

DCF Implementation Toolkit

User Guide



Assess



DCF Assessment Tool /
Summary of Results



Plan



DCF Implementation
Plan Template



Execute



Technical References

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Purpose and Summary

The Deforestation and Conversion Free (DCF) Implementation Toolkit is a process to support companies to implement commitments for beef, soy, and leather in the Amazon, Cerrado, and Chaco biomes. The toolkit can be applied by companies at different stages of maturity¹ in DCF supply chain management and at different places along the value chain (including brands, financial institutions, meatpackers, restaurants, retailers, and soy traders). Other supply chain actors that are also focused on constructing DCF supply chain management may also find certain sections of the toolkit useful.

This document includes two main sections: an overview of the DCF Implementation Toolkit, and a “how to” user guide:

1. **Overview and Structure:** presents the context and structure of the toolkit.
2. **User Guide:** provides details on how to use the materials and introduces the three stages of the toolkit (Assess, Plan, and Execute)
 - 2.1. **Assess:** introduces materials for companies to assess their supply chain management practices regarding DCF, informing actions that will support companies to develop a DCF Implementation Plan.
 - 2.2. **Plan:** introduces materials that will enable companies to develop their DCF Implementation Plan. The DCF Implementation Plan contains actions and milestones for monitoring and reporting on progress.
 - 2.3. **Execute:** presents materials that companies can use to execute the DCF Implementation Plan.

1. Overview and Structure

The DCF Implementation Toolkit provides a process, tools, and a roadmap for companies to progress toward DCF supply for beef and soy produced in and sourced from the Amazon, Cerrado, and Chaco. The DCF Implementation Toolkit assists companies with rolling out deforestation-free and/or conversion-free commitments, and provides detail on key actions and specific materials in order to advance DCF in practice.

The DCF Implementation Toolkit includes the following three-stage process:

1. **Assess** current DCF supply chain management practices. The key materials include: 1) DCF Assessment Tool, which is used to evaluate current company practices on DCF supply chain management, and according to the results provides recommended actions; and 2) Summary of Assessment Results, which organizes the recommended actions to facilitate engagement within the company’s leadership and collaborators.
2. **Plan** to implement a DCF commitment. The key material is the DCF Implementation Plan Template, which organizes milestones and recommended actions from the DCF Assessment Tool to monitor and report on progress.
3. **Execute** the DCF Implementation Plan using recommended materials to address critical challenges. The key materials are the Technical References, which help companies find the right reference for specific actions included in the DCF Implementation Plan.

¹ For more information on Sustainable Supply Chain Maturity, please visit the BSR working paper: [The Supply Chain Leadership Ladder](#).

The following figure depicts the three stages and corresponding materials to support companies in the process to achieve DCF supply for beef and soy:

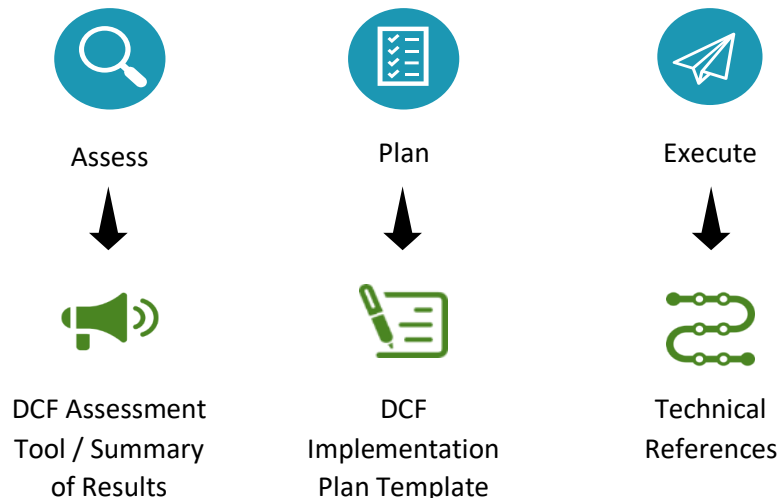


Figure 1: 3-stage process and materials in the DCF Implementation Toolkit.

1.1 Core Elements of Supply Chain Management

The three stages and corresponding materials in the DCF Implementation Toolkit are structured around five core elements of supply chain management. These five elements include the following:



Figure 2: Five core elements of supply chain management.

