audit with an analysis of the risk rating identified.

- Statement of responsibility for information

Instruction for auditors: the Statement signed by the company must be attached.

- Signed Confidentiality Agreement



**SOY MORATORIUM
2019/20 Crop Year**

REMEDIAL ACTION PLAN FOR THE VERIFICATION AUDIT OUTCOME

A remedial action is an action taken to ensure that a problem does not recur. The remedial action must be taken on the "root cause" that gave rise to the non-compliance.

For every non-compliance detected in the verification audit, an investigation is required to determine its cause so that the remedial action can be targeted at the appropriate part of the system.

When developing a plan to address a non-compliance, the company must consider:

- (i) What actions need to be taken to address the problem
- (ii) What changes need to be made to correct the situation and
- (iii) What should be done to prevent the problem from recurring, i.e. to eliminate the cause

When performing the root cause analysis record in the table below the actions that will be taken according to the brief guidance above for each non-compliance received in the management system.

Note: This document must be completed and forwarded to the Assessment Committee together with the Audit Report produced by the Audit Organization. The Action Plan is part of the assessment of the Amazon Soy Moratorium compliance process.

No.	01/XX	Aspect of NC	Choose an item
Description of NC			
<i>Objectively describe the non-compliance rendered with basis on the aspect assessed and refer to the requirement and non-compliant indicator.</i>			
Evidence			
<i>Objectively describe the evidence found that led to the issuance of the NC.</i>			
Root cause analysis (company completion)			
<i>Detect the cause of the Non-Compliance</i>			

No.	01/XX	Aspect of NC	Choose an item
Action plan (company completion)			
<p><i>Actions that will be taken so that non-compliance does not occur again in the next harvest. Describe briefly with actions, deadlines and parties responsible.</i></p> <p><i>Note: The actions must be related to the root cause found.</i></p>			

ANNEX V - ASSESSMENT FLOWCHARTS

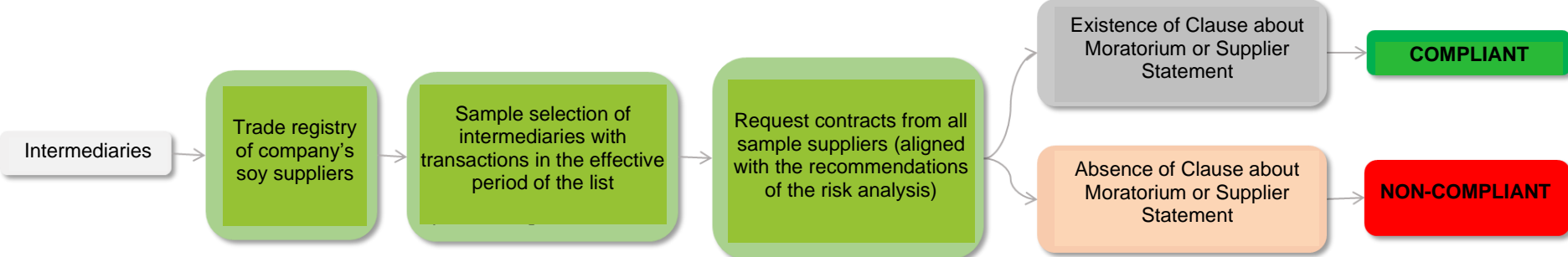


Figure 1 assessment of the purchasing control procedure of intermediaries (cereal traders, resellers, co-ops, trading companies, etc.)

