
Soy sourcing commitments: assessing and developing an implementation plan



**Soy Toolkit
Briefing Note 01**

Version 1.1



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)



GOOD
GROWTH
PARTNERSHIP



proforest



5-element approach



Figure 1: The 5-element approach for sourcing soy responsibly. This Briefing Note 01 will focus on the 'Assess and plan implementation' element.

Key Points

- Planning implementation involves a company initially assessing its commitment and its current practices against sectoral best practices, identifying gaps and then developing an implementation plan to support the execution of improvements needed.
- Defining the implementation plan's scope and main activities involves planning for traceability, risk assessment, supplier engagement, implementing a purchase control system, and review, monitoring, verifying and reporting mechanisms.
- Developing clear timebound targets and KPIs through a timeframe in the implementation plan will include setting internal and external time-bound targets and long-term goals based on knowledge of the supply chain including complexity, and type and number of suppliers.
- Building resources and assigning responsibilities usually includes overcoming the 'disconnect' between the decision-making in headquarters and the views of staff in the rest of the organisation, which is key for the execution of the implementation plan.

Purpose of this briefing note

This briefing note is part of the Responsible Sourcing: A Soy Toolkit¹. It relates to the element “Assess and plan implementation” of the 5-element approach for sourcing soy responsibly (see Figure 1). Companies committed to sourcing soy responsibly usually have policies setting out the environmental and social issues they want to address and the targets they aim to meet. To develop and implement sound policy commitments, companies need to go through important steps, which consider an analysis of the current situation of their supply chain management practices and the identification of internal goals. Implementation plans are a useful resource to consolidate the understanding of the overall strategy, steps, responsibilities, and timeframes, allowing for monitoring progress and further reviews. In this Briefing Note, companies will find a summary of the five elements and useful information on how to assess their commitments and current practices and devise a timebound implementation plan to bring their policy commitments to life and enable accountability for the progress. This will be detailed information, integrating best-practice examples of how those components can be developed in the context of soy sourcing, from comments and inputs received from soy buying companies, tool developers and non-governmental organisations in the development of the other elements of the Soy Toolkit.

Key steps, tools and approaches to develop, communicate and execute an implementation plan

In order to inform the development of an implementation plan, companies must initially assess how their current commitment and practices compare to best sectoral practices. This analysis will highlight all opportunities for improvement that should be considered within the plan. In addition, the implementation of commitments is more likely to be successful when considering the company’s existing policies, processes and initiatives. Therefore, planning the implementation involves integrating them as appropriate, as well as ensuring adequate structure and internal capacity for implementation. As a minimum, an implementation plan should cover WHAT activities will be done, by WHEN they will be done and WHO is going to do them. More detailed plans can also include what systems and resources will be used to support each activity. Having such a plan, companies are better equipped to communicate progress and implement commitments.

01 Assess current commitments and practices

As a start, companies should assess their policy commitments to ensure that they cover the following main elements: issues to be addressed, target, scope of application, timeframe, relevant cut-off date, how policy compliance will be verified, as well as definitions. Robust policy commitments are the first step towards an ethical supply chain.

Box 1. Developing a sound soy sourcing policy

1

Since the main target audience of the Soy Toolkit is comprised of companies that have already made commitments, this briefing note will not focus on how to develop a policy, but how to plan the implementation of existing policies². As a summary, the main steps to ensure a sound policy is in place are:

1. Gather all the commitments your company made that can be relevant to soy sourcing and use them as a starting point for the new policy³.
2. Identify issues (social, environmental, economic, governance) that are or are likely to become important in the soy sector⁴ and key concerns arising from the main discussion fora in the sector⁵.
3. Review what your company is doing to implement existing commitments and the current level of performance in your supply base⁶.
4. Compare your company's policies to those of your competitors to benchmark your performance and identify areas for collaboration⁷.
5. Consider the current level of internal engagement and integration between headquarters and regional offices' teams that will support the implementation
6. Define your goal for each of the issues based on stakeholders' expectations, what you are already doing and what is achievable.
7. Ensure your policy is clear and covers the main elements: issues to be addressed, target, scope of application, timeframe, relevant cut-off date, how policy compliance will be verified and definitions.
8. Communicate your policy internally and to your main stakeholders.

