
Assessing and planning the implementation of soy sourcing commitments

Soy Toolkit
Briefing Note 01



Version 1.1



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5-element approach

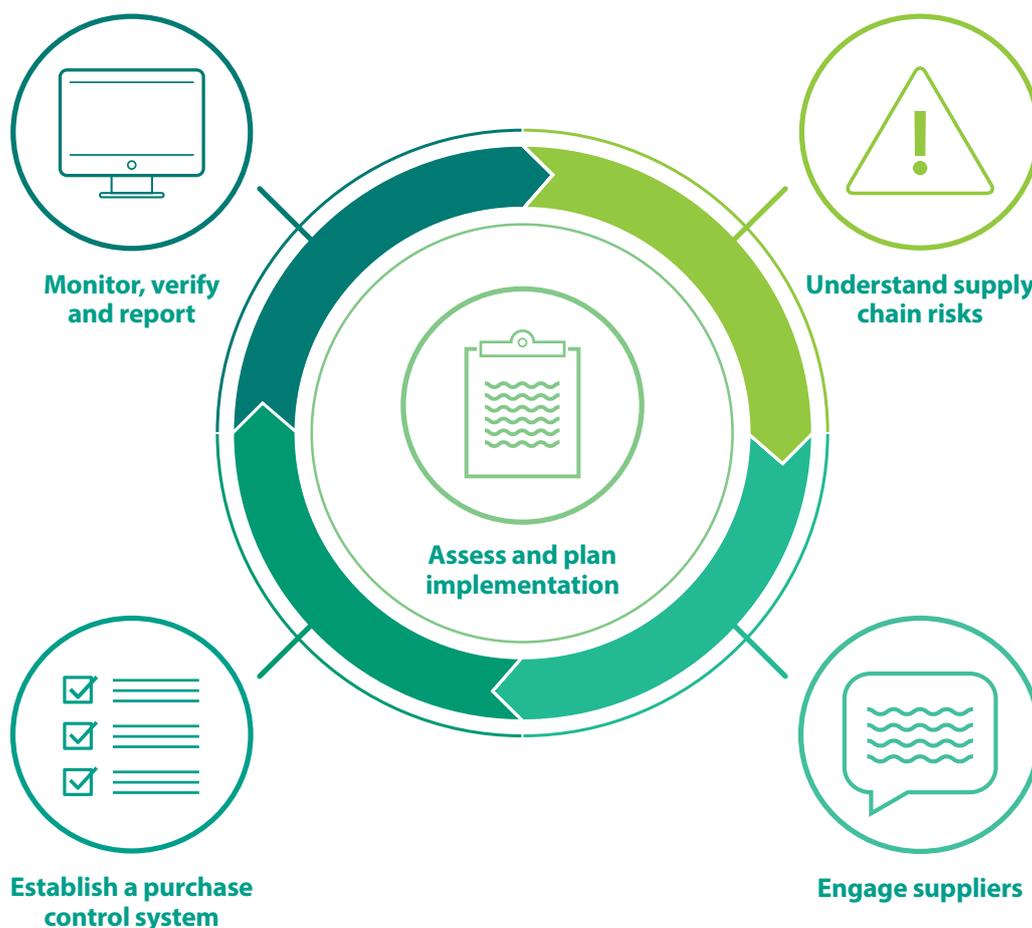


Figure 1: The 5-element approach for sourcing soy responsibly

Key Points

- Planning implementation involves a company integrating policies as appropriate, as well as ensuring adequate structure, mandate and internal capacity for implementation.
- As a minimum, an implementation plan should cover **WHAT** activities will be done, **WHO** is going to do them and by **WHEN** they will be done.
- Defining the main activities – the **WHAT** – involves planning for traceability, risk assessment, supplier engagement, implementing a purchase control system, and for monitoring, verifying and reporting. All these elements are covered under specific briefing notes in the Soy Toolkit.
- Assigning responsibilities and building internal support – the **WHO** – usually includes overcoming the ‘disconnect’ between the decision-making in headquarters and the views of staff in the rest of the organisation.
- Developing a timeframe – the **WHEN** – 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

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 the 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 sound policy commitments, companies need to go through important steps, which consider an analysis of the current situation and identification of internal goals. Implementation plans are a useful resource to consolidate the understanding of the strategy, steps, responsibilities, and timeframes, allowing for monitoring progress and further reviews. In this Briefing Note, companies who made commitments will find a summary of the five elements and useful information on how to devise an implementation plan to bring their policy commitments to life and enable accountability for the progress, building on comments and inputs received from soy buying companies, tool developers and non-governmental organizations in the development of the other elements of the Soy Toolkit.