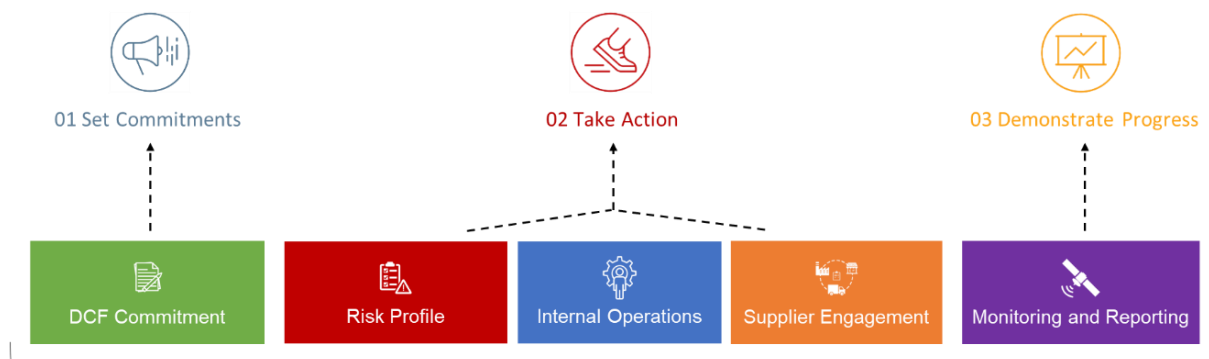
1. **DCF Alignment:** considers a company's commitment and the degree of alignment with the Accountability Framework initiative (AFi).
2. **Risk Profile:** involves a supply chain risk assessment to map beef and soy traceability, identifies beef and soy sourced from high risk areas/biomes, and informs a strategy to address risk.
3. **Internal Operations:** assesses how well a company incorporated a commitment into their operations, including establishing minimum supplier expectations, internal capacity building, and incorporating DCF into existing systems and structures.
4. **Supplier Engagement:** evaluates company efforts to build awareness among suppliers of DCF expectations, to provide capability building, and to develop supplier engagement plans to improve performance and address risk.

5. **Monitoring, Reporting and Verification:** assesses how the company monitors the implementation of its commitments with suppliers, how it reports the achievements internally and externally, and collaboration with other organizations in order to develop solutions.

1.2 Roadmap to Implement the Accountability Framework

The DCF Implementation Toolkit aligns with and is an integral part of the Accountability Framework initiative (AFi), which developed global-level definitions and implementation guidelines to help companies deliver on their ethical supply chain commitments. AFi supports companies on the ethical supply chain journey with clear and consistent guidance for setting, implementing, and monitoring supply chain commitments. The DCF Implementation Toolkit is a roadmap that supports companies to progress through that journey, and provides a strategic link between the AFi global-level framework and important regional considerations for company commitments on beef and soy in the Brazilian Amazon and Cerrado and the Gran Chaco in Argentina and Paraguay.

The following figure displays the alignment between the three AFi stages (Set Commitments, Take Action, Demonstrate Progress) and the five core elements of supply chain management included in the DCF Implementation Toolkit:



DCF Implementation Toolkit

- **Assessment Tool**
- **DCF Implementation Plan template**
- **Technical References**

Figure 3: AFi stages & 5 elements of supply chain management in DCF Implementation Toolkit.

2. User Guide

The DCF Implementation Toolkit takes a company through a three-stage process (Assess, Plan, and Execute) to achieve DCF supply. In practice, however, supply chain management is rarely a linear process. Companies typically gain experience in the different elements of supply chain management and are at different levels of maturity. This document can be read or used sequentially to have a comprehensive understanding of how to advance toward and achieve DCF supply. Alternatively, if a company already performed an assessment or developed a DCF Implementation Plan, the company can go directly to specific Technical References to find materials to implement specific actions.

2.1 Assess

This stage involves an assessment of current supply chain management practices related to DCF supply. The DCF Implementation Toolkit includes two materials: (1) DCF Assessment Tool to evaluate the five core elements of supply chain management mentioned above; and (2) Summary of Assessment Results to consolidate current company practice and identify recommended actions to include in the DCF Implementation Plan.



2.1.1 DCF Assessment Tool

The DCF Assessment Tool evaluates current company DCF practice in supply chain management and provides recommendations for companies to advance toward DCF supply. The tool draws from leading guidelines on deforestation and supply chain management (namely CDP Forests, AFi, Proforest Soy Toolkit, and BSR) and includes additions from leading practitioners working with the soy and beef industries in the Amazon, Cerrado, and Chaco.

The DCF Implementation Toolkit includes three versions of the DCF Assessment Tool to accommodate different actors and sectors. There is a specific version for:

- retailers, restaurants, food service, and food brands that use beef and soy in products and services;
- beef industry (focused on meatpackers); and
- soy industry (focused on traders).