When it comes to assessing current practices, companies should conduct a comprehensive evaluation. This should include aspects from all relevant elements of supply chain management (like risk assessments, engagement initiatives within and beyond supply chains, purchase control systems and monitoring, verification and reporting), which are all covered by the Soy Toolkit's 5-element approach for sourcing soy responsibly. This assessment can be conducted at the headquarters level or at specific (already known) critical regions as a pilot and can be led by internal staff or by third-party organisations.

02 Develop the implementation plan

Based on the assessment conducted, companies can then develop an informed implementation plan, one that considers the main gaps identified and the best practices that need to be implemented for the commitments to be achieved in time. Companies can set up interim milestones and the respective Key Performance Indicators to assess their performance, including their progress in deforestation and conversion commitments. This implementation plan, as previously mentioned, should include WHAT activities will be done, by WHEN they will be done and WHO is going to do them.

Box 2. Defining an implementation strategy

2

There are different types of companies, operating at different stages of the supply chain, with different levels of relevance and engagement. Recognising this diversity, companies can define the most effective strategy to implement their commitment, which considers:

Geographical reach: companies can start implementing their policy in high-risk countries or regions and then expand it to other sourcing areas.



Unilever

Unilever Soy Policy⁸

"Most of the soy oil we buy comes from soy beans grown in the US and Brazil. In each region, we work with farmers, NGOs, our suppliers, other agri-businesses and governments"

Supply chain reach: upstream companies can start the implementation looking at direct suppliers and then gradually increase the scope to include indirect suppliers.



Cargill Policy on Sustainable Soy⁹

"We will deliver with our eye on long-term, sector- and landscape-wide transformation. We will enact changes in our direct supply chain while working in close collaboration with critical stakeholders, including our direct and indirect suppliers, customers, communities, governments, non-governmental organisations, academia and others as necessary, to achieve our commitment."

Business units or products: downstream companies can also decide to implement their commitment in business units or products with a larger soy footprint, where more soy is used, and then move to other business units and products.

The Consumer Goods
FORUM

Downstream companies can start with direct soy purchases as a first level of implementation and then expand to embedded soy ingredients, considering levels of maturity of soy measurement.

The sustainable soy sourcing guidelines from the Consumer Goods Forum (CGF)¹⁰

"It is recommended that companies conduct a materiality assessment across the breadth of their product sourcing to determine the appropriate scope of their individual company sourcing policies."

CGF recommends the use of the Soy Measurement Ladder Framework¹¹ to understand where soy may be present and plan progress in implementation from tier to tier.

Tiers of soy footprint in CGF's soy ladder:

Tier 1: Directly purchased soy and its derivatives

Tier 2: Animal feed for the production of meat

Tier 3: Eggs and Dairy

Tier 4a: Meats in processed food products

Tier 4b: Eggs and Dairy in processed food products

Tier 5: Sundry indirect soy and soy derivatives (lecithin, by-products in personal care)

2.1. Define the main activities – the WHAT - and timeframe – the WHEN

Regardless of the strategy adopted to prioritise implementation, companies will need to go through the different elements of implementation (Figure 1). A good implementation plan needs to include robust milestones to enable progressive implementation of the objectives. The milestones need to be SMART (specific, measurable, attainable, relevant, and time-bound) and should be defined based on knowledge of your supply chain including complexity, type, and number of suppliers. They can then be used as the basic structure of a monitoring and reporting framework. Milestones should also have clear actions associated with them (see Table 1). The deadlines for these milestones should be ambitious but realistic. The Accountability Framework initiative provides guidance on time-bound targets:

