



## AMAZON SOY MORATORIUM

2019/20 Crop year

### AUDIT REPORT

#### 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

<input type="text" value="DD/MM/YYYY"/>	Until	<input type="text" value="DD/MM/YYYY"/>	City:	<input type="text" value="Name of city, State"/>
---	-------	---	-------	--

##### 2.2 IDENTIFICATION OF AUDIT TEAM

Data from the verification body:

Verification body	
Name:	<input type="text" value="Click here to type"/>
Address:	<input type="text" value="Click here to type"/>
Contact (name and tel./e-mail):	<input type="text" value="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)
		<i>Press TAB to add lines</i>

### 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.*

<b>Description of NC</b>
<i>Objectively describe the non-compliance rendered with basis on the aspect assessed and refer to the requirement and non-compliant indicator.</i>
<b>Evidence</b>
<i>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.</i>

###### 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..."*

<b>11. Verify the purchase history of direct suppliers (including future contracts and financing)</b>
<b>Indicator:</b> 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>
<b>Evidence:</b> <ul style="list-style-type: none"><li>• <b>No. of direct purchases:</b><ul style="list-style-type: none"><li>○ No. of future purchases and financing:</li><li>○ No. of non-compliant purchases:</li></ul></li></ul>

11. Verify the purchase history of direct suppliers (including future contracts and financing)

- No. of purchases with caveats:
- **No. of purchases with intermediaries:**
  - 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

--	--

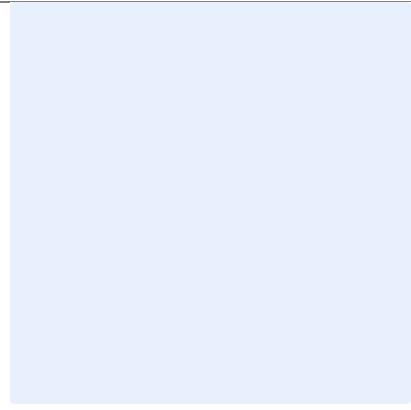
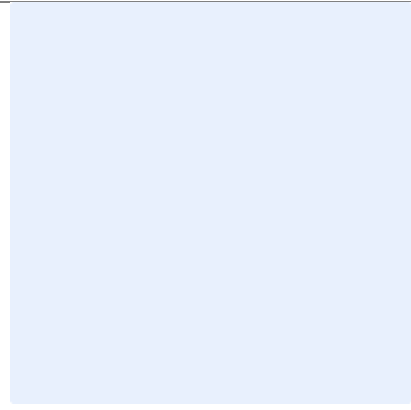
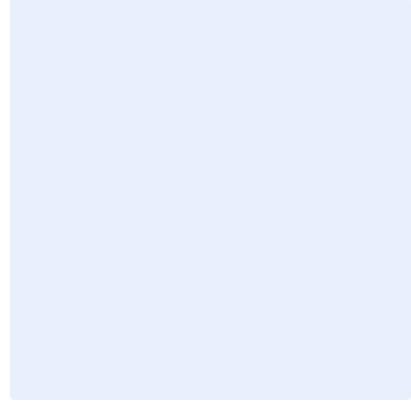
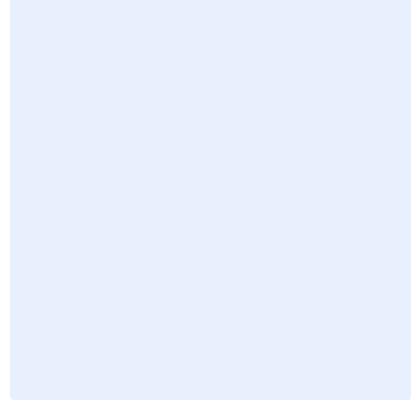
**E. 01 – Brief description**

**E. 02 – Brief description**

--	--

Recording evidence - Non-Compliant Purchase	
<b>E. 03 – Brief description</b>	<b>E. 04 – Brief description</b>

*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><b>E. 01– Information and data:</b></p> <p>Sourcing branch (name and location): <a href="#">Click here to type</a></p> <p>Name and identification of producer - CPF/CNPJ (taxpayer registry ID no.): <a href="#">Click here to type</a></p> <p>Name of farm or corporate name of farm listed in the Moratorium: <a href="#">Click here to type</a></p> <p>Name of farm or corporate title where the soy was sourced <a href="#">Click here to type</a></p> <p>Geographic coordinates of farm where the soy was sourced: <a href="#">Click here to type</a></p> <p>CAR number of farm where the soy was sourced: <a href="#">Click here to type</a></p> <p>Production area of farm where the soy was sourced: <a href="#">Click here to type</a></p> <p>Trading period: <a href="#">Click here to type</a></p> <p>Contract number: <a href="#">Click here to type</a></p> <p>Contract date: <a href="#">Click here to type</a></p> <p>Volume of soy trade: <a href="#">Click here to type</a></p>	
	
