
Monitoring, verifying and reporting

Beef Toolkit
Briefing Note 05



Version 1.1



The Beef 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 through World Wildlife Fund. We also acknowledge co-funding from the Norwegian Agency for Development Cooperation through CDP as well as financial contribution from McDonald's Corporation.



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5-element approach



Figure 1 - A 5-element approach for sourcing environmentally and socially sustainable beef

Key Points

- In implementing responsible beef sourcing policies, it is crucial to monitor, verify and report on progress both internally and externally, not only to track progress and review goals and strategies, but also to verify the outcomes and the proper process implementation, and finally to make the process transparent to different stakeholders.
- On one hand, there is no globally approved system to track and report on progress and, on the other hand, there are already some processes developed in countries where beef supply chain is important, such as Brazil. Therefore, this paper aims at guiding such system development but also to share knowledge and build capacity of beef buyers.
- Ultimately, monitoring, verifying 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 and companies can benefit from their direct suppliers' efforts and data.

Purpose of this briefing note

This Briefing Note is part of the 'Responsible Sourcing: A Beef Toolkit guide'. It relates to element 5: "Monitor, verify and report" of the 5-element approach for sourcing beef responsibly (see Figure 1).

The main purpose of this briefing note is to consolidate best practices in the sector around Monitoring, Verifying and Reporting as well as to provide an overview on how companies in the beef supply chain can monitor the implementation of their commitments and suppliers' performance, verify progress and compliance through credible process and report internally and externally, allowing them to take actions required to improve performance.

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

Monitoring, verifying and reporting are ongoing processes that companies use to assess and demonstrate performance against their supply chain commitments.

It is a crucial not only to track progress and review goals and strategies, but also to verify the outcomes and the implementation and to make sure both are communicated to internal and external stakeholders.

- The successful implementation of responsible sourcing policy commitments can be strengthened or jeopardised by the quality and effectiveness of the monitoring and reporting processes in place.

Monitoring, verification and reporting definitions

Monitoring:	is an ongoing function that uses the systematic collection of data on specific indicators to assess and document the extent to which actions, progress, performance, and compliance are being carried out or achieved ¹ .
Verification:	is an assessment and validation of compliance, performance, and/or actions relative to a stated commitment, standard, or target. It utilises monitoring data and other information sources as input to the verification process.
Reporting:	demonstrates transparency and accountability to internal and external stakeholders on the policy commitments made, by sharing the status on key indicators of the policy implementation.

The Operational Guidance on [Monitoring and Verification](#)¹ and on [Reporting, Disclosure, and Claims](#)² of the Accountability Framework Initiative provides references on developing monitoring systems.

Beef on Track – Monitoring and Verification framework for the Brazilian Amazon beef supply chain

Beef on Track is a platform developed by Imaflora in partnership with the Brazilian Public Prosecutors Office (MPF).

They have developed a [Monitoring Protocol](#)³ together with Guidelines for compliance to this Protocol. An [Audit Protocol](#) is under development.

The Monitoring Protocol is designed to assess cattle producers' compliance to a set of 11 criteria aligned to the Brazilian legal requirements (Terms of Adjustment of Conduct - TAC) and businesses commitments on sustainable sourcing of beef from the Amazon.

The Beef on Track platform provides also room for [transparency](#) where companies' commitments are available as well as whether they have been audited or not.

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01 Define purpose and scope of monitoring

The first step in monitoring is to define what will be monitored and what the monitoring is expected to deliver.

There are two main purposes of monitoring, as follows¹:

- to identify and keep record of progress in order to adapt or review the implementation plan, and
- to share and communicate progress to a wide range of internal and external stakeholders.

This section will help you to refine these goals and to identify the targets you want to achieve.

Monitoring

Policy commitments and Implementation plan.

When developing your responsible sourcing beef and cattle product policy, setting commitments and assessing risk within your supply chain, you are gathering information which will be used to develop your implementation plan.

As described in the [“Beef Toolkit Briefing Note 1: Assess and plan implementation”⁴](#), when developing your implementation plan, you will have to identify the goal for each action as well as the expected timeline and milestones.

- This is the basis for developing clear objectives and time-bound targets - a key condition for a sound and effective monitoring system.

Note: It is best practice to consult with stakeholders when setting your public commitments and sharing your process for designing your implementation and monitoring plan.