- Targets related to halting deforestation and conversion specify achievement of commitments as quickly as is feasible, while also recognising differing capacities for implementation and the importance of emphasising inclusion (especially of smallholders) to achieve scale and ensure lasting change. Company targets reference and align with applicable broader goals or targets, such as the DCF Regional Guidance, the New York Declaration on Forests or existing sector-wide commitments, whichever are earlier.
- Company commitments related to human rights specify time-bound milestones for implementation, monitoring and verification, recognising companies' obligation to fully respect human rights at all times.
- If implementation will be phased across different product groups, business segments, or levels of suppliers (e.g., direct and indirect), a time-bound implementation schedule is specified per segment. This sequencing prioritises areas for which adverse environmental and social impacts are likely to be the most significant

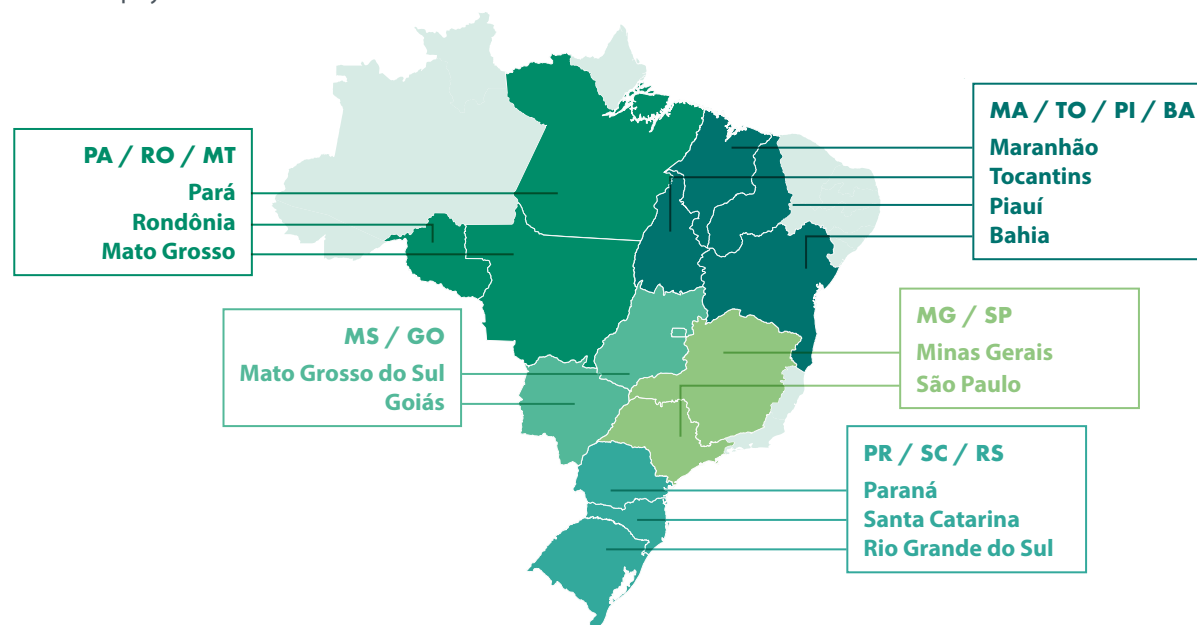


Table 1: Elements, objectives and examples of outcomes and actions to plan for the implementation of a sourcing policy.

