

# GUIDE FOR TRANSPARENCY IN SUSTAINABILITY REPORTING BY SOYBEAN TRADERS: ZERO DEFORESTATION AND CONVERSION, AND HUMAN RIGHTS

SECOND EDITION

CARRIED OUT BY

**Soy**on  
Track

SUPPORT

 **imaflora**

The Nature  
Conservancy   
Brasil

**Guide for Transparency in Sustainability Reporting by Soybean Traders:  
Zero Deforestation and Conversion, and Human Rights – Second Edition**

March · 2025

This document updates the first version of the Transparency Guide published in 2022. It includes clear instructions for soybean sector companies, such as traders, about how to report in a transparent and effective manner the progress toward deforestation-and conversion-free (DCF) targets and respect for Human Rights. It focus on three priority biomes in South America— the Amazon, Cerrado and Chaco regions —, and proposes the use of key indicators and evidence, in line with international parameters, to improve transparency in sustainability reports. It aims at making it easier for society to analyze those reports, thus allowing buyers and other stakeholders to understand the performance and environmental practices of companies, in addition to promoting increased uniformity in methodologies used in progress reports.

**About the Soja na Linha Program**

Created in 2020, the Soja na Linha Program is a joint effort to strengthen socio- environmental commitments and corporate policies in the soybean value chain in the Amazon and Cerrado regions. It mainly aims at supporting the implementation of the Moratória da Soja [Soy *Moratorium*] in the Amazon region, Protocolo Verde de Grãos do Pará [Green Protocol of Grains of Pará] and deforestation-free, sectoral and corporate soybean supply chain in the Cerrado region, aiming at increasing the transparency of information in the sector and engaging several chain players.

[sojanalinha.org.br](http://sojanalinha.org.br) | [linkedin.com/showcase/programa-soja-na-linha](https://www.linkedin.com/showcase/programa-soja-na-linha)

**About Imaflora**

Since 1995, Imaflora has promoted the sustainable and inclusive use of natural resources. Their projects bring together environmental conservation and economic development, while meeting the demands of forestry, agricultural, socio-biodiversity and climate agenda chains. They provide fieldwork, technical assistance, ESG services and certifications, in addition to data research and development.

[imaflora.org](http://imaflora.org) | [linkedin.com/company/imaflora/](https://www.linkedin.com/company/imaflora/)

**Imaflora Executives**

**Executive Secretary**

Marina Piatto Garcia

**Deputy Executive Secretary**

Ana Patrícia Cota Gomes

**Soja na Linha Team**

Lisandro Inakake de Souza - **Manager**

Alana Almeida de Souza - **Coordinator**

Caroline Gusman Anelli - **Coordinator**

**Technical coordination and production:**

Imaflora - Soja na Linha Program

**Consulting Services**

KS Consultoria & Treinamentos

**Proofreading and translation:**

Thiago Masson – The Nature Conservancy

Tiago Reis – WWF Brasil

Global Nexxus Comunicação em Idiomas

**Graphic Design:**

W5 Publicidade

This is a public document;  
for comments related to  
its content, please contact:  
[sojanalinha@imaflora.org](mailto:sojanalinha@imaflora.org)

Carried out by

**Soy on  
Track**

Support

 **imaflora**

 **The Nature  
Conservancy**  
Brasil



# 05

## GUIDE FOR TRANSPARENCY IN SUSTAINABILITY REPORTING BY

**SOYBEAN TRADERS:** Zero Deforestation and  
Conversion, and Human Rights

# 09

Part 1

**GENERAL  
GUIDANCE  
ON INDICATORS**

# 19

Part 3

**PROGRESS  
INDICATORS**

# 13

Part 2

**ORGANIZATIONAL  
INFORMATION**

# 27

Part 4

**DEFINITIONS**





# **GUIDE FOR TRANSPARENCY IN SUSTAINABILITY REPORTING BY SOYBEAN TRADERS:**

Zero Deforestation and  
Conversion, and Human Rights

# CONTEXT AND OBJECTIVES

---

This is the second edition of the transparency guide for progress reporting on deforestation- and conversion-free (DCF) soy, presented by Instituto de Manejo e Certificação Agrícola e Florestal (Imaflo-*ra*) [*Institute of Agricultural and Forestry Management and Certification*] in partnership with The Nature Conservancy (TNC). The purpose of these guidelines is to help soy traders and other companies in the sector substantiate information on zero deforestation and conversion (DCF) and respect for human rights through key indicators and evidence. These guidelines take into account the complex dynamics of soybean trade in three priority biomes in South America: Amazon, Cerrado, and Chaco.

As with the first edition (2022), this guide is based on international references, including the Accountability Framework Initiative (AFI), Global Reporting Initiative (GRI), Carbon Disclosure Project (CDP), and the United Nations Guiding Principles on Business and Human Rights (UNGPs). This second edition advances by customizing various international

parameters to the soy agribusiness sector in these three priority biomes.

The goal of both organizations behind this document is to enhance transparency in corporate sustainability and progress reports within the sector. By consolidating various parameters and indicators, this guide aims to help society interpret and analyze these reports more effectively. Additionally, it enables companies to objectively demonstrate their progress toward deforestation- and conversion-free (DCF) commitments.

At the other end of the agribusiness supply chain, this guide will also allow soy buyers and other stakeholders to better understand companies' DCF performance and progress regarding human rights commitments, particularly concerning Indigenous Peoples and traditional communities. Furthermore, the requested indicators aim to assist companies in integrating Scope 3 greenhouse gas (GHG) emissions (e.g., procurement of raw materials and goods, transportation and distribution, and waste treatment) into their performance assessments.

The diversity of methodologies and indicators currently used in different progress reports makes information inconsistent and insufficient for consumers and other supply chain actors to understand the environmental and social impacts of the soy supply chain. For example, DCF product data often appear

in reports without specifying cut-off dates and geographic scope. Therefore, our focus is to encourage companies to disclose methodologies and the actual proportion of soy traded under these commitments.

Regarding terminology, Imaflora and TNC understand that the term deforestation is broad enough to cover conversion of natural forests and native vegetation across different priority biomes. However, the literal translation of “deforestation” as “desflorestamento” in Portuguese causes confusion when referring to natural areas that are not classified as forests. For this reason, we have chosen to use the acronym DCF (Deforestation- and Conversion-Free) to refer to both deforestation and native vegetation conversion. In the definitions section (Part 4), we provide separate definitions from the AFi to ensure clarity and that reports cover both natural forests and non-forest native vegetation.

