Soy sourcing commitments: monitoring and reporting progress

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 monitoring and reporting progress from the full briefing note, available at **www.soytoolkit.net**

- **When implementing soy sourcing policies, monitoring and reporting on progress internally and externally is a critical action.**
- **It is important not only to track progress and review goals and strategies, but also to make the process transparent to different stakeholders.**
- **Ultimately, monitoring and reporting should be aligned across the supply chain, so that roles and types of support at the different stages of the supply chain are clear.**

Key steps, tools and approaches to monitor and report progress on commitments

The successful implementation of policy commitments such as no deforestation or respect of human rights, can be strengthened or jeopardised by the quality and effectiveness of the monitoring and reporting processes in place. Below we describe 6 key steps for achieving successful implementation.

01   Define purpose and scope of commitments

The first step in monitoring is to define what will be monitored and what the monitoring is expected to deliver. To do so, buying companies need to consider their position in the supply chain, for example, as responsibilities will vary at each point of the supply chain.

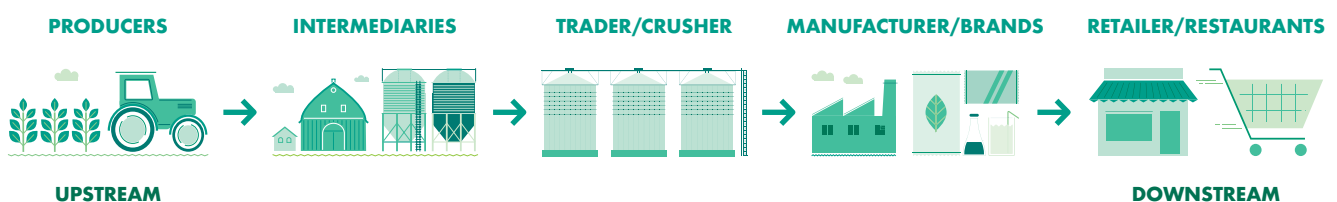### Types of monitoring: progress and performance

Monitoring progress: quantitative or qualitative measure of implementation status of the workplan.	**ADM** publishes half-year progress reports on policy implementation of soy commitments. Status of milestones are presented as 'complete', 'ongoing' or 'in progress'.
Monitoring performance: measures level of compliance with commitment.	**Unilever** maintains a webpage with targets and performance. Compliance is measured in terms of proportion of volume sourced, and classified as 'achieved', 'on-plan' and 'off-plan'.

Upstream companies will be able to collect information directly from producers, and will have more influence to ensure policy implementation at farm-level. Downstream companies can monitor progress via suppliers using surveys or remote sensing tools.

PRODUCERS → INTERMEDIARIES → TRADER/CRUSHER → MANUFACTURER/BRANDS → RETAILER/RESTAURANTS

UPSTREAM   DOWNSTREAM

02   Develop indicators

Key Performance Indicators (KPIs) can be developed from the data monitored to capture the progress and outputs of policy implementation. The KPIs should cover all the key environmental and social commitments, as in the example below:

Implementation stage	KPI reported by upstream companies	KPI reported by downstream companies
Traceability to origin	% volume traceable to municipality % traceable to farm in risky areas % traceability to elevator/warehouse for indirect source	% of total soy purchased traceable to its source % of soy volumes traceable to country of origin % of soy sourced from countries other than Brazil

03   Design your monitoring system

- Decide how to monitor and specify the indicators and sources
- Decide who is going to gather data, analyse and produce KPIs
- Consider what your suppliers are monitoring/could monitor
- Define how the monitoring data will influence practice, provide transparency and allow accountability.
- Decide how often the monitoring needs to be conducted

04   Implementation of monitoring

Upstream companies: Two main types of monitoring approaches can be useful:

Geospatial monitoring: spatial data and basic GIS software can monitor implementation of deforestation commitments. For example, changes in forest cover in the Amazon biome could be monitored with satellite data provided by **PRODES Amazonia**, whilst changes in natural habitats in the Cerrado biome could be monitored with **PRODES Cerrado**. Another important source of satellite data available covering these dynamics in Brazil is **Global Forest Watch** (GFW).

Non-geospatial monitoring: for commitments related to human rights protection, however, other approaches are necessary. On-the-ground audits and interviews with farmers and communities can be done internally, or by second or third parties.

Downstream companies: For companies more removed from the production base, the most practical approaches to start with can be supplier surveys or scorecards, which can then evolve to geospatial monitoring of priority sourcing buffers.

05   Report internally and take action

Internal reporting will depend on what needs to be communicated externally and the policy goals.

06   Report externally and enhance transparency

It is essential to be open and transparent with a wide range of stakeholders about any issues that have been identified. Acknowledging that issues exist, demonstrating the process of remediation and being transparent about progress in relation to commitments are crucial.

Soft Commodities Forum (SCF), a group of traders convened by the World Business Council for Sustainable Development (WBCSD), has been working towards a common framework for monitoring and reporting on progress. This is an example of a sector initiative to align on how monitoring and reporting can contribute to increasing transparency across the sector.

CDP annually discloses company action on climate change, forests and water security. The information supplied in the reporting process is scored and provides a view on a company's journey towards environmental stewardship.