<b>E. 01 – Brief description</b>	<b>E. 02 – Brief description</b>
	

Recording evidence - Purchases with caveats	
E. 03 – Brief description	E. 04 – Brief description

## 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

<p><b>Indicator:</b></p> <p>Complete and updated registries of suppliers</p>
<p><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></p> <p><i>The description must contain at least the content verified in accordance with the guiding questions of the Protocol.</i></p>
<p><b>List of evidence (documents, records and interviews):</b></p> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
<p><b>Complies:</b>    yes <input type="checkbox"/>    partially <input type="checkbox"/>    no <input type="checkbox"/></p>
<p>2. Verify the registration procedure and update the moratorium lists</p>
<p><b>Indicator:</b></p> <p>The lists of rural properties not in compliance with the Amazon Soy Moratorium are systematized and updated in the management system.</p>
<p><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></p> <p><i>The description must contain at least the content verified in accordance with the guiding questions of the Protocol.</i></p>
<p><b>List of evidence (documents, records and interviews):</b></p> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
<p><b>Complies:</b>    yes <input type="checkbox"/>    partially <input type="checkbox"/>    no <input type="checkbox"/></p>
<p>3. Verify the registration and updating procedure of the lists for environmental embargoes due to deforestation</p>
<p><b>Indicator:</b></p> <p>The lists of areas with environmental embargoes due to deforestation are systematized and updated.</p>
<p><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></p> <p><i>The description must contain at least the content verified in accordance with the guiding questions of the Protocol.</i></p>
<p><b>List of evidence (documents, records and interviews):</b></p> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
<p><b>Complies:</b>    yes <input type="checkbox"/>    partially <input type="checkbox"/>    no <input type="checkbox"/></p>
<p>4. Verify the registration and updating procedure of the slave labour lists</p>
<p><b>Indicator:</b></p> <p>The Slave Labour Blacklists are systematized and updated.</p>
<p><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></p> <p><i>The description must contain at least the content verified in accordance with the guiding questions of the Protocol.</i></p>
<p><b>List of evidence (documents, records and interviews):</b></p>

<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
<b>Complies:</b> yes <input type="checkbox"/> partially <input type="checkbox"/> no <input type="checkbox"/>
<b>5. Verify the implementation of a geomonitoring system, if applicable</b>
<b>Indicator:</b> 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>
<b>List of evidence (documents, records and interviews):</b> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
<b>Complies:</b> yes <input type="checkbox"/> partially <input type="checkbox"/> no <input type="checkbox"/>
<b>Indicator:</b> 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>
<b>List of evidence (documents, records and interviews):</b> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
<b>Complies:</b> yes <input type="checkbox"/> partially <input type="checkbox"/> no <input type="checkbox"/>
<b>6. Verify the system procedure for the blocking/unblocking of suppliers</b>
<b>Indicator:</b> 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>
<b>List of evidence (documents, records and interviews):</b> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
<b>Complies:</b> yes <input type="checkbox"/> partially <input type="checkbox"/> no <input type="checkbox"/>
<b>Indicator:</b> When a supplier is unblocked, the requirements of the Amazon Soy Moratorium are guaranteed to be met.



*Instruction for auditors: Briefly describe the procedures adopted by the unblocking systems in operation and their structural features.*

*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

**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.**

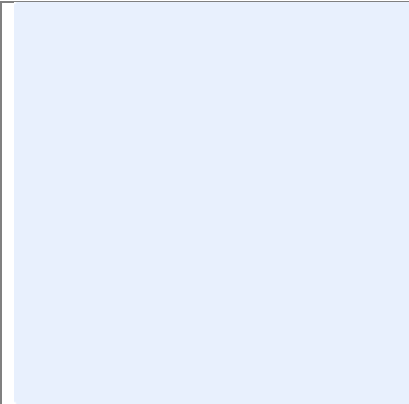
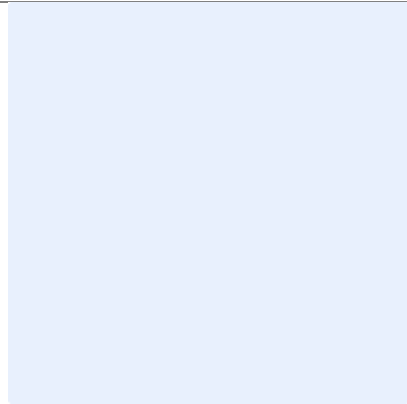
*Instruction for auditors: Describe the procedure used to test the blocking system, naming the systems that were accessed by the auditor during the check as well as the steps taken.*