Based on scientific evidence from the Intergovernmental Panel on Climate Change (IPCC) in its 2021 report—which was reinforced by the United Nations Framework Convention on Climate Change (UNFCCC) during COP26 in 2021, where over 100 countries committed to halting forest loss and land degradation—the need to eliminate deforestation and conversion by December 31, 2025, is not only an environmental imperative but also a strategic necessity for climate change mitigation.

**This target date** for adopting 100% deforestation- and conversion-free soy aligns with global greenhouse gas (GHG) reduction goals, particularly in high-risk South American biomes. Setting such an ambitious deadline underscores the urgency of action within the sector and establishes a compliance standard for the soy supply chain—critical to achieving global sustainability commitments and avoiding irreversible environmental damage if deforestation is not fully eliminated.

## ABOUT THIS DOCUMENT'S STRUCTURE.

This guide is divided into four parts. The first part provides general guidelines on the disclosure of information. The second part presents required company-specific details for the progress report. The third part proposes indicators to measure progress in DCF soy trading and Human Rights compliance. The fourth part lists definitions of key terms to facilitate understanding of requirements and indicators.

To harmonize the concepts and indicators in this guide and increase sector engagement in transparency efforts, this revision included a workshop in October 2024 with traders and retailers, along with a stakeholder consultation before the release of this second edition.







Part 1

# GENERAL GUIDANCE ON INDICATORS

As mentioned above, the objective of this document is to **improve the transparency in reporting on deforestation and conversion** of native vegetation, as well as respect for Human Rights in the soy value chain. Accordingly, this section provides general guidelines for structuring reports, collecting indicators, and managing the supply chain.

---

### » Disclosure Transparency

Throughout the document, information, indicators and sub-indicators have been classified as essential and additional. Essential indicators must be reported mandatorily, while additional ones are complementary and depend on the company's context, data availability and adopted strategy.

It is recommended that the progress report follows the order of the sections and indicators proposed in this guide.

In practice, the company should be objective regarding DCF information. In exceptional cases where competitive sensitivities limit the level of transparency, the absence of such information must be justified with respective reasoning. On the other hand, it is essential that the company presents a timeline – as soon as possible – to start disclosing missing information.

### » Geographic Scope

Reports must include all biomes where the company sources soybeans – particularly distinguishing the Amazon, Cerrado, and Chaco. To demonstrate progress toward commitments, it is essential to present indicators at the highest available level of geographic detail – ideally at the municipality or department level. The level of geographic disaggregation must be sufficient to allow the assessment of socio-environmental risks. As a first step, this risk can be assessed at the level of areas or jurisdictions where problems are concentrated. For this second option, however, the company must detail the methodology used for risk assessment and prioritization. Additionally, the proportion of soybean volumes from these areas classified at different risk levels must be reported in relation to the total traded soybean volume.

### »» Supply Chain Monitoring Coverage

Reports must present data in a way that makes the size of operations and challenges understandable to the reader – such as the totality of direct and indirect suppliers at the farm level (property level) where the grains originate or the percentage of direct and indirect suppliers under monitoring. Otherwise, companies must include a plan and timeline for beginning to publish this level of detail in their sustainability reports.

Transparency regarding DCF volumes often does not reflect the degree of monitoring of indirect suppliers. Indirect purchases can represent a significant gap in assessing non-compliant products within the supply chain.

### »» DCF Soy Volume

Demonstrating that sourced soy can be considered free from deforestation and conversion of native vegetation (DCF) requires proof of traceability, monitoring, and control methods at the farm polygon level. Companies must also report data on volumes from areas classified as negligible risk within the total sourced volumes, distinguishing these from the DCF volumes with traceability, monitoring, and control.

Methodologies and key concepts for calculating DCF (such as cutoff and reference dates) must be detailed in the reports. The exclusion of suppliers who do not comply with the trader's DCF policy must cover the entire property – not just the deforested polygon.

### »» Scope 3 – Greenhouse Gas Emissions (GHG)

Scope 3 Greenhouse Gas (GHG) emissions encompass all indirect emissions throughout a company's value chain. Assessing these emissions requires precise methodologies and detailed tracking, preferably at the municipal or state level. This level of geographic detail enables effective assessment of environmental impacts and facilitates the prioritization of mitigation actions across the supply chain. For Scope 3 emission calculations, it is crucial to account for emission volumes associated with both low-risk and critical areas, based on clear and transparent methodologies. The use of concepts such as cutoff and reference dates must be explicitly stated in the reports, ensuring adequate traceability and monitoring throughout the supply chain and guaranteeing compliance with sustainability targets.





## Part 2

# ORGANIZATIONAL INFORMATION

This section lists key information required to understand the company’s profile and its DCF and Human Rights policies. Some of the details in the table below are also covered by other standardized methodologies commonly adopted by companies in their reports – such as the Global Report Initia-

tive (GRI 2, General Disclosures 2021), CDP Forests (2023) and the United Nations Guiding Principles on Business and Human Rights (UNGPs, 2011). Next to each requested piece of information, the respective reference is provided in order to avoid redundant data requests.

**TABLE 1**

**ORGANIZATIONAL  
INFORMATION**

	<b>Information</b>	<b>Reference</b>	<b>Nature of Information</b>
<b>1</b>	Name of Organization	GRI 2-1	Essential
<b>2</b>	Company objectives, brands, products, and services	GRI 2-1 CDP F0.1	Essential
<b>3</b>	Company headquarters address	GRI 2-1	Essential
<b>4</b>	Indicate the start and end dates of the year for which you are reporting data.	GRI 2-3 CDP F0.2	Essential
<b>5</b>	Geographic locations where the organization operates in South America by country, region, biome, state, province, department and municipality.	GRI 2-6	Essential
<b>6</b>	Participation in joint ventures or other groups of the same company to purchase, process or trade soy: name, address, type and size of participation, partner companies and geographic scope of supply in South America.	GRI 2-2	Essential
<b>7</b>	Description of your supply chain - percentage of direct and indirect suppliers identified by geographic scope and biome (see previous section).	GRI 2-6	Essential
<b>8</b>	Are there parts of your direct operations or supply chain that are not included in the progress report?	CDP F0.5	Essential