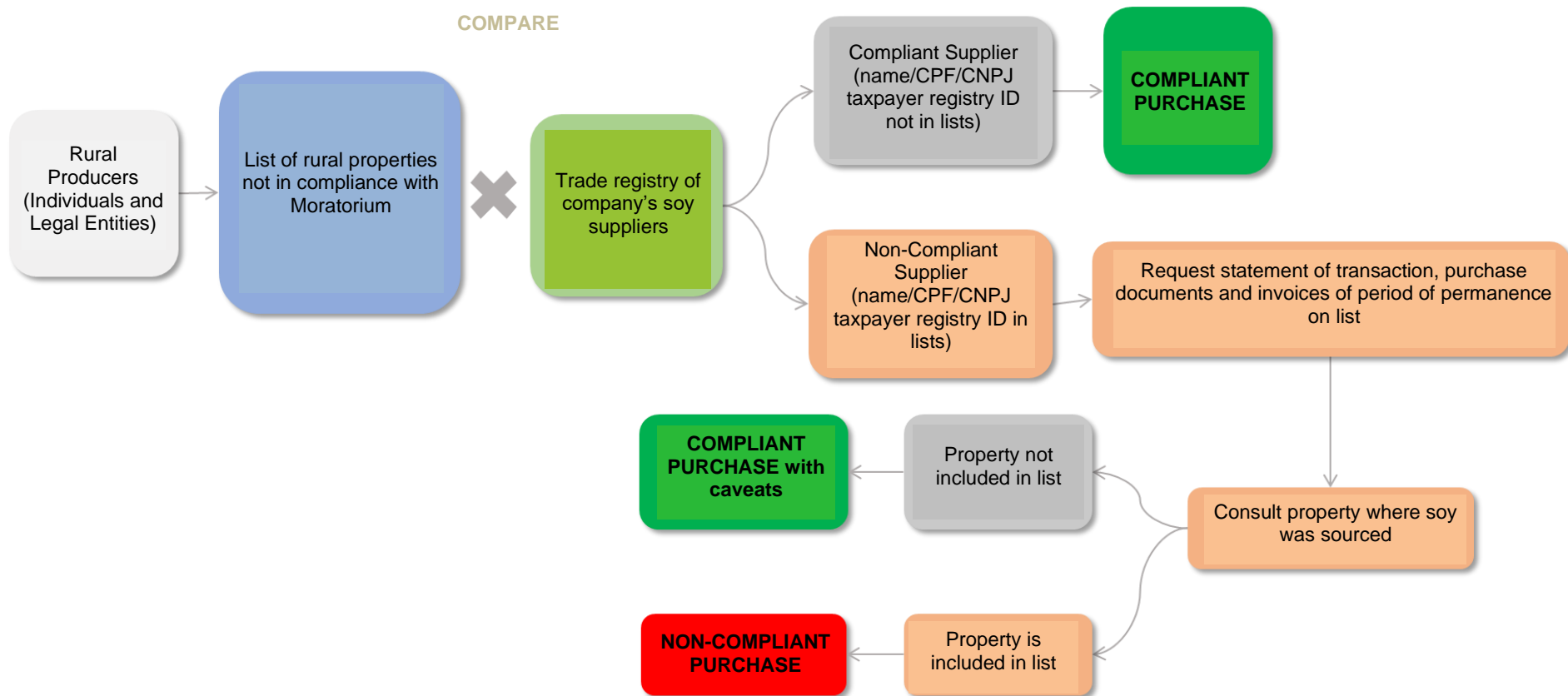


Figure 2 - assessment of purchase history of direct suppliers and intermediaries

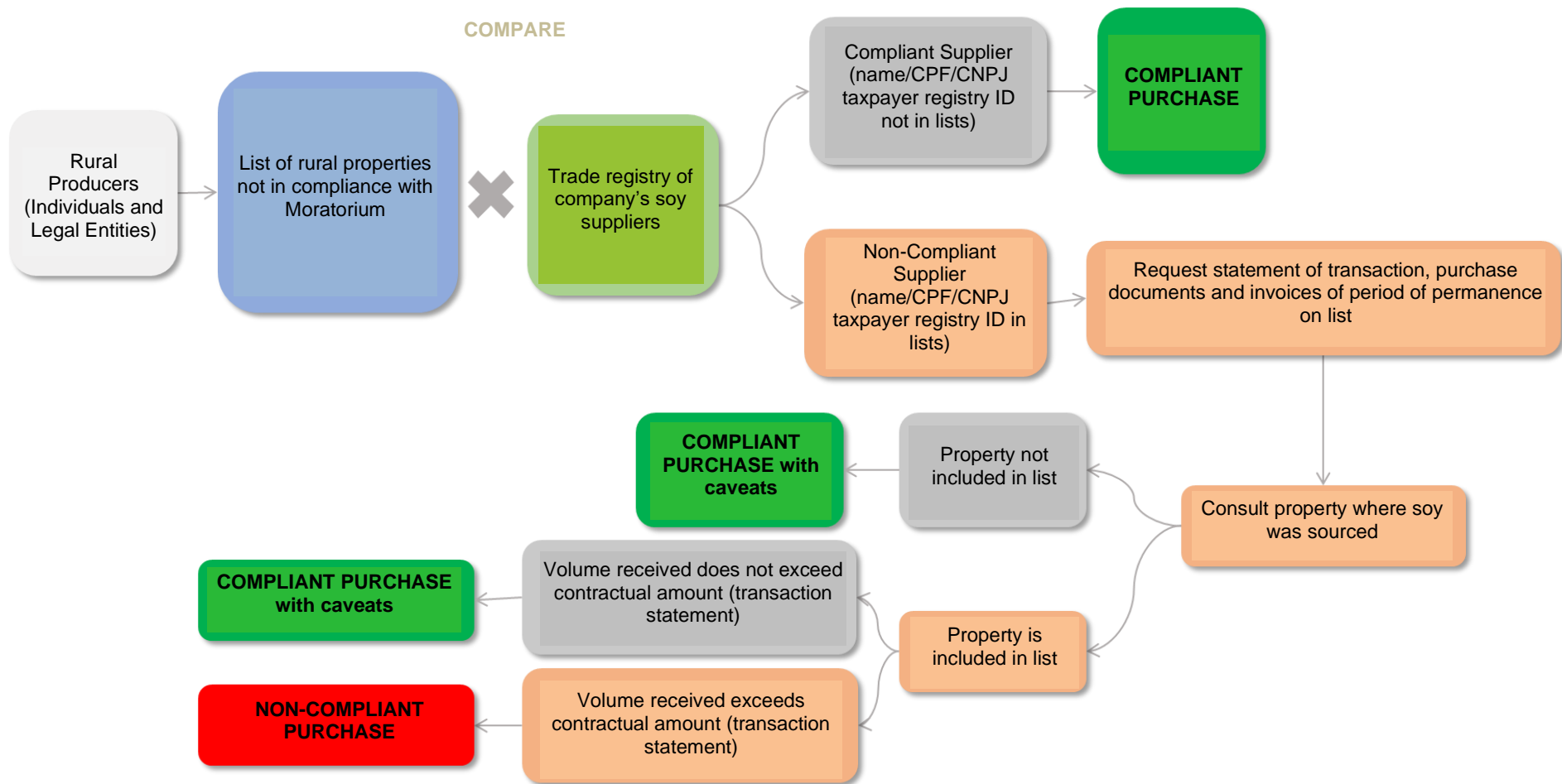


Figure 3 - assessment of history of future purchases or financing of direct suppliers

ANNEX VI - DEFINITIONS

Remedial action: is an action taken to ensure that a problem does not recur. The remedial action must be taken on the "root cause" that gave rise to the non-compliance.

Independent auditor: a professional who is not a dependant of the business being audited. Independence is the basis for audit impartiality and the objectivity of audit findings.

Non-compliant purchase: company business transaction that does not meet the Soy Moratorium requirements. In other words, a purchase made from a certain supplier who is included in the list of non-compliant properties or directly associated with properties with areas embargoed due to deforestation that are not being honoured or which are included in the Slave Labour Blacklist.

Conflict of interests: a situation in which the principles of impartiality and independence cannot be guaranteed by the employee in the performance of a certain activity. Overlapping interests do not ensure full compliance with an established procedure. For example, the blocking decision is made by the same operator who negotiates the purchase contract or by someone subordinate to the party negotiating the purchase agreement.

Intermediary: organisation that trades soybeans but is not a direct producer. Also known as grain brokers, resellers, co-ops, trading companies, etc. (was listed as an indirect supplier in the 2018/2019 term of reference for auditing).

List of Environmental embargo due to deforestation

The list of environmental embargoes is public and made available by IBAMA on the website of the Brazilian Environmental Ministry. The state lists are made available by the respective state environmental agencies.

Amazon Soy Moratorium Lists

As seen earlier, the Soy Working Group (GTS) produces annual lists of rural properties that do not comply with the Moratorium (Annex I). The validity of each list covers the subsequent period between its issuance and the communication of an updated list.

The lists are made available to the signatories of the Amazon Soy Moratorium, directly by ABIOVE and ANEC, so that companies can immediately block non-compliant operations of purchase or the financing of suppliers that do not comply with the new list.

All lists will be made available by ABIOVE or ANEC to the audit organizations, as requested by e-mail, mentioning the name of the company under audit.

