

THE NORWEGIAN COMMITMENTS
ON SUSTAINABLE SOY AND FORESTS

Oslo, Norway
14 October, 2015



We live in an increasingly crowded world. To meet the rising demand of the human population for food, feed, fuel and fibre, a global transition to sustainable production systems is urgently needed.

This transition to sustainable production includes maintaining and restoring the fertility of soils, the quality and quantity of freshwater, the stability of the climate, and the health of forests and other natural ecosystems. A successful transition also entails more equitable and inclusive regional development that respects human rights, the diversity of human cultures, and the important role of smallholder farmers.

We, Norwegian feed and food companies, have developed a shared commitment to do our part in driving this transition to sustainability and to inspire other industries to do the same. It is not enough to approach the sustainability challenge through corporate risk management alone. We must become active proponents of large-scale solutions.

For this reason, we aspire to achieve sustainability in our own supplies, and across entire landscapes in the regions that provide us with raw materials. The level of our ambition implies a commitment to more ambitious partnerships with our suppliers as well as new partnerships with local governments, farmer organizations, and civil society organizations to develop shared strategies for achieving regional sustainability.

ZERO DEFORESTATION SUPPLY CHAINS

Effective immediately, we pledge our soy supplies originating from South America and any other rainforest country to be deforestation free as per reputable certification standards such as the ProTerra¹ Certification. The zero deforestation pledge applies to rainforests as well as other high conservation ecosystems.

We have signed the UN New York Declaration on Forests². This Commitment comes in response to the initiative of Norway's Minister of Climate and Environment, Tine Sundtoft as well as the ministers of Trade, Fisheries and Agriculture, in Oslo, 19 September 2014.

HUMAN RIGHTS, LABOUR CODES, ENVIRONMENT AND ANTI-CORRUPTION

We commit to non-violation of human rights in our supply chains as per The Universal Declaration of Human Rights, United Nations, dated 10th December 1948. Furthermore, we adhere to the United Nations Global Compact's ten principles³ which are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption:

Human Rights

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2 make sure that they are not complicit in human rights abuses.

Labour

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 the elimination of all forms of forced and compulsory labour;
- Principle 5 the effective abolition of child labour; and
- Principle 6 the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7 Businesses should support a precautionary approach to environmental challenges;
- Principle 8 undertake initiatives to promote greater environmental responsibility; and
- Principle 9 encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

¹ For certification under the ProTerra Standard, areas of native vegetation and other high conservation value areas cannot be cleared or converted into agricultural areas, or used for industrial or other commercial purposes, after 2004; item 4.1.1, Version 3.0 launched December 28, 2014. <http://proterrafoundation.org/index.php/standard/revision-of-proterra-standard>

² <http://www.un.org/climatechange/summit/wp-content/uploads/sites/2/2014/07/New-York-Declaration-on-Forest-%E2%80%93-Action-Statement-and-Action-Plan.pdf>

³ <https://www.unglobalcompact.org/what-is-gc/mission/principles/>

SUSTAINABILITY

We believe in and pledge to work for the implementation of good and efficient agronomic practices and innovation in order to enable a more efficient use of chemicals in farming, and reduce chemical residues in the products.

We commit to the continuing improvement of sustainability systems and in strengthening the competitiveness of sustainable solutions and principles.

We are proponents of validated and documented sustainability systems that are cost-efficient and work in favour of parties who create and improve soy production sustainability.

We call upon all stakeholders to help reduce the cost of soy production sustainability, and to implement incentives to make sustainable farming the most profitable option for both farmers and downstream buyers. This requires that the real cost of rainforest sustainability is transferred in full to non-sustainable farms and supply chains.

We pledge to work only with sustainability systems that adhere to the following:

- Compliance with the law and international accords
- Responsible personnel policies and labour practices
- Responsible relations with workers and community
- Effective environmental management plans
- Effective pollution and waste management
- Conservation of natural water resources
- Management and reduction of greenhouse gas emissions and energy use
- Healthy and better agricultural practices
- Traceability and segregation

THE NORWEGIAN ROUND-TABLE ON SUSTAINABLE SOY

We, the undersigned feed and food companies of Norway commit to private-public dialogue.

We will initiate talks to establish a Norwegian Round Table on Responsible Soy as an arena of dialogue aiming to identify more sustainable supply chains and competitive sustainability.

The aim of the Norwegian Round Table on Responsible Soy will be to support and strengthen the members' work for deforestation free soy, and to reduce deforestation and further loss of High Conservation Value Areas.

The Norwegian Round Table on Soy may be consulted on validation and documentation of sustainable soy production, and on measures to avoid deforestation.

The scope of the Round Table may contain, but is not limited to the following:

- To establish facts and contribute to a fact based debate and dialogue
- To establish a precise and verified picture of the present situation
- To identify solutions and actions
- To work on long term solutions
- To report on the Norwegian food and feed industries sustainability measures and results

TRACEABILITY AND TRANSPARENCY

We wish to contribute to the full transparency of our supply chains without undermining the competitiveness of our business and the positive impact of sustainability in our supply chains.

In order to reach full transparency while ensuring fair competition on soy, the transparency principles must aim to reach industry-wide in the regions, we source from. We will strive for a gradual adoption of more transparency to spur global adoption of transparency on agricultural commodities.

The signatories of this document will annually make public information on all of our immediate suppliers and the sourcing regions.

The first traceability systems for Norwegian imports of non-GMO soy were established between 1996 and 1999. Today, strong traceability programs apply to all our imports of non-GMO soy. We will maintain the trustworthiness of the Identity Preservation (IP) and traceability programs on soy from farmer to end user.

