OECD-FAO Guidance for Responsible Agricultural Supply Chains

Reducing development impacts through company risk-based due diligence

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Global demand, supply and environmental and social risk

**growing global population**

- Global population to reach 8.6 billion in 2030, 9.8 billion in 2050; **83 million people** added to global population each year (UN DPI, 2021)

**rising demand for food**

- Global food demand increase up to 56% by 2050 (Van Dijk, 2020)
- Nearly 1/3 world (2.37 billion) did not have access to adequate food in 2020 (FAO, 2020)

In line with the global developments on responsible supply chains, FAO works with governments and companies to:

- make a **positive contribution to economic, environmental and social progress** with a view to achieving **sustainable development**; and
- **avoid and address adverse social (including human rights) and environmental impacts** in their own activities and prevent/mitigate adverse impacts directly linked to their operations, products or services (supply chain)
What kind of risks and what does that mean for traceability? Climate change and natural resources
What kind of risks and what does that mean for traceability? Child labour

Globally, more than 70% child labour takes place in agricultural sector

Consumers and businesses in downstream trade and retail increasingly concerned with how sourcing impacts vulnerable groups - including children

Source: ILO (2017)
OECD-FAO Guidance for Responsible Agricultural Supply Chains

• Launched in 2016 following 2-year multistakeholder consultation process

• Leading global framework for agri-businesses and investors, incorporates existing RBC standards (UNGPs, ILO MNE Declaration, OECD Guidelines, etc)

• Introduces how companies can manage social and environmental risks and development outcomes in supply chains by establishing due diligence systems and multi-stakeholder cooperation

• Illustrates how certain risks can be pronounced in developing economies and interlink with structural development challenges (food security, land rights, natural resource depletion including carbon emissions— and deforestation).
Increase in regulation on business conduct and development impacts in supply chains relevant to agricultural enterprises, 2010-2022

Legislation characterised by areas such as:

- Transparency and Bribery
- Environmental and Social Due diligence
- Sustainability Reporting
- Thematic considerations such as modern slavery/forced labour and child labour
OECD-FAO Guidance and the 5-Step Framework for Risk-Based Due Diligence

- Rooted in adapting business models to identify, assess, mitigate and prevent impacts in supply chain;
- Prioritizes by severity and likelihood of the impact;
- Considers leverage and impacts caused, contributed or linked to business activities;
- Flexible, tailored to companies of different sizes, contexts, etc.;
- Dynamic – ongoing, responsive and informed by stakeholder engagement;
- Views disengagement as a last resort;
- Traceability and certification feature as part of steps 3 and 4.
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Global due diligence agenda and the OECD-FAO Guidance

• OECD-FAO Guidance available in 11 languages; integrated in public policies, strategies and initiatives on responsible business conduct, agriculture and sustainability by over 60 countries, the European Commission, G7 and G20

• 2021 OECD-FAO Guidance introduced in EU Code of Conduct for Responsible Business and Marketing Practices as resource in setting expectations of agricultural enterprises to address social and environmental risk + due diligence

• 2021 OECD-FAO Guidance referenced as tool for agricultural enterprises in the EU’s Draft Regulation on Corporate Accountability and Corporate Due Diligence

• 2021 UN Secretariat designated the OECD-FAO Pilot Project on Implementing the OECD-FAO Guidance with 30+ companies an SDG Good Practice
Thank You
Спасибо
Gracias
谢谢你
Merci

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