*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.*

**Evidence:**

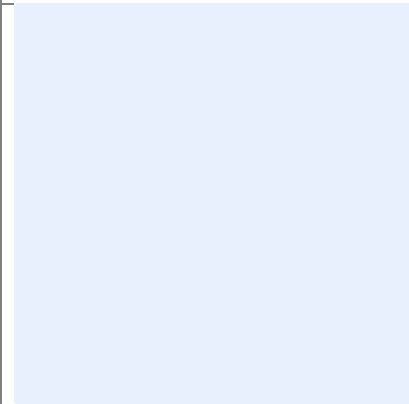
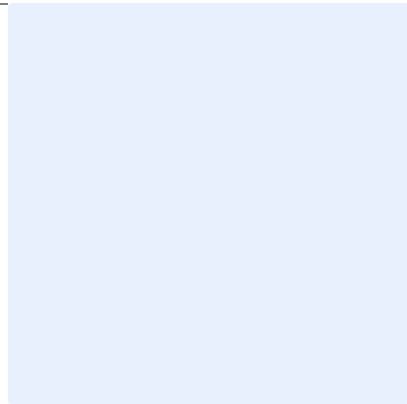
- Number of simulations performed:
- No. of simulations with non-compliance results:

*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.*



**E. 01 – Brief description**

**E. 02 – Brief description**



E. 03 – Brief description	E. 04 – Brief description
Complies:    yes <input type="checkbox"/> partially <input type="checkbox"/> no <input type="checkbox"/>	
8. Verify the purchasing control procedure for direct suppliers	
<b>Indicator:</b> The company adopts measures to impede the triangulation of soybeans among its direct suppliers.	
<i>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.</i>	
<i>The description must contain at least the content verified in accordance with the guiding questions of the Protocol.</i>	
<b>List of evidence (documents, records and interviews):</b> <ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	
Complies:    yes <input type="checkbox"/> partially <input type="checkbox"/> no <input type="checkbox"/>	
9. Verify the purchasing control procedure of intermediaries (cereal traders, resellers, co-ops, trading companies, etc.)	
<b>Indicator:</b> 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.	
<i>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.</i>	
<i>The description must contain at least the content verified in accordance with the guiding questions of the Protocol.</i>	
<b>Evidence:</b> <ul style="list-style-type: none"> <li>• Number of intermediaries:</li> <li>• Sampling:</li> <li>• Number of non-compliant suppliers:</li> </ul> <p><i>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.</i></p>	
E. 01 – Brief description	E. 02 – Brief description

<b>E. 03 – Brief description</b>	<b>E. 04 – Brief description</b>
<b>Complies:    yes <input type="checkbox"/>    partially <input type="checkbox"/>    no <input type="checkbox"/></b>	
<b>10. Analysing the implementation actions for ongoing improvements in the monitoring system.</b>	
<b>Indicator:</b>	
The company implements improvements in the soy purchase management system to meet the requirements of the Soy Moratorium.	
<i>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.</i>	
<b>List of evidence (documents, records and interviews):</b>	
<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	
<b>Complies:    yes <input type="checkbox"/>    partially <input type="checkbox"/>    no <input type="checkbox"/></b>	

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

<b>Description</b>
<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 NDA



**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
<b>Description of NC</b>			
<i>Objectively describe the non-compliance rendered with basis on the aspect assessed and refer to the requirement and non-compliant indicator.</i>			
<b>Evidence</b>			
<i>Objectively describe the evidence found that led to the issuance of the NC.</i>			
<b>Root cause analysis (company completion)</b>			

No.	01/XX	Aspect of NC	Choose an item
<i>Detect the cause of the Non-Compliance</i>			
<b>Action plan (<i>company completion</i>)</b>			
<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