Types of monitoring: Monitoring systems need to assess not only compliance with commitments (how much your sourcing and supply chain are aligned to your responsible sourcing commitments) but also progress towards compliance (the steps implemented and the achievements). These are categorised into two types of results to be assessed:

- **Implementation of commitments**, including actions taken by companies and their suppliers to achieve compliance; directly linked to your implementation plan and journey towards full compliance.
- **Outcomes of commitments**, as reflected in metrics of ecosystem protection and respect for human rights, and trends in these metrics over time. Information on outcomes is used to demonstrate both progress (i.e., partial realization of a commitment or target) and compliance (i.e., full realization of a commitment or target).

Note: Not all identified KPIs are to be reported to all stakeholders.

Reporting

Companies should report on progress to their stakeholders. What you share, how you share it and to whom, will depend on a number of factors, including:

- **Expectations:** do they have specific and/or technical expectations beyond just being informed?
- **Influence:** How much influence does the stakeholder have over your company or project, either directly or via other stakeholders?
- **Expertise:** Does the stakeholder have information, counsel, or expertise on the issue that could be helpful to the company, either directly or because they will shape the future of an issue?
- **Engagement:** Would they be willing to actively contribute to your implementation plan?
- **Trust:** What degree of mutual familiarity and trust is there between the company and the stakeholder?

Your position in the supply chain will also determine your stakeholder audience. e.g. the further down you are in the supply chain, the more global NGOs/CSOs will have an important impact on your reporting/communication, same for the consumers.

Collective reporting

The Consumer Goods Forum (CGF) Forest Positive Coalition of Action⁵, a CEO-led initiative of leading consumer goods companies taking collective action for a forest positive future, has launched a Beef Working Group as part of its ongoing efforts to remove deforestation, forest degradation and conversion from key commodity supply chains.

To guide members' collective action, this Working Group will develop a Roadmap outlining the Coalition's commitments and actions to address deforestation concerns specific to the beef sector. One of the Beef Roadmap goals is to define measurable outcomes on which all members agree to track and report individually and collectively.

02 Develop indicators – What to monitor

Companies should develop Key Performance Indicators (KPIs)

Indicators to monitor should be linked to the intended outcomes of the responsible sourcing policy, but also to the intermediary milestones and actions defined in the implementation plan.

KPIs capture the progress and the outcomes of policy implementation actions and can be used to communicate progress both internally and externally, and as feedback to adjust and improve implementation plans as necessary.

Finally, KPIs should also be aligned with internationally recognised standards and laws, enabling consistency with other initiatives and reinforcing the credibility of the company's approach (e.g. CGF Forest Positive Coalition Roadmap, Global Roundtable for Sustainable Beef, EU deforestation-free supply chain legislation, the Modern Slavery Act in the United Kingdom or the Devoir de Vigilance in France). KPIs should follow the SMART guidelines (specific, measurable, attainable, relevant, and time-bound) to ensure that they can be objectively quantified where possible. However, sometimes indicators are qualitative and therefore it is important to be transparent on how they are evaluated.

Global Sustainability Goals of the [Global Roundtable for Sustainable Beef](#)⁶

Through its worldwide network of members, GRSB intends to power progress in sustainable beef by setting ambitious goals around reducing greenhouse gas emissions, improving land use, and enhancing best practices in animal welfare. It has therefore set Global Sustainability Goals:

Climate: Reduce the net global warming impact of beef by 30%

Land Use: Ensure the beef value chain is a net positive contributor to nature

Animal Health and Welfare: Provide cattle with an environment in which they can thrive, achieved through increased adoption of best practices

The table in [Appendix](#) provides examples of KPIs upstream and downstream companies could be monitoring either for implementation monitoring or for outcomes monitoring.

Beef buying companies are increasingly engaging with landscape and jurisdictional initiatives for implementing their responsible sourcing commitments. Some examples of KPIs to track and report progress are already included above. However, more information on this topic can be found in the [Beef Toolkit Briefing Note 03](#)⁷: Engage within and beyond supply chains to implement responsible sourcing commitments for beef.

03 Design your monitoring system

Once monitoring indicators are identified, a monitoring system can be designed by defining datasets and collection methods. The purpose of your monitoring system is to collect the data and analyse it to know your level of performance, **develop your Key Performance Indicators (KPI's)**, and use it to make decisions.

The Voluntary Monitoring Protocol for Cattle Suppliers in the Cerrado

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Building on their experiences, Imaflora and Proforest have partnered to organize the development of a voluntary monitoring protocol for cattle suppliers on the Cerrado Biome.

