

# Statement of Support for the Cerrado Manifesto (SoS) Group

## Terms of Reference

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## 1. Background

In September 2017, a coalition of over 60 Brazilian civil society organisations released the [Cerrado Manifesto](#) that highlighted the pace and extent of forest and native vegetation loss resulting from soy and cattle expansion and called for immediate action by Government, Buyers and Investors to protect the Brazilian Cerrado.

On 25 October 2017, 23 companies published a [Statement of Support \(SoS\)](#) for the Cerrado Manifesto that stated their intent to work with local and international actors to halt deforestation and native vegetation loss in the Cerrado. Subsequently, a total of over 70 companies have added their names to the list, lending weight to the need for action on this globally important topic.

## 2. Aims & Objectives

The **Statement of Support Group** (“**SoS Group**”) is formed of all companies who have added their names to this commitment (“**representatives**”).

The **Aim** of the Group is to define the role of representatives to achieve the **Objective** of working with local and international Stakeholders in finding solutions to achieve better protection of forests and native vegetation in the Cerrado while ensuring no leakage to other globally important ecosystems. This will be achieved through the development of a broadly supported Implementation Plan.

## 3. Compliance with Competition Law

We share a commitment to ensure that the activities of representatives are conducted in full accordance with competition law. In order to achieve that end, all representatives of the Group agree that they shall not engage in any activity or conduct which could constitute a breach of competition law.

More specifically, all representatives agree that they will not discuss, communicate or exchange any commercially sensitive information, including information relating to prices, marketing and advertising strategy, costs and revenues, profit margins, trading terms and conditions with third parties, including purchasing strategy, terms of supply, trade programmes, or distribution strategy.

Whilst the objective of representatives is to work individually and collectively with local and international stakeholders to halt deforestation and native vegetation loss in the Cerrado, any subsequent sourcing decisions will be made individually, according to each representative's own sourcing policies or standards.

Accordingly, each representative shall not:

- Disclose to other representatives, information about which suppliers they have commercial or contractual relationships with (if any).
- Discuss (whether formally or informally) or exchange any information with other representatives relating to:
  - the terms of any contracts with suppliers or any other third parties;
  - any suppliers whose product is either approved, prohibited or preferred for inclusion in products supplied to that representative;
  - future costs or pricing trends, including in relation to soy or cattle, even if this is only speculation;
  - constraints on capacity (either current or in future) in relation to soy or cattle and/ or the impact this could have on pricing (even at a general level); and
  - any action it is thinking of taking in relation to requiring its suppliers **not** to use a company or supplier;

Each representative is ultimately responsible for its own compliance with competition law and must rely on its own independent legal advice.

#### **4. Scope**

To work individually and collectively with local and international stakeholders to halt deforestation and native vegetation loss in the Cerrado related to soy cultivation and cattle management, while avoiding leakage to other globally important ecosystems.

#### **5. Benefits of Collaboration**

Recognising the highly fragmented and complex nature of soy & cattle supply chains and the vital role of government and industry as agents of change, the opportunities to engage, influence and affect change on the ground rest largely on broad collaborative effort.

We understand the value of amplifying our collective voice and the benefit of harmonised approaches in terms of efficiency. This applies equally to our own businesses as well as for those companies on the receiving end of our policy and any compliance management requirements. Such activity includes, but is not limited to:

- Encouraging and facilitating the building of awareness around nutritional solutions and technology currently available that allow cattle producers to marginally increase their herd density on pasture to satisfy their need to expand (increase beef production)

- Encouraging and facilitating government and market incentivisation to soy producers to target future expansion onto previously cleared and degraded lands (increase soy production)

We believe that we can achieve faster and more meaningful progress through industry and cross-sector partnerships. This programme reflects our determination to halt deforestation and achieve the climate, biodiversity, water management and agricultural productivity benefits associated with this in a way that does not impede local development aspirations.

## **6. Participants and Responsibilities**

### **Signatories:**

As mentioned in paragraph 1.0, the SoS is a business initiative to respond to the Cerrado Manifesto, that in itself was a call for immediate action by buyers (e.g. soy traders) and users (e.g. retailers, manufacturers and livestock farmers) of soy and meat from the Cerrado area and by investors active in these sectors. In line with this call, the SoS is a business response open to all types of businesses, including buyers (and users) of agricultural products from the Cerrado, investors, banks and other related business (e.g. companies not in a previous classification) that wish to show their support for the Cerrado Manifesto and related Statement of Support (SoS).