Blacklist of Slave Labour

The Slave Labour Blacklist is published by the Labour Oversight Department of the Economy Ministry.

Non-compliance: the failure to meet a requirement. It may be linked to the requirements of the Soy Moratorium and the requirements of this protocol. A non-compliance may be issued on purchases or due to a failure to meet the requirements of a certain procedure established and agreed by the Protocol.

Soy triangulation: soybean trading carried out through another farm/company that is not the de facto source of that product. In other words, soybeans traded by one farm and produced by another.

ANNEX VII - **GUIDEBOOK FOR REMOTE AUDITS**

Due to the new coronavirus pandemic (COVID-19), many areas are subject to travel restrictions. Since there is a risk to the life or health of company employees, auditors and their families, the Soy Working Group (GTS) has allowed audits to be carried out remotely in this special case.

This document aims to explain how remote audits should be performed.

Summary

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A. AUDITS

A remote audit must not be mistaken for a desk review. The two seem very similar at first glance, but they differ in certain aspects. A few definitions have been included below:

- **Desk review:** in a desk review, the auditor will review and analyse the data provided to him. This usually refers to procedures and records. There are no other interactions between the auditor and the auditee.
- **Remote audit:** a remote audit is a regular audit performed while the auditor is not present at the same physical location as the party being audited. The objective of the audit is not influenced by the application of remote techniques. Therefore, remote auditing will result in the same level of accuracy and objectivity as an on-site audit. It includes email exchanges and interviews. The auditor interacts with the client based on the results of the audit activities. Remote audits refer to the use of technology to collect information, interview an auditee, etc., when "face-to-face" methods are not possible or desirable.
- **Face-to-face audit:** a face-to-face audit is a regular audit performed while the auditor is in the same physical location as the auditee, interacting with the client in the audit activities - initiating and adjourning meetings, interviews and analysis of documents, systems and records.

B. RISK ANALYSIS

Risk analysis must be carried out at all companies that will be audited this year to verify the possibility of the audits being carried out remotely in their entirety, only when they present low and moderate risk. The audits will be face-to-face when the risk is determined to be high.

The auditor must include the risk analysis in the annex to the Audit Report, giving a reason for choosing either remote and/or a face-to-face audit. The audited company must be in accordance with the methodology adopted.

	Low Risk	Moderate Risk	High Risk
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Analysis of purchases with suppliers not in compliance with the 2019/2020 Moratorium list	No purchases were made with suppliers listed in the Soy Moratorium	Purchases were made with suppliers listed in the Soy Moratorium	The purchase list for the period was not provided for the desk review analysis by the auditor.
Information security	Management of purchases performed in system and computational tool with log record. The company executes the "Statement of responsibility for information".	Management of purchases performed in system and computational tool or spreadsheets, that do not include a log record. The company executes the "Statement of responsibility for information".	Management of purchases performed in system and computational tool or spreadsheets, that do not include a log record. The company does not execute the "Statement of responsibility for information".
Internet - remote access and sharing.	The company has a platform for meetings, with a screen sharing and file sharing system.	The company has a platform for meetings, without a screen sharing and file sharing system. File sharing is possible.	The company has no platform for meetings and file sharing.

When the company fits into more than one risk category, a precautionary approach must be adopted and the upper risk category applied.

The following are special procedures that apply to remote auditing.

C. PLANNING

1. Receipt of audit plan and list of documents

The audit team will contact the head of the organization at least two weeks in advance to present the audit plan and request documents.

The following must also be decided (a joint decision) at this time:

- Which is the best digital platform to use for meetings and interviews
- How the client's documents will be shared with the audit team
- Check if there are any problems regarding confidentiality/data secrecy
- Get the name, e-mail, and phone number if necessary, of the contacts involved in the audit.

We recommend a feasibility test to be carried out prior to the work and this test should be taken by the audit team along with the audited party. Regardless of the digital platform to be used, it will depend on the quality of the Internet connection which may fluctuate on the day of the test and the day scheduled for the audit.

2. Sending the documents to the auditor

The documents requested and the tables and annexes must be made available to the auditor at least one week before the scheduled audit date.