Element and Objective	Examples of milestones	Examples of actions
Objective 1: Identify the origin of all soy sourced See the Soy Toolkit Briefing Note 02.A – Soy traceability and supply chain transparency www.soytoolkit.net/element2	By 2022, reach 100% of traceability to municipality in high risk countries 50% of traceability to farm by 2020, 75% by mid-2021 and 100% by the end of 2021	<ul style="list-style-type: none"> • Define what “traceable to origin” means • Gather traceability information from your direct suppliers • Using open platforms, supplier engagement or your own programme to map your supply chain • Produce and update indicators for volumes: “known origin” and “unknown origin”
Objective 2: Classify all soy sourced based on risk level and prioritise suppliers or areas for action¹² See the Soy Toolkit Briefing Note 02.B – Soy risk analysis: Priorisation for positive engagement www.soytoolkit.net/element2	By 2021, define risk and identify high-risk municipalities By 2021, define priority suppliers for engagement	<ul style="list-style-type: none"> • Translate policy requirements into risk factors • Assess suppliers’ performance • Assess geographical risk • Classify risk of areas and suppliers and prioritise for action
Objective 3: Engage all priority suppliers and/or regions in a programme to deliver your commitment See the Soy Toolkit Briefing Note 03 – Engaging suppliers: working with suppliers to implement responsible sourcing commitments for soy www.soytoolkit.net/element3	By 2021, develop an engagement plan focused on priority suppliers and regions By 2022, 80% of priority suppliers will be engaged in a programme	<ul style="list-style-type: none"> • Determine at what level to engage • Prioritise interventions • Understand current practices and gaps • Engage with suppliers and regions / initiatives
Objective 4: Implement a purchase control system See the Soy Toolkit Briefing Note 04 – Incorporating responsible sourcing policies in purchase control systems www.soytoolkit.net/element4	By 2021, purchase control system will be developed By 2022, purchase control system will cover 70% of soy volume (e.g. implementation will start in Brazil and then move to other countries)	<ul style="list-style-type: none"> • Define minimum requirements to approve a supplier • Define pathways for reintegration of suspended suppliers • Develop and implement a system to operationalise sourcing policy
Objective 5: Monitor, verify and report progress towards compliance See the Discussion Paper 05 – Soy sourcing commitments: monitoring and reporting progress www.soytoolkit.net/element5	By 2021, monitoring system and KPIs will be developed By 2022, first progress report will be released	<ul style="list-style-type: none"> • Define scope of monitoring and KPIs • Design your monitoring system • Implement monitoring • Report internally and take action • Report externally and enhance transparency

First step in implementing policies

Companies that have an estimate of how much soy they source can purchase RTRS regional credits as a first step in implementing their policies and supporting sustainable soy and change in production practices. The regional credits allow companies to support sustainable production in high-risk regions by purchasing credits from farmers in those locations. These credits are a short-term solution that support practices on the ground but do not involve physical control of company's supply chain. Ultimately, companies should move from credits to physical volumes.



Based on an image from RTRS website showing the regions in Brazil that are covered by the regional credits.

Source: <https://responsiblesoy.org/soja-rtrs?lang=en#regionales>

2.2. Assign staff responsible for implementation and build internal support – the WHO

Implementing responsible sourcing commitments involves several sectors of a company, including procurement, sustainability, senior leadership, communications, sales and field teams. In many companies there can be a significant 'disconnect' between the decision-making in headquarters, which is where commitments are generally made, and the views of staff in the rest of the organisation. Therefore, building support should be a core part of the process. In order to get the policy implemented, the main actions are:

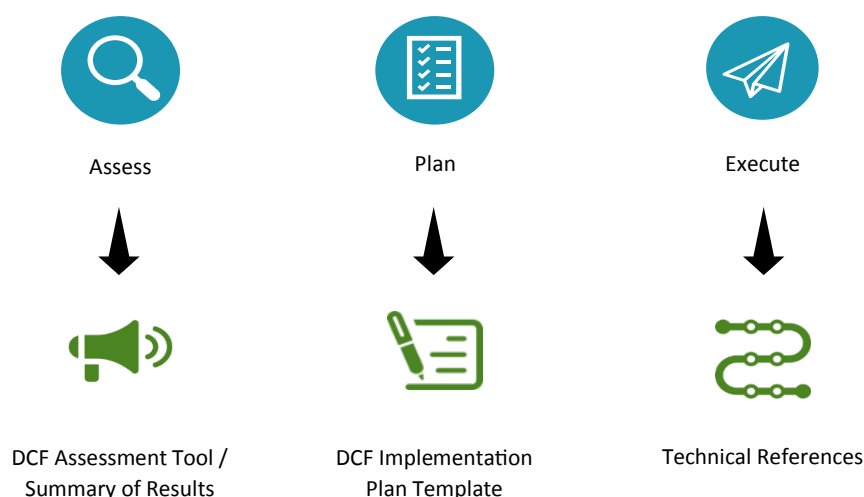
- Identify a leader or a lead-team to be responsible for coordinating with teams involved, monitoring and reporting progress.
- Ensure integration of responsible sourcing objectives into wider business sourcing strategy, and try to include internal incentives for your buyers to deliver on the commitment
- Identify teams that will be involved in the implementation and involve them from the beginning, asking for their support to define milestones and actions.
- Empower the teams involved through awareness raising and capacity building activities. Consider a special effort to engage buyers, since they will be the ones engaging with suppliers to cascade implementation.

