



# Engaging suppliers: working with suppliers to implement responsible sourcing commitments for soy

The Soy Toolkit simplifies the wide array of existing tools and initiatives by highlighting those most relevant to a company's sustainability journey, shedding light on the ways they can be used to meet soy sourcing goals. This document summarises the key points on supplier engagement from the full briefing note, available at [www.soytoolkit.net](http://www.soytoolkit.net)

- Supplier engagement is a set of interventions that are implemented with suppliers to build compliance with policy commitments across the production base.
- The ways in which companies can engage with their suppliers will depend on: the company's position in the supply chain, the suppliers' social and environmental performance, the amount of leverage the buying company has over its suppliers.
- The goal of this element is to provide companies with resources to engage & improve suppliers' programmes.

## Key steps, tools and approaches for engaging with suppliers

There is no pre-defined system for supplier engagement, but rather a framework of good practices, some of which are:

- Awareness raising and training: providing workshops, materials and webinars for suppliers
- Establishing purchase control systems: setting up procedures or systems to cross-check every single soybean purchase against a set of criteria, to be implemented by upstream soybean buyers
- Encouraging suppliers to join continuous improvement programmes

There are many ongoing initiatives to engage with soybean producers. By building on them, soy buying companies can accelerate the implementation of their policies, share costs, and increase leverage and impact.



CDP's supply chain programme supports companies to engage their supply chains to understand risks, identify opportunities, and foster sustainable sourcing of commodities.

## 01 Determine at what level to engage: Direct vs indirect

Upstream companies usually buy directly from soy producers or intermediaries and therefore will have more leverage on the ground and capacity to engage at the level of soy production. Companies downstream are usually further removed from production, and it may be more appropriate to push requirements up their supply chain and support their suppliers' direct engagement programmes.

**DOWNSTREAM COMPANY** working with: *Upstream company with own supplier engagement programme*

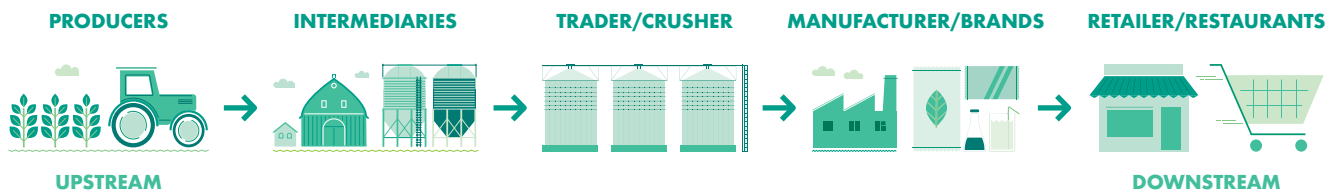


**POSSIBLE ACTIONS:** Provide support and advice as needed in accordance with steps outlined for upstream company.

**UPSTREAM COMPANY** working with: *Intermediary/Aggregator*



**POSSIBLE ACTIONS:** Evaluate the aggregator's performance and capacity on delivering positive social and environmental impact at the production level as well as the amount of leverage you have over the aggregator. Or assess the social and environmental risk in the aggregator's supply base (producers) and the amount of leverage the aggregator has over its suppliers.



## 02 Prioritise interventions

Decide which suppliers and producing areas will be prioritised. **Upstream companies** should determine engagement based on the level of risk of the producer's or the intermediary's supply base (see the *Soy Toolkit BN2B*), the amount of leverage it has over producers and the presence of existing initiatives in the area.

**Downstream companies** can best translate and transfer their responsible sourcing requirements to their tier 1 suppliers, where they have leverage, since there is no direct relationship and thus no leverage with producers.

## 03 Understanding current practices and gaps

Visits to producers are important to understand current practices and gaps. These can be supplemented or substituted by other methods where appropriate, e.g.: questionnaires, desk-based research, talking to buyers and other stakeholders (e.g. cooperatives), and engaging with other initiatives working in the area.

**Downstream** companies may start by analysing the practices of the direct suppliers it engages with to find ways to support the supplier. **Upstream** companies sourcing from intermediaries such as soy silo/elevator owners or cooperatives can work with them to gain a broader view of how soy is cultivated in a specific area.

The outcome for supply chain companies should be a common understanding of current practices and of the gaps between these practices and the requirements of responsible sourcing policies.

## 04 Taking action

Up until this point the company is implementing their commitment, but from this point on suppliers are the ones that will spearhead the process by developing a plan and agreeing on the required support considering initiatives already mapped in a region or in the sector.

**Action Planning:** Develop a time-bound action plan for addressing the risks and gaps identified in the producer's current practices.

**Support the implementation of the action plan:** This can be done with training events and workshops.

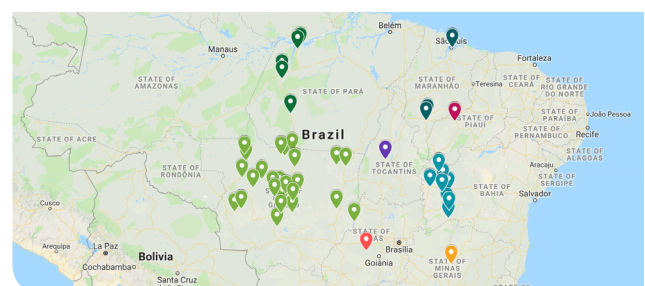
**Providing support and incentives:** including support for achieving certification, longer-term contracts, or access to loan finance amongst others.

**Engaging in other initiatives:** Some activities are most effectively delivered through partnerships with communities, governments or civil society organisations.



Led by ABIOVE (Brazilian Association of Vegetable Oil Industry), Aprosoja (Brazilian Association of Soy Producers) and local organisations, Soja Plus focuses on continuous improvement of producers' practices towards legal compliance.

It operates at a subnational level (Mato Grosso, Mato Grosso do Sul, Minas Gerais, Goiás and Bahia states) and is open for participation by other companies.



Map of soy initiatives in Brazil. To see the full list of initiatives, please refer to the *Soy Toolkit BN3*.

The Soy Toolkit has been developed by Proforest as part of the Good Growth Partnership's Responsible Demand Project, thanks to financial support from the Global Environment Facility (GEF) through World Wildlife Fund (WWF)