Information	Reference	Nature of Information
<p><b>9</b> Identify the parts of your direct operations or supply chain that are not included in your progress report (e.g., if applicable, indicate the percentage of the operation that is classified as low-risk areas, if they are not included in the report).</p>	CDP F0.5a	Essential
<p><b>10</b> Regarding DCF commitments, the company must specify:</p> <ul style="list-style-type: none"> <li>i. Whether it has committed to its supply chain in the Amazon, Cerrado, and Chaco, along with the reference link to this public commitment.</li> <li>ii. The DCF concept applied by the company (e.g., what is considered forest, non-forest areas, and which biomes the concept applies to).</li> <li>iii. The full implementation date(s) of the commitment (see Part 4 – Definitions: target date).</li> <li>iv. Whether the commitment establishes a cutoff date or reference date (see Part 4 – Definitions) to eliminate deforestation/conversion of native vegetation in its soybean supply chain, as well as the implementation timelines for the Amazon, Cerrado, and Chaco. Specify reference dates and timelines.</li> <li>v. The scope of the commitment within the supply chain (direct and indirect suppliers, geographic coverage).</li> <li>vi. Whether the DCF soybean volume disclosed by the company is audited by a second or third party.</li> </ul>	<p>CDP F2.1</p> <p>CDP F2.1a</p> <p>CDP F4.5</p> <p>CDP F4.5a</p> <p>CDP F4.6</p> <p>CDP F4.6a</p> <p>CDP F4.6b</p>	Essential
<p><b>11</b> If risk analysis is used to define priority areas, detail the methodology used, scope and implementation deadlines for the rest of the supply chain.</p>	CDP F2.1	Additional
<p><b>12</b> Does the organization have traceability system(s) to monitor direct and indirect suppliers? If so, please provide details.</p>	<p>CDP F6.2</p> <p>CDP F6.2a</p>	Essential

Information	Reference	Nature of Information
<p><b>13</b> Has the organization adopted any third-party certification? Provide detailed information on the percentage (of suppliers and volume traded) and geographic scope of its production and/or consumption by certification scheme.</p>	<p>CDP F6.3 CDP F6.3a</p>	<p>Essential</p>
<p><b>14</b> Does the organization have a system to control, monitor or verify compliance with DCF commitments for soy? Provide details on the system, approaches used to monitor compliance, quantitative progress against the indicators in this document and non-compliance protocols to implement its commitment(s) to non-conversion of native vegetation and/or deforestation.</p>	<p>CDP F6.4 CDP F6.4a</p>	<p>Essential</p>
<p><b>15</b> Describe the main barriers or challenges to eliminating deforestation and/or the conversion of native vegetation from other natural ecosystems within your direct operations or other parts of your supply chain. Additionally, specify how and when the company intends to address them.</p>	<p>CDP F8.1</p>	<p>Essential</p>
<p><b>16</b> Responsibility to respect human rights. The company must provide details on:</p> <p>a. Whether it has a public commitment to fulfilling its responsibility to respect human rights, applicable to its supply chain.</p> <p>b. Whether its policy includes commitments to respect human rights within the supply chain in priority biomes, covering the rights of:</p> <p>i. Indigenous peoples, traditional peoples, and communities;</p> <p>ii. Local communities and settlements;</p> <p>iii. Workers.</p> <p>c. Whether it has a human rights due diligence process to identify, prevent, mitigate, and account for how it addresses its impacts on human rights within the supply chain. If so, describe how it is conducted, which aspects are assessed, its geographic scope, its coverage along the supply chain, and any other related procedures.</p>	<p>UNGPs – 15 CDP (F4.5; F4.6b)</p>	<p>Essential</p>



Information	Reference	Nature of Information
<p><b>16</b> d. Regarding indigenous peoples and traditional communities, describe:</p> <ul style="list-style-type: none"> <li>i. The methods adopted to identify and monitor the impacts of soybean production—either on the company’s own land or that of its suppliers—on Indigenous Lands, Local Communities, and settlements;</li> <li>ii. The remediation procedures and corrective measures for any negative impacts identified or reported to the company concerning the rights of indigenous peoples, traditional communities, and local communities.</li> </ul> <p>e. Regarding workers, describe:</p> <ul style="list-style-type: none"> <li>i. Procedures for identifying and addressing situations where work within the supply chain does not comply with the fundamental rights of the International Labour Organization (ILO) and/or violates current labor legislation.</li> <li>ii. Procedures for remedying any negative impacts on working conditions caused by the company, whether identified or reported within the supply chain.</li> </ul>	<p>UNGPs – 15 CDP (F4.5; F4.6b)</p>	<p>Essential</p>







## Part 3

# PROGRESS INDICATORS

**TABLE 2**

**PROGRESS**

**INDICATORS**

Category	Indicators	Justification	Nature of Indicator <sup>1</sup>
<b>1 Total volume of soy traded</b>	1.1 Percentage of total volume distributed by priority biome (Amazon, Cerrado, and Chaco).	Provides a relative analysis of total figures and presents the company's participation distribution in each biome. Complements the comparative analysis of the company in relation to the sector.	Essential
	1.2 Percentage of the total volume distributed by priority biome (Amazon, Cerrado and Chaco), indicating the distribution between direct and indirect suppliers.	Provides a relative analysis of total figures, presenting the company's participation distribution by type of commercial relationship. Complements the comparative analysis of the company in relation to the sector.	Essential
	1.3 Percentage of soy volume sourced with the highest level of geographic detail defined by the company (see Part 1).	Allows readers to understand the source of regional information and indicates the risk managed by the company.	Essential
	1.4 Total and per-biome volume of soy traded in South America.	Helps to understand the relative importance of the company in priority regions (indicator 1.2) and the overall exposure to risk. Information should be contextualized concerning the total global volume of soy commercialized.	Additional
<b>2 Implementation Indicators</b>	<p><b>2.1 Traceability</b></p> <p>2.1.1 Percentage of suppliers for which the company has traceability at the farm level (polygon or CAR). Qualify the information by:</p> <ul style="list-style-type: none"> <li>a) Geographic scope (see Part 1);</li> <li>b) Proportion of soy volume from direct and indirect suppliers;</li> <li>c) Proportion of total soy volume traded in South America;</li> <li>d) Proportion of the total volume distributed by priority biome (Amazon, Cerrado and Chaco).</li> </ul>	<p>The traceability indicator provides a more accurate understanding of the company's actual capability to track soy (by supplier type and biome, for example). Supply chain monitoring is only possible with effective traceability of both direct and indirect suppliers. Information should cover the entire supply chain, including direct and indirect suppliers. If full coverage is not initially achievable, the company should report the proportion of direct and indirect suppliers for which traceability information is available (letter b) and include a plan and timeline for disclosing this information in future reports. Additionally, key limitations to full traceability should be described.</p> <p>Information based on the Rural Environmental Registry (CAR) or farm polygon traceability systems, through self-monitoring or certified georeferencing, provides greater reliability and accuracy to soy sourcing data. For the indirect supply chain, the aggregation point may be considered; however, this information must be explicitly stated in the progress report.</p>	Essential

<sup>1</sup> Essential indicators must be mandatorily reported, while additional indicators should only be provided if applicable to the company's context.