Each version of the DCF Assessment Tool considers specific evaluation criteria and recommendations according to the commodity and company position within the supply chain. As mentioned above, the DCF Assessment Tool reviews five core elements of supply chain management (DCF Alignment, Risk Profile, Internal Operations, Supplier Engagement, and Monitoring, Reporting and Verification). The tool offers suggested interview questions, evidence of company performance, and space to capture and analyze the results. Each core element is broken out into key actions, minimum requirements, best practices, and biome.

The DCF Assessment Tool takes the user through six steps:

1. Consolidate knowledge of current company practice in the DCF Assessment Tool;
2. Analyze gaps and select questions for conducting interviews;
3. Conduct interviews with key staff and collect more evidence of company practice;
4. Populate the DCF Assessment Tool with company practice and relevant evidence;
5. Evaluate company performance against criteria;
6. Produce a summary of the results.

ELEMENT 2 | RISK PROFILE

KEY ACTION A | Map beef supply chain to ensure traceability to region, municipality, and farm.

1) Has the Company conducted an initial study to understand its beef supply chain (in order to map the number of suppliers, commercial relevance of each of them, available information, etc.)?

2) Does the Company have the location (specific address, including: city, street and number) of its direct suppliers (e.g., meatpackers)?

3) Does the Company have the farm polygon of its indirect suppliers (e.g., final farm)?

4) Does the Company have the farm polygon of its indirect suppliers (e.g., intermediary and birth farms)?

Figure 4: Screenshot of DCF Assessment Tool.

2.1.2 Summary of Assessment Results

After conducting the assessment using the DCF Assessment Tool, the company will have visibility into what actions have been taken and what needs to be done to reach a DCF commitment. The Summary of Assessment Results is structured to allow the company to effectively engage leadership and collaborators on the current status of company actions related to DCF, highlighting what actions are needed to address gaps in company performance.

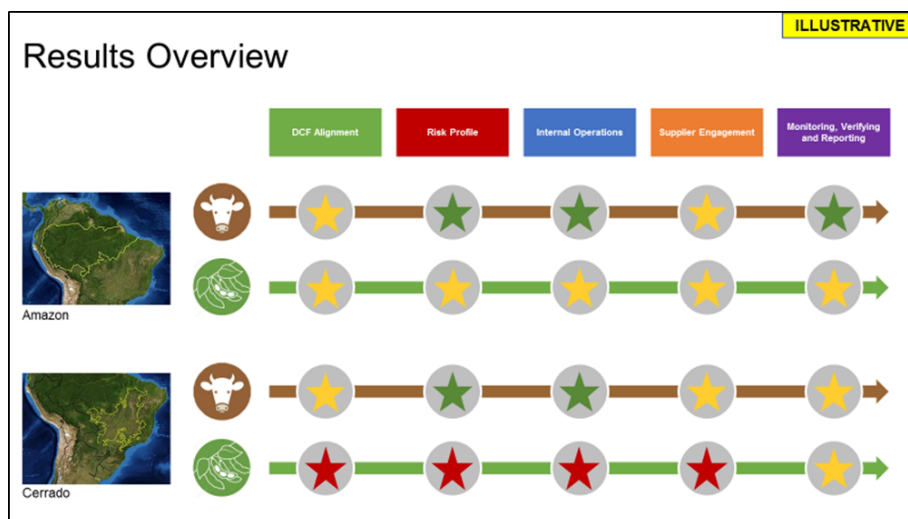


Figure 5: Screenshot of the Summary of Assessment Results. The star represents a company's level of maturity in sustainable supply chain management by commodity, biome, and core element. The green star represents the most mature, yellow is less mature, and red is least mature.

The Summary of Assessment Results contains:

- Company achievements, consolidating all company activity to reach DCF in the supply chain
- A summary of company performance by commodity and biome
- Actions the company should take to advance toward DCF supply

2.2. Plan

This stage focuses on developing the DCF Implementation Plan, which is the roadmap to advance toward DCF supply. The DCF Implementation Plan is developed using the DCF Assessment Tool results, and helps the company organize the recommendations into a timeline of milestones and actions. The DCF Implementation Plan helps companies organize efforts and provides a model for internal and external disclosure. The DCF Implementation Plan organizes key actions under the five core elements of supply chain management.



2.2.1 DCF Implementation Plan Template

The DCF Implementation Plan Template begins with a series of suggested SMART² milestones to achieve DCF supply in a reasonable timeframe. The template also provides suggestions of actions to achieve the milestones within each time period.