In recognition of the diversity of signatory companies and therefore the different levels of material impact, signatories annually decide to what extent they wish to actively participate in supporting SoS implementation activities, in line with the levels of engagement as per Appendix 1 and 2 (see below). Signatories of the SoS share a collective aim to help drive and support solutions to the issues of sustainable livestock and soy farming, deforestation/conversion, climate change and biodiversity loss.

### **Signatories' Commitment to the SoS Implementation Roadmap:**

The SoS signatories have worked together to develop an Implementation Roadmap to help guide signatories in turning their SoS commitments into actions. The Implementation Roadmap offers signatories with guidance of relevant and effective actions they can take to contribute to making progress towards the Objective of the SoS described in Section 1 above.

Signatories commit to taking the SoS Implementation Roadmap into account when making decisions relevant to their sector (e.g. buyers for sourcing decision, investors for active engagement). This does not mean signatories must act on the results but rather that signatories commit to considering the Roadmap when individually deciding what actions, if any, they will independently take.

### **External Stakeholders:**

Other organisations (e.g. NGOs, industry bodies) may be engaged to comment or advise on any aspect of the programme. This will be at the discretion and agreement of representatives.

### **SoS Signatories Group Organisation:**

The SoS Group has no formal officers, no fee structure, and relies on the participation of all representatives to achieve its objectives. Individual representatives may be asked to lead on programme planning, administration, engagement or other necessary work. The SoS Group may recruit third party support upon agreement by all representatives that will be achieved on the basis of no sustained objections. Signatories do not need to be a Consumer Goods Forum (CGF) member.

- Appendix 1 outlines the Governance Structure to achieve smooth running of the Project and the efficient development and delivery of an Implementation Plan and associated activities. Changes to this Structure may be proposed at any time and will be agreed upon consultation with representatives.

Meetings, conference calls or e-mail communications will be arranged as required to meet the aims and objectives of the project and representatives are requested to make every effort to participate in planned meetings, physical or virtual. Representatives are asked to maintain a working knowledge of SoS Group activities and decisions and to contribute as needed to achieve a broad consensus.

The SoS Group may choose to establish dedicated sub-groups ('working groups') with a focus on specific topics relevant to the Group's aims and objectives. Governance of these will be agreed on an ad-hoc basis on agreement by representatives.

## **7. Communication Guidelines**

Representatives are encouraged to promote their participation in the Statement of Support (SoS) for the Cerrado Manifesto both externally and within their own organisations and supply chains.

Representatives are required to only claim participation in activities or delivery of objectives that are in line with the Statement of Support released on 25 October 2017 and subsequent Group activities.

Companies are encouraged to seek advice from the Steering Group on any proposed communications that might exceed these guidelines.

## **8. Confidentiality**

Each representative shall treat all information relating to representatives obtained via their participation in the Statement of Support (SoS) Group, and which is not in the public domain ("**Confidential Data**"), as confidential. Furthermore, Confidential Information will only be used by a representative for the purposes of achieving the aims described in these Terms of Reference.

Subject always to compliance with competition law and representatives' responsibilities under section 2 of these Terms of Reference, this duty of confidentiality shall not prevent one representative from sharing Confidential Data with (i) another representative or (ii) a Supplier with which it is in a contractual relationship.

The duty of confidentiality shall not prevent any representatives from disclosing confidential information when it is under a legal duty to do so. All company information will be treated as confidential and will only be disclosed to the contracted partner and the respective representative's.

## APPENDIX 1

Describes the Governance Structure to achieve smooth running of the Project and the efficient development and delivery of an Implementation Roadmap and associated activities. Changes to this Structure may be proposed at any time and will be agreed upon consultation with representatives.

1. The **Statement of Support Steering Group ('SoS Steering Group')** is a small number of representatives nominated by the Group to lead on recruiting new representatives, stakeholder engagement, and developing proposals for consideration by the Group.
2. The **Statement of Support Consultation Group ('Consultation Group')** is a wider group of representatives who wish to take a more active role in developing an Implementation Roadmap and supporting the Leadership Team in all activities.
3. The **Statement of Support Representatives ('Representatives')** includes all representatives of companies which signed the Statement of Support for the Cerrado Manifesto. In recognition of the fact that not all organisations will have the capacity or desire to be active participants these representatives are asked to generally support the Implementation Roadmap and associated activities. These representatives will be included in all consultations and while more active participation is encouraged, it is not obligatory.