---

**2 Implementation**   **2.2 Monitoring Indicators**

Monitoring is the process by which the company systematically collects data to evaluate and document control actions aimed at preventing the acquisition of soy from deforested and converted areas after the cut-off date. Additionally, monitoring of soy sourcing areas enables the analysis and measurement of greenhouse gas (GHG) emissions, particularly regarding Scope 3, associated with the company's operations. The greater the granularity of information, the lower the level of uncertainty.

Essential

Monitoring capability is directly related to the structure of traceability—it can be more or less effective in managing supply chain risks. If the company chooses to conduct monitoring based on a risk analysis of sourcing, the reported information will be limited to the scope defined by this analysis. In such cases, the company should report how much of the defined scope represents the total volume of soy commercialized. Describing the adopted methodology is recommended to facilitate understanding of this indicator.

The monitoring indicator must be reported. The company should select, from the sub-indicators below, those that represent its monitoring procedures. The proposed sub-indicators outline a gradation in monitoring systems and allow reports to indicate progress over time in monitoring quality.

---

2.2.1 Percentage of suppliers monitored via the producer's CPF/CNPJ search conducted on a public list (IBAMA) and/or block list (Moratória da Soja, Protocolo Verde de Grãos do Pará, Embargos estaduais) [*Soy Moratorium, Green Protocol for Grains of Pará, State embargoes*]. Qualify the information by:

Monitoring performed via the producer's CPF/CNPJ in a public list or block list is the simplest level of verification. It allows for identifying whether the producer, tenant or the property is associated to any environmental infraction.

Essential

- a) Geographic scope (see Part 1);
- b) Proportion of soy volume from direct and indirect suppliers;
- c) For indirect suppliers: proportion of negligible or non-negligible risk areas;
- d) Proportion of the total soy volume traded;
- e) Specify the monitored criteria by CPF/CNPJ.

Category	Indicators	Justification	Nature of Indicator
2 Implementation Indicators	<p>2.2.2 Percentage of suppliers monitored by crossing geographic coordinates, CAR and/or farm boundary polygons generated by a monitoring system or by certified georeferencing with public deforestation databases. Qualify the information by:</p> <p>a) Geographic scope (see Part 1);</p> <p>b) Proportion of soy volume from direct and indirect suppliers;</p> <p>c) For indirect suppliers: proportion of negligible or non-negligible risk areas;</p> <p>d) Proportion of the total soy volume traded;</p> <p>e) Specify the criteria monitored based on geographic coordinate (e.g.: Prodes, Indigenous Lands, traditional communities, Conservation Units, environmental embargo etc.).</p> <p>f) Specify the monitored criteria based on CAR or farm boundary polygon (e.g.: Prodes, Indigenous Lands, Conservation Units, IBAMA environmental embargo etc.).</p>	<p>Monitoring based on <b>geographic coordinates</b> of the soybean's sourcing farm enables the identification of risks associated with an estimated location, though without precision.</p> <p>The <b>CAR</b> provides more detailed environmental information about the property, including, when available, data on permanent preservation areas, Legal Reserves, forests, remaining native vegetation, restricted-use areas and consolidated areas. However, the most relevant information for monitoring purposes is the boundary of the property where the soybeans are sourced from.</p> <p>Monitoring through <b>polygon cross-referencing</b> offers greater security for risk management, as it considers more accurate data regarding the production area. This provides the best decision-making conditions for the company compared to the other methods presented. The farm polygon is considered to be the entire rural property, with the highest level of documentary verification being certified georeferenced documents (CCIR, registrations).</p> <p>In the case of the indirect supply chain, the aggregation point can be considered; however, it is essential that this information is clearly stated in the progress report.</p>	Essential
	<p>2.2.3. Percentage of suppliers monitored, at least by crossing farm boundary polygons of soybean production areas, which is generated by a monitoring system or certified georeferencing with public deforestation databases. Qualify the information by:</p> <p>a) Geographic scope (see Part 1);</p> <p>b) Proportion of soy volume from direct and indirect suppliers;</p> <p>c) For indirect suppliers: proportion of negligible or non-negligible risk areas;</p> <p>d) Proportion of the total soy volume traded;</p>	<p>Monitoring through polygon cross-referencing of production areas offers security in terms of monitoring and risk management capability, mainly because it works with more accurate data in relation to the production area, since it offers the best conditions for companies to make decisions when compared to the other methods presented.</p> <p>Databases published by government agencies and/or sector representatives can be used to identify soybean planting and production areas.</p> <p>Production areas can be georeferenced by using individualized tools and local measurements, as long as the methodology be properly described.</p>	Essential

<b>2 Implementation Indicators</b>	e) Specify the criteria monitored based on CAR or the farm boundary polygon (e.g.: Prodes, Indigenous Lands, Conservation Units, IBAMA environmental embargo etc.).	In the case of the indirect supply chain, the aggregation point can be considered; however, it is essential that the information is clearly stated in the progress report.	Essential
------------------------------------	---	--	-----------

<b>3 Progress Towards Deforestation/ Native Vegetation Conversion-Free Commitment</b>	<p><b>3.1 Deforestation and Conversion-Free Soy (DCF)</b></p> <p>3.1.1. DCF soy. Qualify the information by:</p> <p>a) Geographic scope (see Part 1);</p> <p>b) Proportion of the total volume of soy traded;</p> <p>c) Percentage of soybeans sourced from negligible risk area (when applicable);</p> <p>d) Percentage of DCF soy from high-risk deforestation areas;</p> <p>e) Proportion of soy volume from direct and indirect suppliers.</p>	<p>Different approaches are generally used to certify DCF soy, including soy sourced from negligible-risk areas and soy certified by a DCF standard through farm-level supply chain monitoring. The progress report should specify the approach and present the adopted methodology, including cut-off dates. For the indirect supply chain, the aggregation point may be considered; however, information must be explicitly reported.</p> <p>Importantly, classifying risk areas to determine whether sourced soy is DCF can be a starting point for guiding corporate actions in fulfilling commitments. However, this approach alone does not ensure that the soy is truly DCF, as this attribute can only be verified through a process where the soy origin is effectively known, traced, and monitored (via direct monitoring and/or certification).</p>	Essential
---	--	---	-----------