- Integrate deforestation and conversion priorities into corporate, procurement and supply chain systems and structures, such as staffing, training, measuring, incentives, organisation, design, communication, and IT systems.
- Build internal capacity to align understanding, strategies and tools across relevant teams, such as procurement, compliance, sustainability and quality.

It is also important to consider when you will need an external partner to support the implementation and when actions are expected to be taken by your suppliers.

Box 3. Deforestation and Conversion-Free (DCF) Implementation Toolkit: tools to support companies to assess current practices and develop implementation plans to tackle deforestation and conversion

3



In order to support companies to assess current commitments and practices and develop implementation plans to tackle deforestation and conversion, Rever Consulting in partnership with WWF developed the DCF Implementation Toolkit.

The DCF Implementation Toolkit offers a DCF Assessment Tool for companies to examine their current commitments and practices in relation to deforestation and conversion. The tool includes multiple-choice questions that capture the maturity of companies' current supply chain management practices. The questions follow the same 5-element approach described in the Soy Toolkit. The tool also offers standardised recommendations for improvement based on the answers provided. There are customised DCF Assessment Tools for upstream and downstream companies.

Additionally, the DCF Implementation Toolkit offers a DCF implementation plan template with suggested milestones for each of the 5 elements described in the Soy Toolkit. These templates can be used by companies as a starting point to develop their own implementation plan by customising suggested milestones according to their level of maturity, context, and ambition. There are versions of the templates for upstream and downstream companies.

All DCF Implementation Toolkit materials including the DCF Assessment Tools, the implementation plan templates, and training material can be found [here](#).

03 Communicate, implement and review the plan

Rapid implementation is encouraged, and when combined with proactive communication, it helps to minimise non-compliance. Therefore, communicating the commitment and how it will be achieved is crucial. A company may choose to share its action plan in order to engage more effectively with implementation partners, align management teams, or communicate their efforts to the market. Or a company may choose to have these actions as an internal plan, but it is essential that there is an explicit path designed to reach the planned milestones.

It is suggested that companies create an executive summary for external communication, that can be adapted to different audiences (with different formatting and language), in order to reach all relevant stakeholders, especially producers.

An implementation plan is a live document. The company should regularly monitor and review (usually on an annual basis) the implementation of plans in practice and assess if the actions and timelines set are working and are delivering the expected/desired outcomes. The implementation of the planned activities needs to be monitored and the results fed back to review the strategy and update the plan (usually on an annual basis), adjusting milestones and timeframes, if needed. Also, plans are developed based on the best information available at the moment. Companies are expected to actively identify gaps and shortcomings and new tools and instruments to update the plan. For more information, see the Soy Toolkit Discussion Paper 5: Monitor, Verify and Report.

Box 4. BRF's case study: development and execution of a deforestation implementation plan - DCF Implementation Toolkit

4

In 2018, BRF S.A., a Brazilian company that is also one of the global leaders in the food sector, developed an implementation plan for a more sustainable soy supply chain by applying the DCF Implementation Toolkit in partnership with WWF and the support of Rever Consulting. This plan included all necessary aspects for an effective definition and implementation of commitments against deforestation, including normative documents, risk assessment and traceability practices, supplier engagement, purchasing systems and monitoring, verification and reporting activities.

To start: preliminary assessment

To start, it was necessary to understand BRF's maturity level in its soy supply chain management practices, especially in terms of combating deforestation. This would allow the mapping of the company's strengths and the main opportunities for improvement.