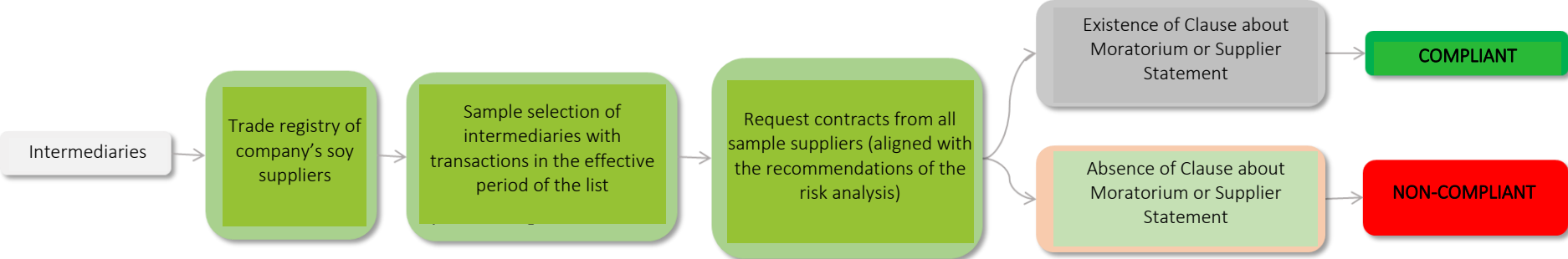


Figure 1 assessment of the purchasing control procedure of intermediaries (cereal traders, resellers, co-ops, trading companies, etc.)