<p><b>3.2 Deforestation in the supply chain</b></p> <p>3.2.1 Total number of hectares of forest and/or other converted natural ecosystem (legally or illegally) detected within the supply base, as of the adopted reference date (or cutoff date). Qualify the information by:</p> <p>a) Priority biome;</p> <p>b) Proportion of the total volume of soy traded.</p> <p><b>Note:</b> Companies that have not adopted a reference date must present data from at least the past 5 years.</p>	<p>This indicator allows for the assessment of the extent of deforestation in the supply chain, correlating it with the blocking status of the properties or polygons involved. This makes it possible to identify which suppliers present the lowest deforestation risk and evaluate how effectively blocking practices have been implemented. Additionally, the indicator provides a measure of the company's progress toward its zero deforestation and conversion commitment, helping to understand the impact of ongoing actions and the areas that still require attention to meet sustainability targets. If the company adopts a blocking system for purchases from deforestation areas, the procedure must be clearly described. In the case of the indirect supply chain, the aggregation point can be considered; however, it is essential that the information is explicitly stated the progress report.</p>	Essential
--	--	-----------

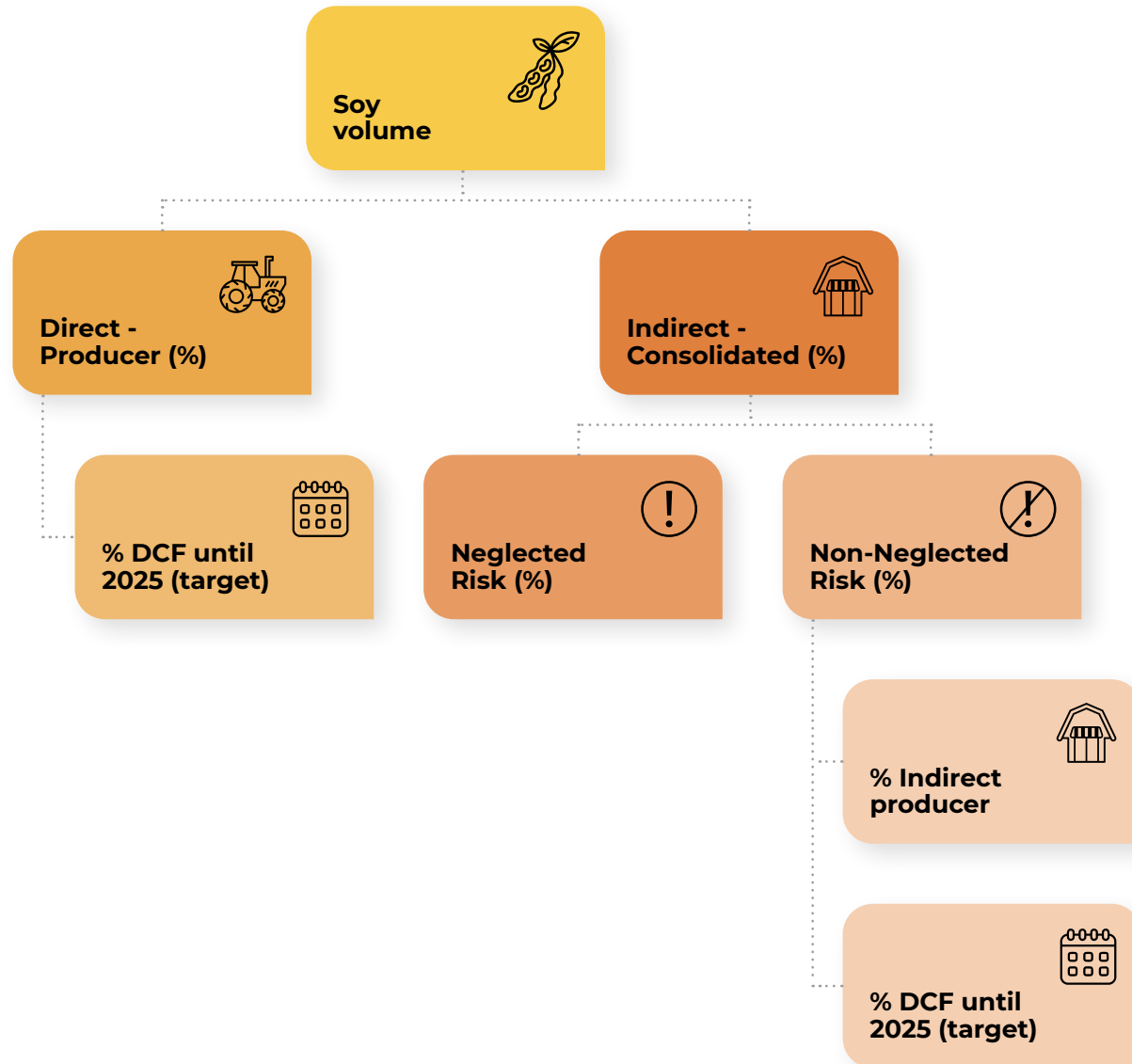
Category	Indicators	Justification	Nature of Indicator
<b>3 Progress Towards Deforestation/ Native Vegetation Conversion-Free Commitment</b>	<b>3.3 Deforestation- and Conversion-Free (DCF) Soy According to AFI's Recommended Cutoff Dates (Operational Guidance on Cutoff Dates, 2023): 2008 for the Amazon and 2020 for other biomes</b> 3.3.1. DCF soy. Qualify the information by: <ol style="list-style-type: none"> <li>Geographic scope (see Part 1);</li> <li>Proportion of the total volume of soy traded;</li> <li>Percentage of soy from negligible risk areas;</li> <li>Percentage of DCF soy from high deforestation risk areas;</li> <li>Proportion of soy volume from direct and indirect suppliers.</li> </ol>	<p>Unlike indicator 3.1, where the progress report should specify the approach and present the adopted methodology, in indicator 3.3, we also recommend that progress be specified using the approach and methodology outlined in the Accountability Framework Initiative (AFI) Operational Guidance on Cutoff Dates.</p> <p>That is, for soy sourced in the Amazon biome, the cutoff date should be July 2008, consistent with the Soy Moratorium, and December 2020 for all other natural ecosystems, such as the Cerrado, Pantanal, and Chaco.</p>	Additional
<b>4 Respect for Human Rights in the Supply Chain</b>	<b>4.1 Human Rights Assessment in the Supply Chain</b> 4.1.1 Description of the company's approach to Human Rights: <ol style="list-style-type: none"> <li>Topics covered (e.g., forced labor, indigenous lands, quilombola and other traditional communities and settlements).</li> <li>Activities performed (e.g., public lists assessments, polygon cross-referencing with official databases, due diligence).</li> <li>Percentage of suppliers covered.</li> </ol>	<p>This information allows us to know whether the company assesses its supply chain in relation to human rights, especially those of indigenous peoples, traditional communities and workers.</p> <p>The objectives of the human rights assessment should be the following:</p> <ul style="list-style-type: none"> <li>Prevent causing or contributing to adverse impacts;</li> <li>Mitigate or remedy adverse impacts when the company has caused or contributed to them;</li> <li>Ensure free, prior, and informed consent for activities affecting the rights, land, resources, territories, livelihoods, and food security of Indigenous peoples, traditional communities, or local populations.</li> </ul>	Essential