Using the assessment tools of the DCF Implementation Toolkit, the work began with an assessment of the company's management practices, focused on the soy supply chain. Internal and public materials were analysed, and interviews were conducted with key areas of the company, such as the sustainability (Vice-Presidency of Institutional Relations and Sustainability) and the grain purchase (Vice-Presidency of Integrated Planning and Supply) sectors.

The result of this first stage included a consolidation of the company's soy supply chain management practices and recommendations for improvement for each of the items evaluated.

After the evaluation: developing the plan

The assessment and recommendations that were mapped in the previous stage were then used as a basis for prioritising key activities aligned with BRF's Sustainability strategy. Involving both the sustainability and grain purchase functions, this prioritising exercise resulted in the preparation of a multi-year implementation plan, to execute the mapped improvement opportunities. The plan included milestones and actions across the different pillars to achieve a more sustainable soy supply chain.

The implementation plan was also submitted to and approved by the Quality and Sustainability Committee and by the Company's Executive Committee, reinforcing the strategic alignment and the importance of the topic for BRF. The Company now had not only a consolidation of all its improvement opportunities, but also a proposal for implementation, monitoring and communication of its progress.

Continuing the work: executing the plan

Once the implementation plan was approved, BRF started implementing the mapped actions. The purchasing profile and the main biomes and types of suppliers in the company's soy supply chain were determined, in addition to research and benchmarks that were conducted to identify good practices and main challenges in executing the plan within the sector. As a result, the Company identified the opportunity to expand the work's scope, making the plan more comprehensive for the development of more sustainable supply chains, considering not only soy but other grains purchased as well.

In 2020, the Company established and announced its commitment to "have 100% traceability of grains purchased from the Amazon and the Cerrado by 2025". Through a partnership with a territorial monitoring company, the management of grain suppliers was improved, from both social and environmental perspectives.

In 2021, the Company published its Sustainable Grain Purchase Policy, which reinforces the guidelines in the search for grains supply chains with practices that respect the environment. It also established a Multidisciplinary Grain Sustainability Committee to assess cases in which deviations from the guidelines are identified. This committee may even request clarification, additional information, define mitigation measures and eventually even suspend and/or cancel contracts with suppliers that do not meet the described guidelines within the Policy.

Therefore, concrete advances have been achieved by BRF on its ESG agenda and especially the issue of deforestation. This work is aligned with and reinforces the business's sustainability and strategy, and has been catalysed by the creation of the implementation plan and by the interdependence and synergy between Sustainability and the different business areas. These are fundamental points for the implementation of the mapped improvements, and will be essential for the continuation of the Company's advances in this area.

Key challenges and alternative approaches

Implementation plan for engagement in initiatives

To effectively deliver on commitments, companies have been engaging not only with suppliers but also beyond their direct supply chain, with peers and other stakeholders to agree on common strategies, update policies, increase implementation efficiency and progress in common challenges. There are many areas where pre-competitive collaboration with other supply chain actors can make these approaches more effective. Activities beyond the supply chain in landscapes or across sectors¹³ are likely to involve a wide range of actors including governments, civil society organisations, communities and producers themselves.

A key factor in planning is also to create and identify opportunities to align and collaborate with other companies and stakeholders on wider actions at a landscape or sectoral level. This helps to build critical mass to achieve scale and to address issues which cannot be resolved through individual supply chains. It can also provide opportunities to maximise local positive impacts.

However, how to be accountable for a plan that involves many different stakeholders and how to integrate progress in an initiative into companies' KPIs is still a challenge. Some initiatives trying to address this issue for landscapes and jurisdictions are: **IdH Verified Sourcing Areas**¹⁴; **ISEAL Landscape Assurance**¹⁵; and **Landscape**¹⁶. For sectoral initiatives, such as the Soft Commodities Forum and the Cerrado Working Group, it is expected that results coming from these initiatives will be translated into companies' practices.