The signatories of this document will offer to the Norwegian Round Table on Sustainable Soy full, confidential access to its traceability documentation, in order for it to perform an annual audit of the progress on the commitments made by this document's signatories. Annual audits can be performed by a third party appointed by the signatories in consultation with the Round Table. The audit report will be made public, with the identities of sub-suppliers and farms undisclosed.

Norwegian authorities, corporate buyers and third party certification auditors will continue to have confidential access to our traceability documentation.

We will ensure public access to the Territorial Performance System (TPS) monitoring system developed by Earth Innovation Institute for the monitoring of deforestation and labour law infractions within the Brazilian Amazon Biome and displayed per state and per county⁴. We look forward to cooperating with Earth Innovation Institute to enhance the on-line transparency offered by this tool.

⁴<http://monitoring.earthinnovation.org/brazil/>

IMPLEMENTATIONS EMPOWERING LOCAL DEVELOPMENT

This document, 'The Norwegian Commitments on Sustainable Soy and Forests', shall function as an addendum to and as an integrated part of purchasing contracts for soybeans, soybean meal and soybean oil entered by the signing companies.

The last three years, the Norwegian animal feed sector reached 95% certified sustainability of its Brazilian soy imports. Effective immediately, we will have 100% sustainability certification.

The signatories will ensure that our supply chains respect and protect local farmers, small holders, indigenous people and the land. We aim to empower local development through the ProTerra Certification or equally effective verification standards. We will stress the importance of working with local farmers and communities to create solutions and rural development from the ground up.

We will promote and support legislation and public sector measures, which aim to benefit the competitiveness of sustainable and deforestation-free supply chains.

In order to contribute to more transparency we will publicly announce the sustainability certification audit period and the audit conclusions.

Our suppliers are obligated to inform us of their certification status 30 days prior the audit period.

All our Brazilian suppliers must guarantee surveillance of deforested areas on IBAMA's embargo list, and make these areas ineligible for trading with signatories of this document.

All our Brazilian suppliers must fulfill the criteria of the Soy Moratorium, which prohibits trading, acquiring or financing soybeans from areas in the Amazon Biome deforested after July 2008.

CORPORATE RESPONSIBILITY BEYOND OUR OWN SUPPLIES

We recognize and support the UN Global Compact Food and Agriculture Business Principles⁵ as a voluntary framework to advance our positive impact on agricultural production and as an arena to engage in principle-based collaboration with the UN, governments, civil society and other stakeholders. The principles are:

Aim for food security, health and nutrition

Businesses should support food and agriculture systems that optimize production and minimize wastage, to provide nutrition and promote health for every person on the planet.

⁵ https://www.unglobalcompact.org/docs/issues_doc/agriculture_and_food/FABPs_Flyer.pdf

Be environmentally responsible

Businesses should support sustainable intensification of food systems to meet global needs by managing agriculture, livestock, fisheries and forestry responsibly. They should protect and enhance the environment and use natural resources efficiently and optimally.

Ensure economic viability and share value

Businesses should create, deliver and share value across the entire food and agriculture chain from farmers to consumers.

Respect human rights, create decent work and help communities to thrive

Businesses should respect the rights of farmers, workers and consumers. They should improve livelihoods, promote and provide equal opportunities, so communities are attractive to live, work and invest in.

Encourage good governance and accountability

Businesses should behave legally and responsibly by respecting land and natural resource rights, avoiding corruption, being transparent about activities and recognizing their impacts.

Promote access and transfer of knowledge, skills and technology

Businesses should promote access to information, knowledge and skills for more sustainable food and agricultural systems. They should invest in developing capacities of smallholders and small- and medium-sized enterprises (SMEs), as well as more effective practices and new technologies.

We acknowledge the achievements by some forest countries - in particular Brazil - to reduce deforestation. We urge every forest country to do more to guarantee full governance on rainforest preservation and sustainable soybean production. We recognize and support the full implementation of the Brazilian New Forest Code as an important public policy measure to guarantee national governance on forest preservation.

We support the work of the Governors' Climate & Forests Task Force (GCF) related to the Rio Branco Declaration of 11 August, 2014 – which commits its signatories to an 80% reduction in the deforestation rate in these regions by 2020⁶.

We welcome Brazil's progress and the instruments with which to implement the New Forest Code. These instruments include the rural environmental registry CAR (Cadastro Ambiental Rural) and the environmental regularization programs. We encourage the Brazilian Government to monitor and make public information on regional compliance with the New Forest Code through reports, including summaries of property-level forest cover deficits and surpluses.

We acknowledge and respect the Brazilian multi-stakeholder dialogue of the Soy Working Group (Grupo de Trabalho de Soja) and its effort to ensure further reductions of the deforestation rate of the Amazon Biome. We urge the Soy Working Group (GTS) to ensure that present agreements are upheld or replaced by equivalent or improved agreements.

⁶ http://www.gcftaskforce.org/documents/2014_annual_meeting/GCF_RioBrancoDeclaration_August_5_2014_EN.pdf

This to ensure a full transition to sustainable environmental governance as stated by the new Brazilian Forest Code.

We are proud to support the Mato Grosso Multi-Sector Dialogue that is developing a state-wide sustainability strategy, including a shared definition of success in addressing deforestation and other issues, with measurable and time-bound milestones, incentive systems for driving progress towards this success and reliable monitoring systems. We plan to formally join the multi-stakeholder strategy and the commitment that results from this process, and to build strong partnerships with local governments, civil society and the farm organizations needed to implement this strategy. We see this process as an important example of a regional approach to deforestation and other aspects of sustainability that allows sustainability to go to scale.



OSLO, NORWAY

14 October, 2015



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John Arne Ulvan, CEO



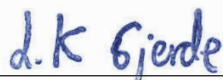
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