<p><b>4</b> <b>Respect for Human Rights in the Supply Chain</b></p>	<p>4.1.2. Percentage of suppliers assessed for Human Rights compliance. Qualify the information by:</p> <p>a) Geographic scope (see Part 1);</p> <p>b) Percentage of soy volume from direct and indirect suppliers;</p> <p>c) Proportion of the total soy volume commercialized</p>	<p>It is recommended that the approach to human rights be in line with the UN Guiding Principles (“Business and Human Rights – the UN Framework to protect, respect and remedy”) – particularly in section 2, which deals with the responsibility of companies towards respecting human rights, and with Principle 2 (Respect for Human Rights) from AFI Fundamental Principles.</p> <p>Note: monitoring practices based on checking the forced labor blacklist and geospatial analysis regarding the overlap of production areas with Indigenous Lands and Quilombola Territories can be regarded as part of human rights analysis. However, they are insufficient to address the issue as a whole.</p>	<p>Essential</p>
<p><b>5</b> <b>Blocking and reintegration of suppliers in the supply chain</b></p>	<p><b>5.1 Transparency and disclosure about producers’ reintegration process</b></p> <p>a) Number of blocked properties</p> <p>b) Number of unblocked properties</p>	<p>The blocking of suppliers who do not comply with the trader’s DCF policy must cover the entire property – not just the specific plot (polygon) where deforestation occurred within the farm. Otherwise, non-DCF soy may enter the company’s sourcing chain.</p> <p>The trader must also have a producer reinstatement policy. The objective is to discourage the triangulation of non-DCF soy volumes within the same property or between different farms.</p>	<p>Essential</p>
<p><b>6</b> <b>Scope 3 – Greenhouse Gas (GHG) emission</b></p>	<p><b>6.1 GHG emission assessment for Scope 3</b></p> <p>6.1.1 Description of approach used to assess Scope 3:</p> <p>a) Types of approach: Procurement of raw materials and goods, transportation and distribution, employee commuting and waste treatment, for instance.</p> <p>b) Percentage of suppliers assessed</p> <p>6.1.2. Percentage of suppliers assessed in relation to Scope 3. Qualify the information by:</p> <p>d) Geographic scope (see Part 1)</p> <p>e) Percentage of soy volume from direct and indirect suppliers (for indirect suppliers, the aggregation point can be considered);</p> <p>f) Proportion of total soy volume traded.</p>	<p>This information allows the company to assess whether it evaluates its supply chain concerning GHG emissions.</p> <p>The objectives of the Scope 3 assessment should be:</p> <ul style="list-style-type: none"> <li>• Avoid causing or contributing to adverse impacts throughout the entire supply chain;</li> <li>• Prevent (or mitigate) potential impacts;</li> <li>• Cooperate to provide remediation when it is determined that the company has caused or contributed to an adverse impact.</li> </ul>	<p>Additional</p>

FIGURE 1

SIMPLIFIED DIAGRAM  
WITH BASIC AND  
MINIMUM INFORMATION ON  
PROGRESS INDICATORS.





Part 4

# DEFINITIONS

» **Settlements** - settlements comprise a group of rural worker families dwelling and producing on a specific rural property, which has been expropriated or acquired by the federal government (in the case of acquisition, also by state governments) in order to comply with the constitutional and legal provisions relating to agrarian reform. The term settlement is used to identify not only an area of land, within the scope of agrarian reform processes intended for agricultural and/or extractive production, but also a heterogeneous collective of social groups made up of rural worker families (CARVALHO, 1998, p. 4)<sup>2</sup>.

» **Risk analysis** - systematic process for assessing potential risk in a company's operations, supply chains and current or future investments. In the context of the Accountability Framework (AFi), this term refers to the analysis of the risk of non-compliance with the company's commitments or applicable legislation, as well as the harmful impacts on internationally recognized Human Rights. The risk of adverse socio-environmental impacts, including non-compliance with commitments, policies, or other corporate obligations, can be an important element of broader corporate risk (AFi, 2024).

For soy traders, the risks of deforestation or conversion, as well as those related to Human Rights, are divided into three levels: high, medium, and negligible. Important: the adoption of a classification of risk areas to determine soybeans sourced as DCF can be considered a starting point to guide companies' actions in meeting their commitments.

However, this approach does not guarantee that the soybeans sourced are actually DCF, since this attribute can only be verified as a result of a process in which the soybeans source is effectively known, tracked, and monitored (via direct monitoring and/or certification).

» **Biome** - a set of plant and animal life, consisting of a group of close vegetation types that can be identified at a regional level, with similar geological and climatic condition, and that, historically, have undergone the same landscape formation processes, resulting in a diversity of flora and fauna of their own (IBGE).

» **Certification** - the way a third party provides a written guarantee that a product, process or service complies with the specified requirements (ABNT).

» **Local communities** - a group of people who interact with one another and inhabit and share a specific environment and location, have common concerns about local facilities, services and the environment, and sometimes deviate from traditional or state definitions. These communities may give a particular meaning to the land and natural resources as sources of culture, customs, history and identity, and/or rely on them to sustain their ways of life/livelihoods, social organization, culture, traditions and beliefs. Local communities may be legally or customarily known by various terms, such as "traditional communities." Like Indigenous Peoples, they may use and manage land in accordance with cus-

2. CARVALHO, Horácio Martins de. Formas de associativismo vivenciadas pelos trabalhadores rurais nas áreas oficiais de reforma agrária no Brasil. In: **Ministério Extraordinário de Política Fundiária e Instituto Interamericano de Cooperação para a Agricultura**. Curitiba: agosto, 1998.

tomary tenure systems and associated rights and may depend on their land for cultural and physical survival. Based on their similarities, the Framework refers to both “Indigenous Peoples and local communities” and requires the same processes and respect for the rights of both groups, including ownership and the right to give or withhold free, prior and informed consent (AFi, 2024).