² SMART: specific, measurable, attainable, relevant and time-bound

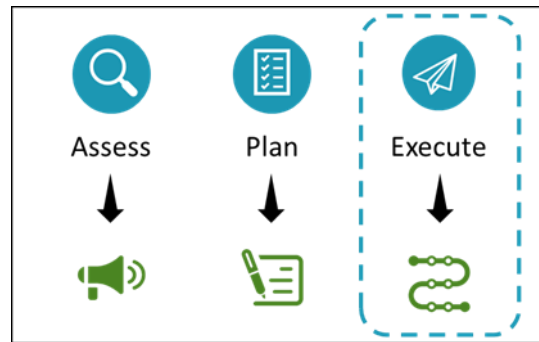
Risk Profile				
KEY ACTION	ACTIVITIES 2019 / 2021	MILESTONES		TECHNICAL REFERENCES
		2021	2023	
Perform a soy supply chain risk assessment to evaluate deforestation risks and opportunities of specific suppliers in critical regions to the farm level.	<p>Identify high priority suppliers operating within areas of deforestation risk for all soy that is not certified by RTRS.</p> <p>Evaluate current industry or peer initiatives to understand the opportunities and constraints of sourcing deforestation free in relevant regions.</p> <p>Consider using best practice toolkits such as the ones that are highlighted in the Technical References.</p>	<p>Identify critical suppliers for 50% of all products with embedded soy use (e.g. poultry and pork).</p> <p>Identify critical suppliers for 50% of all products with direct soy use (e.g., candles, cooking oil, margarines).</p>	<p>Identify critical suppliers for 100% of all products with embedded soy use (e.g., poultry and pork).</p> <p>Identify critical suppliers for 100% of all products with direct soy use (e.g., candles, cooking oil, margarines).</p>	<p>Agroideal</p> <p>Risco Socioambiental</p> <p>Trase</p> <p>Global Forest Watch Pro</p> <p>Mapbiomas</p> <p>Forest 500</p>

Figure 6: Screenshot of DCF Implementation Plan Template for DCF Alignment element.

The milestones can be adjusted to reflect the company’s current standing and ambition, and the company is able to choose and adjust actions (drawing from the recommendations in the Summary of Assessment Results) for milestones to be achieved during a particular time period.

2.3. Execute

This stage of the DCF Implementation Toolkit involves companies executing the actions necessary to reach the milestones included in the DCF Implementation Plan. To support this effort, the DCF Implementation Toolkit provides specific Technical References that provide recommended tools, guidelines, initiatives, and materials available to achieve DCF supply. The Technical References follow the five core elements of supply chain management broken out by key action.



2.3.1 Technical References

A multitude of materials exist to help achieve DCF supply, and more are under development. With so many tools and guidelines available, it can be difficult to narrow the possibilities and identify the right resource to use for specific actions. The appropriate tool will also depend on the actions a company needs to take, and the role of the company in the value chain. The Technical References helps companies navigate these options to find the right reference for the right action at the right time.

Risk Profile				
Supply chain risk assessment, DCF supply chain strategy and Implementation Plan				
TOOL / PLATFORM	FUNCTION	INTENDED USER	APPLICATION	CONTACT / REFERENCE
Agroideal	Provides territorial intelligence system that supports decision-making and territorial assessment of socio-environmental risks associated with investments in the soy and beef sectors.	Brands; Financial Institutions; Meatpackers; Restaurants; Retailers; and Soy Traders.	Agroideal overlays various data layers representing the economic opportunities (e.g.: pasture suitable for soy/cattle) and environmental, social and investment risks (e.g.: number of IBAMA embargoes) chosen by the user. It crosses the selected data to generate a map of risk exposure for the selected region (farms, municipalities, states or biomes) where current or potential suppliers are located. In this way it allows companies to assess risks from the sourced areas or for potential sourcing.	<p>https://www.agroideal.org/en/</p> <p>Rodrigo Spuri (rodrigo.spuri@tnc.org)</p>

Figure 7: Screenshot of the Technical References.

The Technical References table is organized by core elements and key actions, and includes the following details:

- Name of the reference: tool, guideline, or initiative
- Function: a broad description of what the reference covers
- Intended user: the types of companies the reference is useful for
- Application: the aspects or specific functionalities of the reference that can support a company in taking specific key actions
- Commodity: the commodities the reference covers or includes
- Biome: specific geographic areas covered by the reference
- Source: weblink to more information or specific functionality
- Focal point: person to contact for more information on how to use the reference (when available)

More Information

To learn more about the DCF Implementation Toolkit and the materials mentioned in this document, please contact Luis Iseppe (luis.iseppe@wwfus.org).