3. Conducting the remote audit

The auditor will set up an opening meeting (pre-scheduled). In addition to the regular meeting formalities, the following activities will take place:

- Confirmation of the scope of the audit
- Confirmation, with organization, of the sufficiency of the documents received and any requests for additional documents

- Scheduling of interviews with the team to discuss the contents of documents that require details and explanations
- Clarification of doubts
- Date of the closing meeting
- Other adjustments, if necessary

We suggest the audited company make a presentation at the opening meeting about the company and the main processes including the controls used in the purchase of grains and the requirements of the Soy Moratorium.

The audit will be carried out according to the schedules set in the audit plan or according to the agreements defined by the parties.

At the end of the audit, after the interviews have taken place, all relevant documentation has been analysed and questions have been answered, the auditor will present the results of the audit to the organisation at the closing meeting scheduled in advance at the time of the opening meeting.

D. PEOPLE IN ATTENDANCE ON AUDIT DAY

The opening meeting must take place in the presence of the auditor and the main people in charge of the Amazon Soy Moratorium in the organization, as well as the employees that the organization considers relevant for the process.

The person responsible for auditing the organization (or another person in the team appointed by him/her) must be available on the scheduled days to facilitate the remote auditing process. Other people may also be interviewed during the period and they should also be in attendance (by phone or online platforms). We suggest the attendance of representatives from the areas of:

- Sustainability (or area in charge of Amazon Soy Moratorium management)
- Supplier registry
- Areas responsible for supplier analyses (blocks and unblocks)
- Soybean receipt
- Contracts (legal, compliance, etc.)
- IT (if analyses are automated in system)
- other areas that the company deems necessary.

Key people responsible for the audited activities will be interviewed, according to a schedule set in advance with the organization during the opening meeting, as applicable.

E. EQUIPMENT NEEDED

Remote auditing will require some technology for it to flow as smoothly as possible. The items below should be available on the day of the audit:

- Stable internet connection
- Online platform for meetings and interviews preferably with the camera of all participants on, and with screen sharing capabilities, such as: Skype; TEAMS, Zoom (the platform chosen must offer: control permission for the auditor to be able to manipulate the documents on the screen; a full and clear view of the documents presented; microphone and video controls). The company will be able to define the platform and send the invitations to all parties involved (auditors and staff of the audited organization)
- Platform for sharing client documents and records with the audit team, e.g. OneDrive, Dropbox, Wetransfer, Google Drive, etc.
- Access to the organization's computer system (if applicable) or other ways to access and check documentation and other information

- Other resources, if available (georeferencing, photos, videos etc.)

If any of these items are not available on the day of the audit, inform the auditor in advance

If the suggested technologies are not available, the organisation will not be able to receive the remote audit.

F. DOCUMENTS AND RECORDS

Since the entire audit will be done from a distance it is important for the auditors to have access to the organization's information and documents requested in advance, according to the schedule above. (IMPORTANT: if the documents for the audit cannot be provided because they are considered confidential by the organization, this should be reported before the start of the audit, so that alternative solutions or actions can be arranged with the audited organization).

The list below includes documents examined in the audits aimed at not selling, acquiring and financing soybeans deriving from:

- a. Areas within the Amazon Biome deforested after July 2008.
- b. Areas on the list of deforested areas embargoed by the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA).
- c. Suppliers included in the slave-like labour list.

1. List of Units that source soybean grown in the Amazon biome, with:
 - unit name
 - type of operation (e.g. warehouse, office, factory)
 - location - City/State)
2. List of soybean purchase and financing contracts for these Units, executed between 01/04/2019 and 31/03/2020 with:
 - Contract number
 - Date of contract
 - Type of purchase: financed, pre-financed, over-the-counter purchase, other
 - Type of supplier: direct (producer) or intermediary (co-op, other)
 - Name of supplier
 - CPF or CNPJ taxpayer registry number of supplier
 - Volume of soy contracted
 - Volume of soy received
 - Farm name (when available in the system)
3. Models of contracts signed during the audited period that include the clauses of the Amazon Soy Moratorium requirements
4. Procedures that define how the requirements of the Amazon Soy Moratorium are managed (registration of suppliers; analysis of the lists of the moratorium, embargo and the blacklist; blocking and unblocking of suppliers; measures to prevent triangulation of soybeans; etc.).
 - Companies that do not have an automated system to control soybean purchases must provide other official company documents to prove that the list submitted is complete and represents all purchased and received soybeans.
5. List of representatives of the areas to be interviewed, depending on the structure of the company.
6. The company may, in a proactive manner and with the intention of improving the remote audit, provide the auditor with evidence that shows that the purchases made in the period with suppliers listed in the Amazon Soy Moratorium are purchases with caveats. To do so, the company must submit:
 - The list of information for each contract with a caveat, containing: Branch of origin (name and location); Name and identification of supplier; CPF/CNPJ