» **Conversion** - a change from one natural ecosystem to another land use or a profound change in the species composition, structure or function of a natural ecosystem.

- Deforestation is a form of conversion (conversion of natural forests).
- Conversion includes severe degradation or the introduction of management practices that result in substantial and frequent changes in the composition, structure or function of the ecosystem’s old species.
- Changes to natural ecosystems that meet this definition are considered conversion, regardless of whether they are legal or not.
- According to the latest updates to the AFi, the term “deforestation in natural ecosystems” has been used in preference to the term “conversion”, since conversion is commonly associated with any change in land use, such as conversion of pasture to grain crops, for example (AFi, 2024).

» **Target date** - the date by which a given company (or other policy or commitment issuing entity) in-

tends to have its commitment or policy fully implemented (AFi, 2024).

» **Limit date/Cutoff date** - the date after which deforestation or conversion makes a given area or production unit non-compliant with zero-deforestation targets, commitments, objectives or other obligations in forests and other natural ecosystems (AFi, 2023).

» **Reference date** - the date from which deforestation or conversion associated with a given area or supply chain is measured and/or managed (AFi, 2024). Cutoff dates are an essential component of zero-deforestation targets, commitments and policies in forests and other natural ecosystems. However, in the absence of policies with clear cutoff dates, it is important that companies still monitor and report deforestation activities in a robust and consistent manner and present their reference dates (AFi, 2023).

» **Deforestation** - loss of natural forest as a result of: (i) conversion of native vegetation to agriculture or other non-forest land use; (ii) conversion of native vegetation to planted forest; or (iii) ongoing severe degradation.

- This definition belongs to deforestation-free supply chain commitments, which generally focus on preventing the conversion of native vegetation of natural forests.
- Severe degradation (scenario iii in the definition) refers to deforestation even if the land is not for subsequent non-forest use.

- A loss of natural forest that meets this definition is considered deforestation regardless of whether it is legal or not.
- The Accountability Framework definition of deforestation means “gross deforestation” of natural forest, where “gross” is used in the sense of “total; aggregate; without deduction for reforestation or other compensation” (AFi, 2019).

» **Human Rights** - these are standards that recognize and protect the dignity of all human beings. They govern how humans live in society and among themselves, as well as their relationship with the State and the obligations that the State has towards them (UNICEF). The main reference to human rights is the Universal Declaration of Human Rights (UDHR). However, there are other standards, conventions and treaties regarding the behavior and benefits that individuals or groups of people can expect or demand from the government that mainly make up International Human Rights Law.

» **Fundamental Rights of the International Labor Organization (ILO)** - the ILO Governing Body has classified eight conventions as “fundamental”: freedom of association and effective recognition of the right to collective bargaining; elimination of all forms of forced or compulsory labor; effective abolition of child labor; and elimination of discrimination regarding employment and occupation. These principles are also set out in the ILO Declaration on Fundamental Rights at Work (1998).

» **Natural ecosystem** - an ecosystem that substantially resembles – in terms of composition, ecological structure and function of species – one that is or would be found in a given area in the absence of major human impacts. This includes human-managed ecosystems where much of their natural composition, structure and ecological functions of species are present.

Natural ecosystems include:

1. Largely “pristine” natural ecosystems that have not been subject to major human impacts in recent history.
2. Regenerated natural ecosystems that have been subject to major impacts in the past (e.g. agriculture, livestock, tree plantations or intensive logging), but where the primary causes of the impact have ceased or been largely reduced, and the ecosystem has retained the composition, structure and ecological function of species similar to other previous and contemporary natural ecosystems.
3. Managed natural ecosystems (including the many ecosystems that could be called “semi-natural”) where much of the composition, structure and ecological function of species are present; this includes managed natural forests as well as native grasslands and pastures that are, or historically have been, used for livestock grazing.
4. Natural ecosystems that have been partially degraded by anthropogenic or natural causes (e.g.,

harvesting, fire, climate change, invasive species, or others), but where the land has not been converted to another use and where much of the composition, structure, and ecological function of species remain present or are expected to regenerate naturally or through management for ecological restoration (AFi, 2024).

» **Supplier** - producer or company that supplies raw materials, processed materials or finished products to a buyer (AFi, 2024).

» **Direct supplier** – producer or company from which raw materials, processed materials or finished products are directly purchased. In the corporate language of soybean traders, the direct supplier is the one who produces and sells soybeans directly to the trader.

» **Indirect supplier** – producer or company from which raw materials, processed materials or finished products are purchased via brokers. In the corporate language of soybean traders, the indirect supplier is the one who aggregates volume from several soybean producers (cooperatives and other brokers, for instance) and sells this consolidated volume to the trader.

» **Impact** – effect that an organization causes or could cause on the economy, the environment and people, including impacts on human rights, which, in turn, can indicate its contribution (either positive or negative) to sustainable development (GRI, 2022).

» **Actual negative impact** – adverse impacts that have already occurred and must be repaired (UN, 2011).

» **Potential negative impact** – adverse effects that have not yet occurred and must be prevented or mitigated (UN, 2011).

» **Monitoring** – an ongoing function that uses the systematic collection of data on specific metrics in order to analyze and document the extent to which actions, progress, performance and compliance are being executed or achieved (AFi, 2024).

» **Traditional peoples and communities** – culturally distinct groups that recognize themselves as such, and have their own forms of social organization, occupy and use territories and natural resources as a condition for their cultural, social, religious, ancestral and economic reproduction, using knowledge, innovations and practices generated and transmitted by tradition (BRAZIL, Decree 6040/2007).

» **Indigenous peoples** - distinct groups of people who satisfy any of the 22 most common and accepted definitions of indigenous peoples, which consider (among other factors) whether the collective:

- sought to establish its own concept and form of human development within a given socio-economic, political and historical context;
- attempted to maintain the group's distinctiveness regarding identity, languages, traditional beliefs, customs, laws and institutions, world views and ways of life;

- have exercised control and management of the lands, natural resources and territories that have been historically used and occupied, with which they have a special connection and upon which their physical and cultural survival typically depends.
- identify themselves as indigenous people; and/or
- descend from populations whose existence predates the colonization of the lands on which they were originally found or of which they were expropriated.

When considering the factors above, none of them can be determinative when taken separately. Indigenous Peoples are defined as such, regardless of the local, national and regional terms that may be applied to them, such as “tribal people”, “original peoples”, “isolated tribes”, among others (AFi, 2024).

