



BUILDING RESPONSIBLE
GLOBAL VALUE CHAINS
FOR SUSTAINABLE
TROPICAL FRUITS

Technical webinar series on avocado and pineapple value chains

Webinar #2: How can the OECD-FAO Guidance for Responsible Agricultural Supply Chains help the fruit industry deal with business risk?

Summary report

13 July 2021, 17.00-18.15 CET (UTC+2), on Zoom

BACKGROUND

This was the second event in a series of technical webinars being organized by FAO's Responsible Fruits project in response to the priorities and interests of participants from the private sector. The webinars provide an opportunity for peer learning on precompetitive issues and the identification and sharing of good practices. To facilitate open discussion, there is no webinar recording and the event's report follows the Chatham House Rule of not identifying individual speakers. The exception being for the main presenters (two individuals) who have consented to share information in advance.

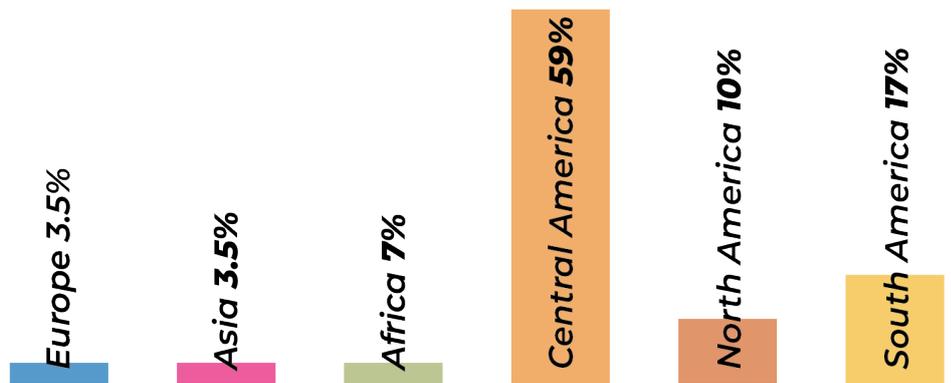
Participation

Twenty-nine participants joined the webinar, representing producers and their organizations, packers, processors, exporters/importers and distributors. These included companies and organizations based in Africa, the Americas, and Asia.

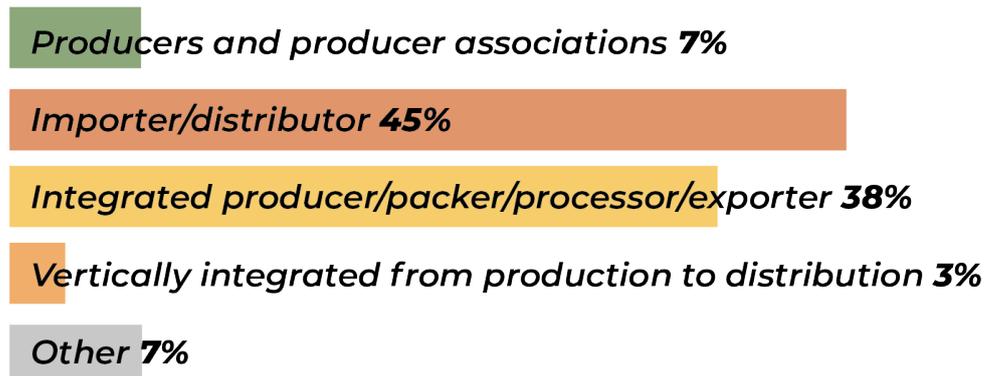
Gender



Geographic origins



Industry groupings



Organizing this event online avoided the greenhouse gas (GHG) emissions that would normally be associated with travel for a face-to-face event. A preliminary estimate using the ICAO Carbon Emissions Calculator¹ indicates that this event saved over 30,000 kg of CO₂ emissions.

Summary

- **Welcome and introduction**

Participants were welcomed to the second peer learning webinar organized by FAO's [Responsible Fruits Project](#). The event's agenda is presented in Annex 1.