The Cerrado Protocol aims at contributing to an alignment of the best socio-environmental monitoring practices for cattle purchases in the Cerrado Biome. It sets a range of responsible sourcing criteria and parameters that companies can follow to ensure their supply chains are compliant to responsible sourcing commitments.

All monitoring criteria uses publicly available data and the definition of what criteria should be included was part of an extensive consultation process involving key stakeholders.

Therefore a monitoring system should be designed in a way that identifies:

- **What data to collect:** for each indicator to be monitored you will have to identify the relevant data which needs to be collected. It can be either a set of information or a single piece of information.
For example, deforestation in your supply chain in the Amazon biome could be identified through the combination of the map of your sourcing areas and the forest cover changes in the timeframe desired in the Amazon area.
- **How to collect it:** based on the data identified, tools to collect the data are required. Some tools fulfilling your needs may already exist but you also may need to develop some specific ones in order to be adapted to your internal systems (purchasing systems, quality controls, existing sustainability protocols, etc).
For example, changes in forest cover in the Amazon biome could be monitored with satellite data provided by PRODES Amazonia but also with on-the-ground checks.
- **Who to collect it:** roles and responsibilities in collecting, aggregating and analysing the data should be defined to ensure the full process is well implemented. It can be the same person or different persons for each of the 3 steps.
For example, while satellite analysis of forest cover changes in the Amazon biome could be carried out by a service provider, on-the-ground checks could be done in collaboration with suppliers, and all results being aggregated by HQ staff to draw conclusions.
- **At which frequency:** based on the KPI, it is important to define how often the data should be collected and the KPI analysed. This may be limited by the availability of updated information.

- **How to analyse:** Once the data is collected and aggregated, the next step is to analyse the data to provide the level of performance of the relevant indicators. This analysis should provide you with:
 - The level of performance of the indicator,
 - The evolution over time of each specific data and indicator,
 - The areas to investigate on the weaknesses and strengths of your actions and implementation plan.

Importantly this analysis should help you to identify the challenges and opportunities to improve your implementation plan

How to use: Finally, the last step is to define how it will influence practice, provide transparency and allow accountability of commitments made.

- How will the information be given to suppliers or used to change internal operations?
- How will it be used in external communications?

A monitoring system should follow certain established principles to ensure it is fit for purpose and credible to all stakeholders. The [ISEAL Alliance](#), a global membership association for credible sustainability, is a reference for such principles⁸.

Verification

5

Companies should establish verification mechanisms to document levels of compliance and of progress towards responsible sourcing commitments.

This is important to provide the necessary level of assurance both for internal management and for external stakeholders.

There are three different types of verification, which are not mutually exclusive, i.e. the verification mechanism chosen may include one or more of the following:

- **First-party verification** is conducted by the company itself (internal audit), by personnel not involved in the management of the operations being verified.
- **Second-party verification** is conducted by an entity with an interest in the company or operation being assessed (e.g. customers/suppliers' audit).
- **Third-party verification** is conducted by an entity that does not provide other services to the company (certification body, government agency, auditing service provider). Third-party verification may be conducted either through or outside of a certification programme.

The results of first and second-party verification audits are often used internally to guide its decision-making while third-party verification is often referred to as external assurance and usually includes public disclosure of the verification methodology and results, at least in summary form.

For example, in Brazil, the Public Prosecutor's Office releases on [Beef on Track](#) the summary of meatpackers audits results that source cattle in the Amazon using the Protocol for Monitoring Cattle Suppliers in the Amazon⁹.

In the [Appendix](#) you can find a table with examples of KPIs with their method for monitoring them.

04 Implementation of monitoring

Upstream companies

Companies that are further up the supply chain will be able to collect information directly from producers (their direct cattle suppliers). They will also have more influence over them to ensure policy commitments are implemented. Site visits and inspections can also be part of their framework for monitoring ranchers. They could use geospatial monitoring (See the “**Beef Toolkit Briefing Note 02– Beef risk analysis**”¹⁰, for a list of tools and references) or non-geospatial monitoring for ground validation and/or commitments related to human rights.

Downstream companies

Downstream companies are expected to monitor the control systems of their suppliers as a means of ensuring suppliers’ compliance or progress towards fulfilling commitments, including monitoring of how non-compliance is identified and addressed. However these companies have less direct influence over ranchers, but they can and should exert an important indirect influence and monitoring of progress should be done via suppliers. They could use supplier surveys to establish suppliers scorecards (see **BN03 Step 3 and BN04**)¹¹, geospatial monitoring tools, to monitor land use change on known sourcing areas, as well as on-the-ground checks for deeper engagement or further verification (See **BN 03 step 3**).