Learn more and help us improve

More information is provided in the references (page 13) and at www.soytoolkit.net¹⁷

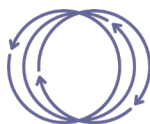
Please also share with us information that will improve this Briefing Note.

References

- 1 For an overview of the Soy Toolkit and other briefing notes, visit: www.soytoolkit.net
- 2 For information on how to develop policy commitments, please see the Accountability Framework Initiative (AFi) at <https://accountability-framework.org/about-us/>, the Deforestation and Conversion-free regional guidance for Brazil, Argentina and Paraguay, developed by Collaboration for Forests and Agriculture (CFA) at <https://accountability-framework.org/resources-library/advancing-deforestation-free-and-conversion-free-supply-chains-in-brazil-argentina-and-paraguay/> and Responsible Sourcing: A Practical Guide at <https://www.proforest.net/resources/publications/responsible-sourcing-a-practical-guide-13537/>
- 3 Consider commitments related to human rights and natural resources protection in your supply chain, they may be global or country-specific, individual or collective.
- 4 An overview of the main issues related to soy production is presented in the **Soy Toolkit Briefing Note BN 02.B – Soy Risk Analysis: Priorisation for positive engagement**.
- 5 In the soy sector, some of the main initiatives defining expectations for soy companies are: the Cerrado Working Group (GTC), the SoS Cerrado Manifesto, the Soft Commodities Forum (SCF), the Consumer Goods Forum (CGF) Forest Positive Coalition, the Accountability Framework Initiative (AFi) and the Roundtable for Responsible Soy (RTRS).
- 6 There are many different methods to benchmark companies' policies. For feed companies, FEFAC (European Feed Manufacturers' Federation) developed their own tool to benchmark policies at Standards Map <http://www.standardsmap.org/fefac/>.
- 7 Some examples of scorecard and performance platforms of soy companies are presented in **BN 2B Soy Risk Analysis** (Box 1).
- 8 <https://www.unilever.com/sustainable-living/reducing-environmental-impact/sustainable-sourcing/our-approach-to-sustainable-sourcing/sustainable-soy-and-rapeseed-oils/>
- 9 <https://www.cargill.com/sustainability/soy/sustainable-soy-in-brazil>
- 10 <https://www.theconsumergoodsforum.com/wp-content/uploads/2017/10/201605-CGF-Sustainable-Soy-Sourcing-Guidelines-Second-Edition.pdf>
- 11 <https://assets.kpmg/content/dam/kpmg/pdf/2015/10/framework-for-the-measurement-of-soy-usage.pdf>
- 12 More information on Social Risk in agricultural commodities supply chains are available at **Using Social Risk Assessment in Approaches To Responsible Sourcing Of Agricultural Commodities** and at **Drivers of child labour, forced labour, inadequate health & safety, and land rights abuses and disputes in agriculture and forestry**
- 13 For more information on how soy buying companies can engage with at-scale initiatives for implementing their responsible sourcing commitments, see the Discussion Paper: Working at scale to implement soy sourcing policies, available at: <https://www.soytoolkit.net/soy-supply-chain-sector-issues>
- 14 **Verified Sourcing Areas now part of SourceUp, a new sustainable platform** (idhsustainabletrade.com)
- 15 **Report | Credible assurance at a landscape level | ISEAL Alliance**
- 16 <https://www.landscape.org/>
- 17 For specific information on deforestation and conversion-free commitments, please check the DCF's tool website in the references, as well as its user's guide: the Consumer Goods Forum (CGF) Forest Positive Coalition, the Accountability Framework Initiative (AFi) and the Roundtable for Responsible Soy (RTRS). <https://www.worldwildlife.org/pages/taking-deforestation-and-conversion-out-of-supply-chains>

Photo credits

- P.1** Sima
- P.5** Bildagentur Zoonar GmbH



GOOD
GROWTH
PARTNERSHIP



proforest



This work was created by Proforest and is licensed under the Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License. To view a copy of this license, visit <https://creativecommons.org/licenses/by-nc-sa/4.0/>