- taxpayers' registry number; Name of farm or corporate name from where soybeans originated; geographical coordinates of the farm; CAR number; Production area.
- The statements of transactions with contract number, invoice number, date of receipt and volume.
- Analysis carried out by the company on the date the soybeans were purchased (unblocking of supplier), if applicable.

During the audit, other documents will be requested as a result of the auditor's tests and assessments. The company may voluntarily send other official company documents, such as the Sustainability Report and internal reports so that the auditor can cross check the information submitted, such as purchase volume, scope units, and other soybean supplier management information of the company.

It is recommended for a fast and secure sharing method to be put in place.

G. ACCESS TO SYSTEMS

During the audit, the company will grant access to the company's manual or automated control systems, as well as those which are related to soybean purchases:

- Supplier registry
- Soybean purchases
- Supplier blocks
- Contracts
- Soybean receipt
- Geomonitoring, when applicable

Similar to the face-to-face audit, the auditor must be able to verify all the screens and the assumptions taken in the extraction of reports and system lists, and provide print screens as evidence of the verification.

H. FAQs

i. The organization has the whole administrative department working from home. Is it possible to have remote auditing anyway?

Yes. If people are available in their homes (item C), have the necessary equipment (item D) and access to documents and systems (items E and F), the audit can be conducted remotely.

ii. The remote audit was scheduled when my company was still with the administrative department working from home but by the date of the audit we will be working normally. Even so, will the audit still be conducted remotely?

Whenever possible, we give priority to face-to-face audits, and take care to put the appropriate healthcare measures in place. The GTS recommendation for the 2019/2020 cycle of Soy Moratorium audits is that audits should be remote, but this must be assessed by the company and the audit firm.

There is as yet no clear forecast from health organisations as to the time frame for normalising the situation. We believe that for the moment we must isolate and avoid crowds. As such, even if the organization returns to work as normal, the precautions will continue for the audit teams because they need to access airports and other forms of transport to travel to the site of the audit. We recommend the audit to be carried out at a distance until safe levels of social contact have been established. In any case, for the good planning of the process, inform the auditors if the organization starts working normally on the day scheduled for the audit.

iii. Can I not accept the remote audit? I would like the audit to be done in person.

This should be assessed by the company and the audit organization, in accordance with the health and safety measures of the audited company and taking into consideration the special healthcare measures put in place for Covid-19 and based on the rules of each state and municipality.

iv. Will my audit be different next year?

We assume that face-to-face audits will return to normal eventually. At the end of the audits, we will appraise the results found and how the associates, auditors and GTS felt about the performance of remote audits.

I. CONTACTS

For more information and clarification:

- Bernardo Pires – bernardo@abiove.org.br
- Lisandro Inakake de Souza – lisandro@imaflora.org

J. REFERENCES

We would like to thank Imaflora and Control Union Certificates for access to internal documents for consultation and reference.

- Imaflora Guide to Remote Auditing - Agricultural Certification, 2020.
- P15 Covid-19 Corona protocol - version 1, Control Union Manual, 2020.
- Annex A55 Covid-19 Information Registration - version 1, Control Union Manual, 2020.

K. STATEMENT OF RESPONSIBILITY FOR INFORMATION

I, [Click here to type](#) residing and domiciled in the city of CITY , enrolled with the CPF Individual Taxpayers' Registry under no. [Click here to type](#) and RG Individual ID no. [Click here to type](#), company representative for the audit cycle of the Soy Moratorium, state hereby that:

1. all information provided is true, accurate and complete, and copies of the documents submitted to the auditors are authentic.
2. I will do whatever is possible to establish a favourable environment for the remote audit, in line with the guidelines in this guide.
3. I am aware that any inaccuracy in the information above will result in the enforcement of the penalties defined in the GTS.

If necessary, at a future opportunity, the information and documents will be available for face-to-face verification.

CITY, [Click here to enter a date](#).

Company representative