Key steps, tools and approaches to develop and use an implementation plan

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, **WHO** is going to do them and by **WHEN** they will be done. More detailed plans can also include what systems and resources will be used to support each activity.

Box 1. Having a sound soy sourcing policy

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Soy buying companies need to develop plans for sound policy commitments. Since the main target audience of the Soy Toolkit is comprised of companies that have already made commitments, this 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.

01 Develop the implementation strategy

There are different types of companies, operating at different stages of the supply chain, with different levels of relevance and engagement. Recognizing 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 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"

Unilever

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 organizations, academia and others as necessary, to achieve our commitment."

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 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)

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



McDonald's: Commitment on Forest¹²

"Our aim is to eliminate deforestation from our global supply chains by 2030. By 2020, source soy for chicken feed that does not contribute to deforestation."

Connect Responsible Sourcing implementation with the SDGs

The implementation and delivery on a responsible soy sourcing commitment can contribute to other existing frameworks given that the work undertaken within and beyond a company supply chain has an impact in the landscape and its communities.

The Sustainable Development Goals (SDGs) are a set of 17 goals to end poverty, reduce inequalities and tackle climate change collectively, within the 2030 Agenda for Sustainable Development from the United Nations. Initially designed for action from countries, several initiatives are enabling companies to report their contributions to achieving the Sustainable Development Goals. These tools support companies in understanding which SDGs they contribute to with their actions in addition to tracking their improvements.

SDG Action Manager: Developed by B Lab and the United Nations Global Compact, the SDG Action Manager supports companies in finding which SDGs are most relevant according to their company profile and how to set goals and track improvements.

SDG Compass: Developed by GRI, the United Nations Global Compact and the World Business Council for Sustainable Development, this tool provides guidance on how companies can align their strategies with the SDGs and measure their contributions.

ISAR SDG Reporting: Developed by the United Nations Conference on Trade and Development (UNCTAD), this guidance tool provides practical information on how companies can report their contributions to the SDGs.



02 Define the main activities – the WHAT

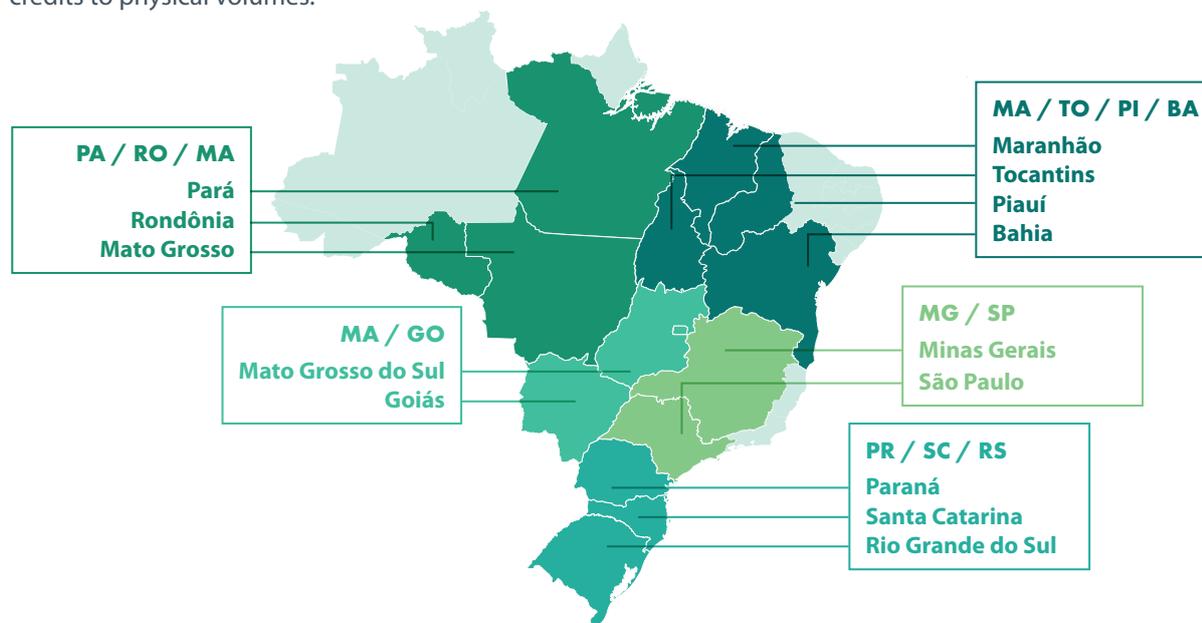
Regardless of the strategy adopted to prioritise implementation, companies will need to go through the different elements of implementation (Figure 1). A good implementation plan needs to include robust milestones to enable progressive implementation of the objectives. The milestones need to be SMART (specific, measurable, attainable, relevant, and time-bound) and can be used as the basic structure of a monitoring and reporting framework. Milestones should have clear actions associated with them (see Table 1).