» **Traceability** - the ability to follow a product or its components through stages of the supply chain (e.g. production, processing, manufacturing and distribution) (AFi, 2024).

» **Remediation/Reparation** - terms used interchangeably or in combination with each other, where both refer to the process of redressing a negative impact and to the substantial outcomes that can correct or remedy negative impacts. These outcomes can take a variety of forms such as apologies, restitution, rehabilitation, restoration, financial or non-financial compensation, and punitive sanctions (both criminal and administrative, such as fines),

as well as prevention of harm by means of injunctions or guarantees of non-repetition (AFi, 2024), for instance.

» **Deforestation/conversion-free (DCF) soybeans** - soybeans produced in a specific area that was deforested or converted before a defined date. This definition aims at preventing further conversion of native vegetation in natural ecosystems for the expansion of agriculture, specifying a deadline to classify a product as free of deforestation/conversion of native vegetation. The definition of native vegetation free of deforestation/conversion must be explicit in the report and must include cutoff dates or reference dates used, in addition to its geographic scope.

» **Indigenous land** - according to Article 231 of the Federal Constitution, indigenous lands are those “inhabited by them on a permanent basis, those used for their productive activities, those essential to the preservation of the environmental resources necessary for their well-being and those necessary for their physical and cultural reproduction, according to their uses, customs and traditions.” Article 20 establishes that these lands are assets of the Union, and the indigenous people are recognized as having permanent possession and exclusive use of the riches of the soil, rivers and lakes found there. Also, by virtue of the Constitution, the Government is obliged to promote such recognition. Whenever an indigenous community occupies a certain area as per Article 231, the State will have to delimit it and physically demarcate its boundaries. The Constitu-



tion itself established a deadline for the demarcation of all Indigenous Lands (ILs): October 5, 1993. However, this did not happen, and ILs in Brazil are in different legal situations. For soy traders, ILs must be approved in order to be officially recognized by them in their analyses regarding overlapping, conversion or deforestation.

» **Traditional territory** - the space necessary for the cultural, social and economic reproduction of traditional peoples and communities, whether used permanently or temporarily, observing, regarding indigenous peoples and quilombolas, respectively, the provisions of articles 231 of the Constitution and 68 of the Act of Transitional Constitutional Provisions and other regulations (BRAZIL, Decree 6040/2007). For soy traders, traditional territories must be approved in order to be officially recognized by them in their analyses regarding overlapping, conversion or deforestation.

» **Worker** - a person who performs work for the organization (GRI, 2022). The term “workers” includes, but is not limited to, employees.

» **Verification** - assessment and confirmation of compliance, performance and/or actions in relation to commitments, policies, objectives and targets established or other obligations. Verification means that the information has been verified and confirmed by people other than those involved in the operation or entity being analyzed. Related definitions include the following:

- First-party verification: verification conducted by the company itself but performed by personnel who is not involved in the planning or implementation of the operations being verified.
- Second-party verification: verification conducted by a related entity with an interest in the company or operation being evaluated, such as the business customer of a production/processing operation or a contractor who also provides services other than verification.
- Third-party verification: verification conducted by an independent entity that does not provide other services to the company (AFi, 2024).

# REFERENCES

ACCOUNTABILITY FRAMEWORK INITIATIVE, 2019. **Princípios Fundamentais.** Available at: <https://accountability-framework.org/pt-br/baixar-documentos-do-framework/> Access on: 08/10/2021.

ACCOUNTABILITY FRAMEWORK INITIATIVE, 2019. **Diretriz Operacional sobre a aplicação das definições relativa ao desmatamento, conversão e proteção de ecossistemas.** Available at: <https://accountability-framework.org/pt-br/baixar-documentos-do-framework/> Access on: 08/10/2021.

ACCOUNTABILITY FRAMEWORK INITIATIVE, 2019. **Diretriz Operacional sobre Relato, Divulgação e Reivindicações.** Available at: <https://accountability-framework.org/pt-br/baixar-documentos-do-framework/> Access on: 08/10/2021.

ACCOUNTABILITY FRAMEWORK INITIATIVE, 2023. **Orientação Operacional do Quadro de Responsabilização sobre Datas-Limite.** Available at: <https://accountability-framework.org/> Access on: 01/22/2025.

ACCOUNTABILITY FRAMEWORK INITIATIVE, 2024. **Os termos e definições do Quadro de Responsabilização.** Available at: <https://accountability-framework.org/pt/pagina-principal/> Access on: 01/22/2025.

BRASIL. **Decreto n.º 6.040, de 7 de fevereiro de 2007.** Institui a Política Nacional de Desenvolvimento Sustentável dos Povos e Comunidades Tradicionais. Available at: [http://www.planalto.gov.br/ccivil\\_03/\\_ato2007-2010/2007/decreto/d6040.htm](http://www.planalto.gov.br/ccivil_03/_ato2007-2010/2007/decreto/d6040.htm) Access on: 08/10/2021.



CDP, 2023. **CDP Forests 2023 Reporting Guidance**. Available at: <https://guidance.cdp.net/pt/guidance?cid=47&ctype=theme&idtype=ThemeID&incchild=1&microsite=0&otype=Guidance&page=1&tags=TAG-597%2CTAG-646%2CTAG-609%2CTAG-599%2CTAG-600> Access on: 01/22/2025.

GLOBAL REPORTING INITIATIVE, 2022. **Glossário das Normas GRI**. Available at: <https://www.global-reporting.org/how-to-use-the-gri-standards/gri-standards-portuguese-translations/> Access on: 01/22/2025.

ORGANIZAÇÃO INTERNACIONAL DO TRABALHO, 1998. **Declaração da OIT sobre os Princípios e Direitos Fundamentais no Trabalho e seu seguimento**. Available at: [https://www.ilo.org/public/english/standards/declaration/declaration\\_portuguese.pdf](https://www.ilo.org/public/english/standards/declaration/declaration_portuguese.pdf) Access on: 08/10/2021.

UNITED NATIONS, 2011. **Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework**. Available at: [https://www.ohchr.org/sites/default/files/documents/publications/guiding-principlesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guiding-principlesbusinesshr_en.pdf) Access on: 01/22/2025.

# GUIDE FOR TRANSPARENCY IN SUSTAINABILITY REPORTING BY SOYBEAN TRADERS: ZERO DEFORESTATION AND CONVERSION, AND HUMAN RIGHTS

SECOND EDITION

CARRIED OUT BY

**Soy**on  
Track

SUPPORT

 **Imaflora**<sup>®</sup>

The Nature  
Conservancy   
Brasil