The OECD-FAO Guidance for Responsible Agricultural Supply Chains (OECD-FAO Guidance) helps enterprises mitigate adverse impacts in the agricultural supply chain and promote inclusive growth. Implementing the OECD-FAO Guidance can help companies proactively address harms and achieve many of the Sustainable Development Goals (SDGs).

Background

In a world shaped by climate change and limited natural resources, agriculture plays a decisive role in sustainable economic development.

Agricultural enterprises are a major source of employment and skills development. They bring expertise, technology and financing capacities to provide safe and nutritious food to a growing population and contribute to new sources of energy. Producing safe, high-quality, responsible food and non-food agricultural commodities remains a critical challenge for all stakeholders.

The OECD-FAO Guidance recommends a risk-based due diligence process to identify and prioritise risks in supply chains, avoid negative impacts and establish systems to address and mitigate risks. Due diligence, when effective, can benefit enterprises by lowering their reputational, operational and financial risks, and help businesses achieve the SDGs.

About the OECD-FAO Guidance

The recommendations of the OECD-FAO Guidance are relevant to all enterprises in the agricultural value chain, including domestic and foreign, private and public, small, medium and large-scale enterprises. The guidance includes two main sections:

- **Agricultural standards**
  This section outlines the standards that enterprises should observe to promote responsible agricultural supply chains. Thematic areas covered include gender and benefit sharing, as well as human rights, labour rights, health and safety, food security and nutrition, tenure rights, animal welfare, environmental protection, the sustainable use of natural resources, governance, technology and innovation.

- **5 step due diligence framework**
  Enterprises should identify, assess, prioritise, mitigate and account for how they address the actual and potential negative impacts of their activities. While all enterprises should conduct due diligence, the implementation of this framework can be tailored to their position in the supply chain.

1. Establish strong company management systems
2. Identify, assess and prioritise risk in the supply chain
3. Design and implement a strategy to respond to identified risks
4. Verify supply chain due diligence
5. Report on supply chain due diligence
OECD-FAO Guidance for Responsible Agricultural Supply Chains Implementation Plan 2020-2022

1. Streamline the OECD-FAO Guidance and its key messages into regulatory frameworks and industry standards.
2. Conduct alignment assessments of certification standards in select commodities.
3. Communicate how companies can support development through risk-based due diligence.
5. Develop measurement tools on the progress, uptake, and impact of due diligence according to the OECD-FAO Guidance.

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http://mneguidelines.oecd.org/rbc-agriculture-supply-chains.htm
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