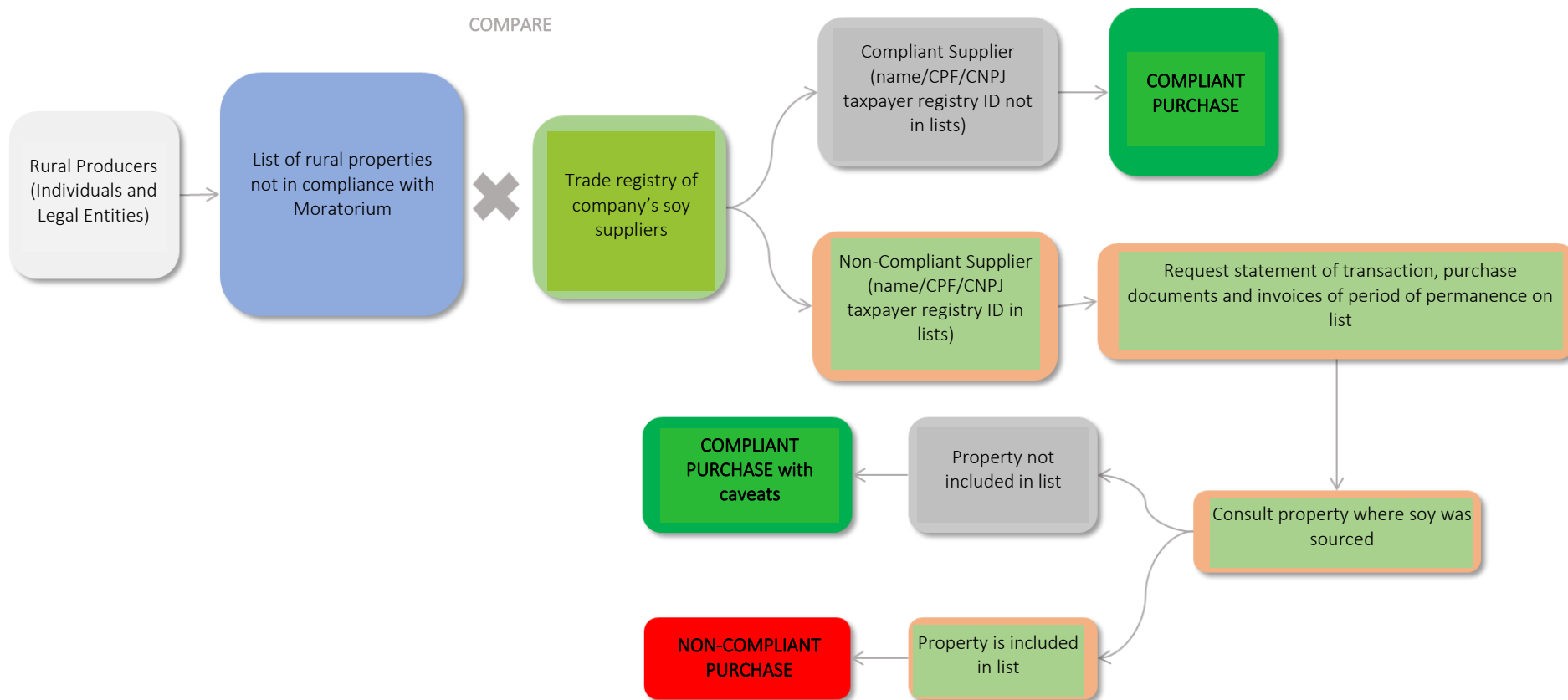


Figure 2 - assessment of purchase history of direct suppliers and intermediaries



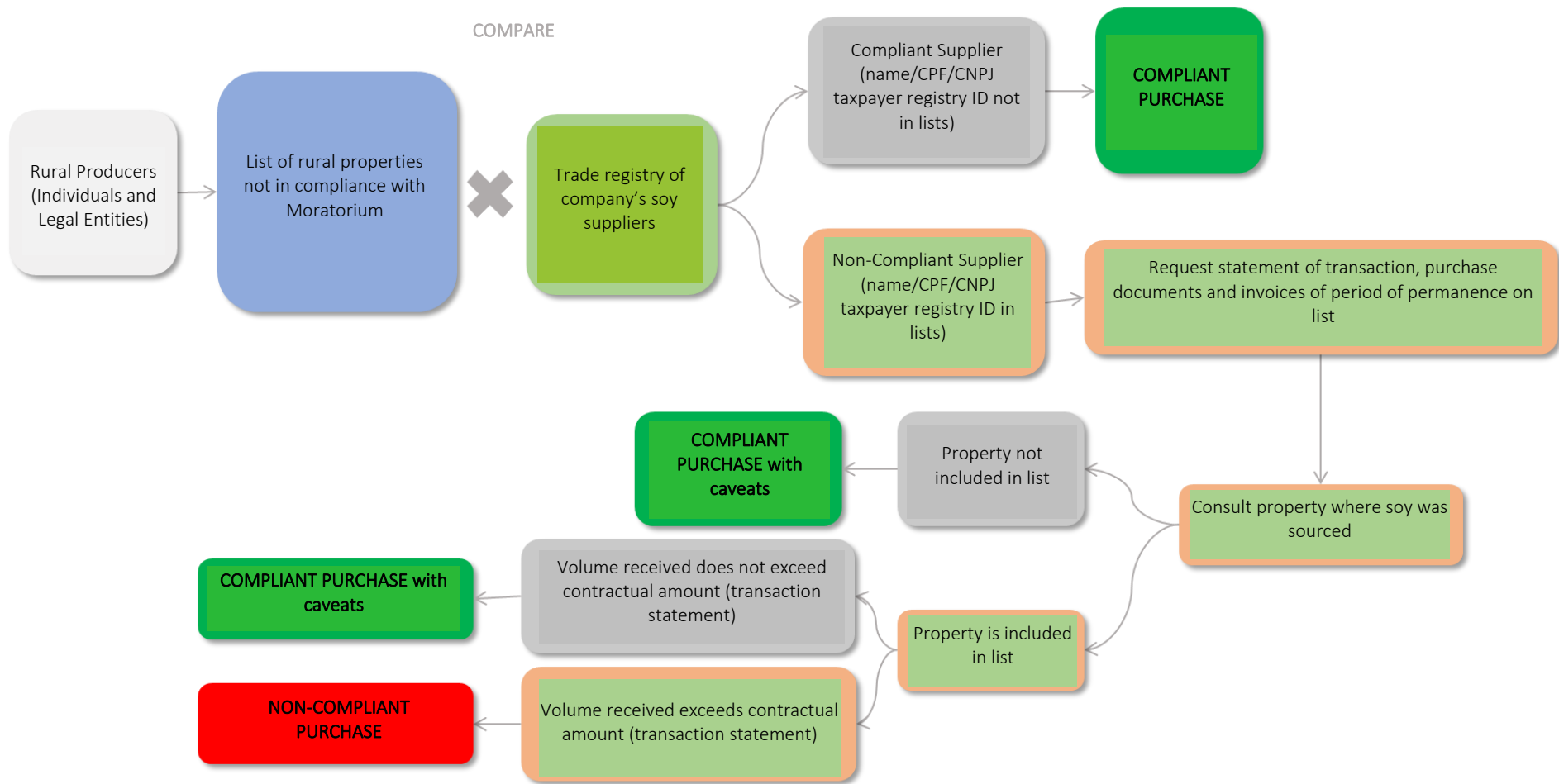


Figure 3 - assessment of history of future purchases or financing of direct suppliers

## 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**

<i>A. Audits</i>	38
<i>B. Risk Analysis</i>	38
<i>C. Planning</i>	39
<i>D. People available on audit day</i>	40
<i>E. Equipment needed</i>	40
<i>F. Documents and records</i>	41
<i>G. Access to systems</i>	42
<i>H. FAQs</i>	42
<i>I. Contacts</i>	43
<i>J. References</i>	43
<i>K. Statement</i>	44

### **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
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, Wettransfer, 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](mailto:bernardo@abiove.org.br)
- Lisandro Inakake de Souza – [lisandro@imaflora.org](mailto: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