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
<p>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</p>	<p>By 2021, 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</p>	<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”
<p>Objective 2: Classify all soy sourced based on risk level and prioritise suppliers or areas for action¹³ See the Soy Toolkit Briefing Note 02.B – Soy risk analysis: Prioritisation for positive engagement www.soytoolkit.net/element2</p>	<p>By 2020, define risk and identify high-risk municipalities By 2020, define priority suppliers for engagement</p>	<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 prioritize for action
<p>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</p>	<p>By 2020, develop an engagement plan focused on priority suppliers and regions By 2021, 80% of priority suppliers will be engaged in a programme</p>	<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
<p>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</p>	<p>By 2020, purchase control system will be developed By 2021, purchase control system will cover 70% of soy volume (e.g. implementation will start in Brazil and then move to other countries)</p>	<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
<p>Objective 5: Monitor, verify and report progress towards compliance See the Discussion Paper 05.A – Soy sourcing commitments: monitoring and reporting progress www.soytoolkit.net/element5</p>	<p>By 2020, monitoring system and KPIs will be developed By 2021, first progress report will be released</p>	<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>

03 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, 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.

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.

04 Developing a timeframe – the WHEN

Define internal and external time-bound targets and long-term goals, based on knowledge of your supply chain including complexity, and type and number of suppliers. Deadlines 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 recognizing differing capacities for implementation and the importance of emphasizing 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 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, recognizing 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 prioritizes areas for which adverse environmental and social impacts are likely to be the most significant.

05 Communicate, use 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 implementation of the planned activities needs to be monitored and the results fed back to review the strategy and update the plan, 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.

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 sectors¹⁴ 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**¹⁵; **ISEAL Landscape Assurance**¹⁶; and **Landscape**¹⁷. For sectoral initiatives, such as Soft Commodities Forum and 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 10) and at www.soytoolkit.net

Please also share with us information that will improve this Briefing Note (via soytoolkit@proforest.net).

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/en/publications/responsible-sourcing-a-practical-guide>
- 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: Prioritisation 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.standardmap.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>
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- 11 <https://assets.kpmg/content/dam/kpmg/pdf/2015/10/framework-for-the-measurement-of-soy-usage.pdf>
- 12 <https://corporate.mcdonalds.com/corpmcd/scale-for-good/our-planet/conserving-forests.html>
- 13 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**
- 14 For more information on how soy buying companies can engage with at-scale initiatives for implementing their responsible sourcing commitments, check the Discussion Paper: Working at scale to implement soy sourcing policies, available at: <https://www.soytoolkit.net/soy-supply-chain-sector-issues>
- 15 <https://www.idhsustainabletrade.com/landscapes/verified-sourcing-areas/>
- 16 <https://www.isealalliance.org/about-iseal/our-work/landscape-assurance>
- 17 <https://www.landscale.org/>

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