Position and Visibility	Monitoring Approach	Example
<p>Slaughterhouses In most cases have high visibility, reaching direct cattle suppliers</p>	<p>Actions taken and compliance at production unit level</p>	<ul style="list-style-type: none"> • Ranchers with complete information • Ranchers enrolled in the Rural Environmental Registry (Cadastro Ambiental Rural, CAR) • CAR status (validated, active, pending, cancelled) • Ranchers in dirty lists • Non-compliant ranchers engaged
<p>Manufacturers, Retailers and Restaurants When buying directly from slaughterhouses, might have medium visibility. When buying already transformed meat or by-products (leather, ingredients, etc), might have low visibility</p>	<p>Actions taken and compliance at supplier level, focusing on supplier management and control systems (see BN04 Purchase Control System)</p>	<ul style="list-style-type: none"> • Volume in each level of progress • Suppliers with traceability information • Suppliers with purchase control systems • Non-compliant suppliers engaged

05 Reporting

Reporting regularly and publicly on the progress made by the company to address environmental and social issues increases the trust of external stakeholders. This allows them to understand the progress and the challenges that the company faces in its journey towards positive outcome.

Reporting can take various forms such as annual reports, website and/or through public dashboard. Regardless of the means that the company choose, it is important for the company to develop a narrative on the actions taken and to report on the progress made.

Based on the various targeted audience and the related goals identified earlier, we can categorise the reporting for internal or external stakeholders.

Internal

- Management: help decision making (summary of technical information and conclusions, flagging challenges and risks, suggested actions, etc) -> access to the full package – as for customer + internal confidential info)
- Wider company: help understand the process for non-expert (similar to shareholders and consumers but with access to internal confidential information)

External

- Customers: based on their expressed request or NGOs/CSOs concerns, relatively high in terms of technical/expert information, help decision making/understanding your level of responsible sourcing/production performance or compliance, business confidentiality information depending on Non Disclosure Agreements and required data.
- NGOs/CSOs: based on their concerns, relatively high in terms of technical/expert information, help decision making/understanding your level of responsible sourcing/production performance or compliance
- Shareholders: non-expert information, help decision making/understanding your level of responsible sourcing/production performance or compliance
- Consumers: non-expert information, help decision making/understanding your level of responsible sourcing/production performance or compliance

Enhance transparency:

While sustainability concerns in the beef supply chain become more and more visible in the media, a controlled transparency helps to ensure the relevant stakeholders understand how your company is progressing on your responsible sourcing journey.

- Slow progress in KPI's may actually help identify where the system requires either more attention or changes/adaptation.

It is also where you might want to look for support from internal/external parties.

The CGF Forest Positive Coalition of Action is focused on making progress through specific commitments, actions and KPIs laid out in commodity-specific roadmaps, including developing a Beef Roadmap.

Each roadmap is made up of elements addressing supply chain management, engaging beyond the supply chain and transparency, and promotes more effective collaboration. "The Beef Roadmap will also incorporate the four Coalition-wide goals:

- Accelerate efforts to remove commodity-driven deforestation from our individual supply chains.
- Set higher expectations for traders and meatpackers to act across their entire supply base.
- Drive transformational change in key commodity landscapes.
- Define measurable outcomes on which all members agree to track and report individually and collectively.

The Forest Positive Coalition was formed in 2020 by The Consumer Goods Forum and brings together **20 of the world's largest retailers and manufacturers**, with a combined market value of around \$2 trillion, to take collective action to remove deforestation, forest conversion and degradation from key commodity supply chains."

A monitoring and reporting framework for companies

As already mentioned, the reporting framework that the company needs to develop will depend on its stakeholders analysis. Different types of reporting should be developed to ensure meeting all stakeholders expectations.