**Statement of Support Steering Group:**  
responsible for recruiting new members, stakeholder engagement, and developing proposals for consideration by the Members

**Circa 6 company representatives**

**Statement of Support Consultation Group:**  
responsible for actively supporting the Steering Group in all activities pertinent to the Group objectives

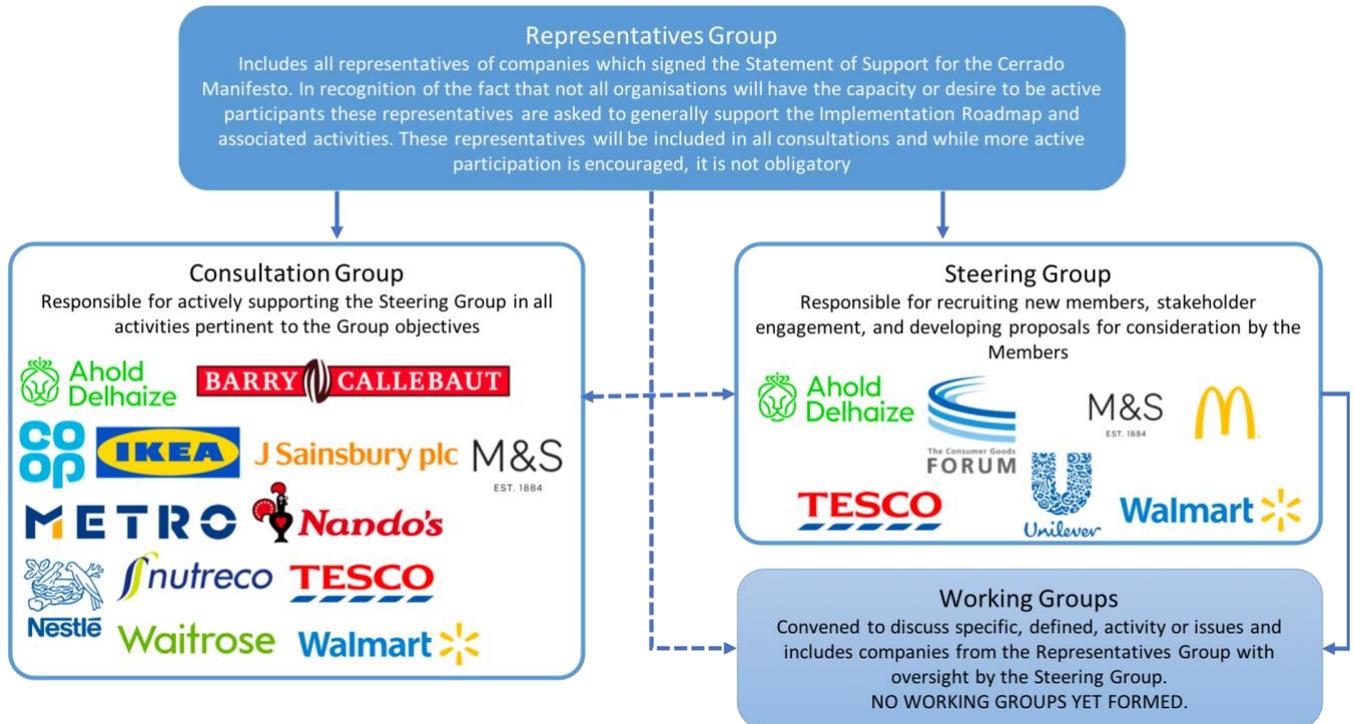
**Circa 10-12 company representatives**

**Statement of Support Representatives:**  
responsible for ensuring proposals created are relevant, appropriate and in line with the aims and objectives of the project

**All other Company representatives**

APPENDIX 2

Cerrado Manifesto Statement of Support Governance



**APPENDIX 3**

Describes the overlap in membership across associated initiatives designed to remove deforestation from Brazilian Soy and Cattle supply chains.