Based on each type of public identified, the following criteria will have to be defined to set the reporting framework:

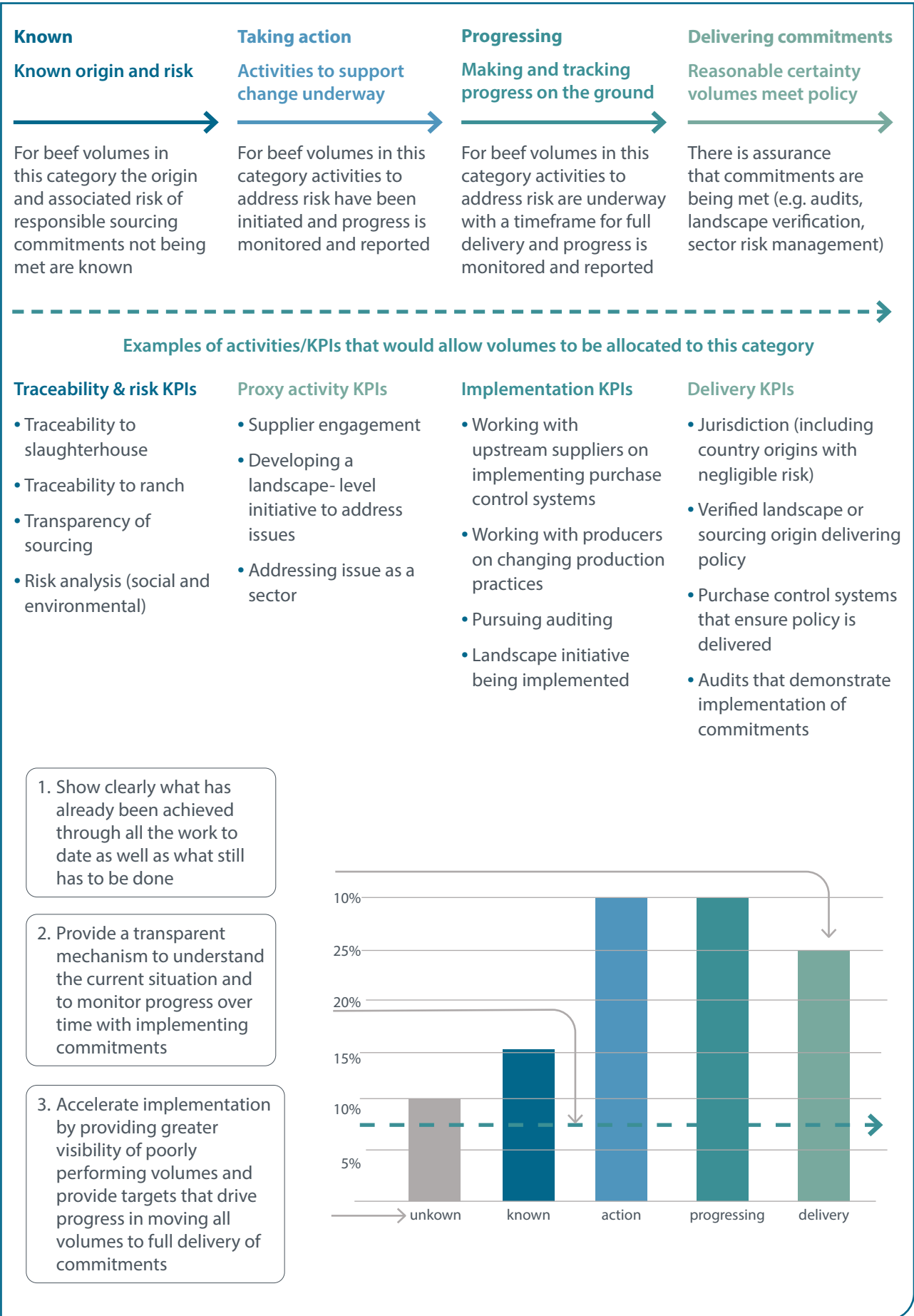
- **Scope of reporting:** What is the total volume that will be reported on? Are you reporting on 100% of your sources, including meat as an ingredient, other products, and derivatives of cattle origin? In other words, what is 100%?
- **The means of reporting:** What media is more appropriate to report? Website, publicly available report, newsletter, etc.
- **The frequency of reporting:** based on the KPIs reported and update available, but also based on the stakeholder's expectations.
- **The reporting approach:** proactive or reactive? Either you publish systematically the report or you have a report ready whenever a stakeholder asks for it (often applicable for NGOs/CSOs requesting more details)

The implementation framework

All volumes of beef purchased are assigned to different categories or steps in the framework based on progress made towards full alignment to responsible sourcing commitments.

Each of these categories¹² (i.e. unknown, known, taking action, progressing and delivering commitments) has associated KPIs, as shown below. Existing activities and approaches can be identified, and the associated volumes systematically assigned to the relevant category or step providing a clear picture of what outcomes the activity has delivered. The speed of progress from a lower to a higher category will differ depending on factors such as the type of producer (e.g. indirect supplier may progress more slowly than large ranchers) or initiative (e.g. landscape initiatives may take longer than individual company-led initiatives).

Volumes do not have to move systematically through each category but are simply assigned to the appropriate step based on the progress made so could move from 'unknown' directly to 'delivering commitments' if it can be shown they are meeting responsible sourcing requirements.



Appendix

Implementation stage	Example of implementation KPIs	Examples of how KPIs can be produced
Traceability level	Upstream companies	
	% volume traceable to region and/ or biome, to municipality, to direct cattle supplier, to indirect cattle supplier, etc	internal and cattle suppliers' supply chain data
	Downstream companies	
	% of total beef purchased traceable to its source, to the country of origin, or to the processing site/slaughterhouse	internal and beef suppliers' supply chain data
Risk assessment	Upstream companies	
	% of suppliers assessed for environmental and social risk level	suppliers risk assessment combined with supply chain data
	% volume of beef sourced from areas with high deforestation rates.	Farm polygons demonstrating overlap with conversion alerts from satellite data (remote sensing) in the last 10 years, combined to supply chain data.
	Downstream companies	
	% of the total cattle products purchased per risk level	risk analysis outcomes combined with supply chain data
Suppliers engagement	Upstream companies	
	% of high-risk/priority direct suppliers with action plan agreed,	Engaging producers suspended in purchase control systems
	Area (ha) covered by responsible sourcing programme.	responsible sourcing programme reports
	Downstream companies	
	% of volumes purchased covered by a purchase control system	suppliers assessment outcomes
	For retailers focus on 'own brand' T1 suppliers.	
Size of support provided to initiatives towards improving livelihoods, farmer engagement, and reducing conversion	reports for projects/programme, including data on budget, number of farmers, households involved, protected areas, etc	
Suppliers performance	Upstream companies	
	% of cattle sourced directly from farms compliant with responsible sourcing criteria	Reports from purchase control systems
	Downstream companies	
% of direct sourcing audited against responsible sourcing criteria and level of compliance	audit reports on purchase control systems suppliers may have in place (either publicly available or carried out by the company)	

Monitoring, verifying and reporting

Policy commitment	Examples of Outcomes KPI	Examples of how KPIs can be produced
Policy compliance	Upstream companies	
	% of volumes compliant with sourcing policy	purchase control system outcomes per suppliers, combined with supply chain data.
	Downstream companies	
Policy compliance	% of volumes compliant with sourcing policy	outcome of robustness analysis of suppliers' purchase control system combined with their purchase control system outcomes per suppliers as well as the supply chain data
	% of total beef purchased verified deforestation and conversion-free (DCF)	Farm polygons demonstrate no overlap with conversion alerts from satellite data (remote sensing). It is important to define the cut-off date that will be considered.
No conversion of natural habitats	Upstream companies	
	% of cattle ranchers that are monitored and did not convert natural habitats after a given cut-off date.	Farm polygons demonstrate no overlap with conversion alerts from satellite data (remote sensing). It is important to define the cut-off date that will be considered.
	Downstream companies	
No conversion of natural habitats	% of volume sourced from suppliers with credible system to ensure no conversion took place after a cut-off date	Supplier has credible system in place to prevent purchasing from cattle ranches related to conversion of natural habitats and reports results to clients. For beef coming from the Amazon, suppliers adhere to the TAC and report back to client on how/if it is being upheld.
	Upstream companies	
No illegal deforestation	% of cattle directly sourced from ranchers that did not deforest after 2008 without evidence of legal authorization	Farm polygons demonstrate no overlap with deforestation alerts from satellite data (remote sensing) and when there is deforestation, cattle ranchers can provide legal authorization received from government.
	Downstream companies	
	% of volume sourced from suppliers with credible system to ensure any deforestation that may have happened was legal	Supplier has credible system in place to prevent purchasing of cattle related to illegal deforestation and provides compliance level information to clients
No illegal deforestation	% of volume from the Amazon compliant with a TAC	Use Beef On Track platform to find the information and level of performance
	Upstream companies	
No forced labour	% cattle ranchers blocked for being in the dirty list for forced labour	Absent in forced labour official dirty list (online check), evidence on compliance with labour regulations (documented evidence), partnerships with organizations on this topic (documented evidence or interviews), results of field visits (documentation)
	Downstream companies	
	% of volume sourced from suppliers with credible system to ensure no forced labour was used in the current/ last year	Supplier has credible system in place to prevent purchasing of beef related to forced labour and provides compliance level information to clients

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