Avocado and pineapple businesses can enhance their sustainability and resilience to external shocks by strengthening their due diligence processes. The [OECD-FAO Guidance for Responsible Agricultural Supply Chains](#) (the Guidance) is the global standard for [responsible business conduct](#) (RBC) in the agriculture sector. The Guidance provides a practical 5-step framework for risk-based due diligence, helping companies to manage risks in their own business operations and reducing risks among their suppliers, while at the same time contributing to development. Key topic areas include natural resource management, labour rights, land tenure, and food security, among others. During the event, FAO experts on RBC provided insights into how the Guidance is being implemented by companies in practice and discussed how the Responsible Fruits Project can support industry actors with the help of the Guidance.

Three polls were conducted during the webinar and the answers were collected anonymously. The first two polls took place at the beginning of the webinar, with the results presented here:

1. Prior to this webinar, had you heard about the OECD-FAO Guidance for Responsible Agricultural Supply Chains?
 - Yes: **24%**
 - No: **76%**

2. Has your company or organization used the OECD-FAO Guidance for its due diligence or sustainability strategy?
 - Yes. We use the OECD-FAO Guidance: **7%**
 - No. We use a different tool/instrument for our due diligence or our sustainability strategy: **60%**
 - No. We do not use any tool for due diligence: **33%**

The poll results indicate a low level of familiarity with the Guidance among participants. While some institutions use the Guidance in their due diligence or sustainability strategies, a much larger group reported using other tools. Tools mentioned included a reliance on various standard and certification schemes, which differ from risk-based due diligence (a point further addressed in the discussion section).

- **Introduction to the OECD-FAO Guidance for Responsible Agricultural Supply Chains** – Pascal Liu, Senior Economist, Markets and Trade Division, FAO

The speaker introduced the OECD-FAO Guidance with a [brief video](#) (1 min. 53 sec.), which explains the importance of responsible business conduct and why the Guidance is the global standard for RBC in the agriculture sector. For those interested, a [longer version of this video](#) (3 min. 58 sec.) is available. The long version provides greater detail about the

¹ See <https://www.icao.int/environmental-protection/Carbonoffset/Pages/default.aspx>

challenges possible in agricultural supply chains and how the Guidance and its 5-step framework for due diligence can support businesses to address risks and operate more responsibly.

Why is the Guidance needed?

Agri-food value chains are the source of many positive impacts, including the creation of jobs, better nutrition, and access to inputs and technology. At the same time these value chains come with risks of negative impacts on people, climate, natural resources, and the environment. Particular concerns include social impacts such as occupational safety and health (OSH) and child labor. It was noted that over 71% of all child labour takes place in the agriculture sector. Regarding concern about climate and environmental impacts, agriculture contributes up to 24% of global greenhouse gas emissions; and agricultural supply chain sourcing can result in strong impacts on deforestation. It was noted that up to 73% of tropical deforestation is attributed to just four agricultural products (these do not include tropical fruits). In this context, business decisions have a critical role to play in the sustainability of value chains.

How can the Guidance be useful to enterprises, including producers?

Launched in 2016, the Guidance was developed jointly by the OECD and FAO following a two-year process led by a multi-stakeholder advisory group that included governments, investors, agri-food companies, farmers’ organizations, civil society organizations and others. To allow for wider stakeholder engagement, a public consultation featured contributions from an array of different stakeholders.

The Guidance provides a common framework and a globally applicable benchmark for the application of responsible business practices in agricultural supply chains. It describes common risks areas and impacts that can result from sourcing in agricultural supply chains (see Figure 1) such as food security and nutrition, human and labour rights (including child labour), gender, climate change and natural resource depletion (including deforestation), governance, animal welfare, land tenure rights, technology and innovation, and many more. The Guidance incorporates existing standards such as the CFS Principles for Responsible Investment in Agriculture and Food Systems, the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests, the OECD Guidelines for Multinational Enterprises and others.



Figure 1: Common risks and impacts in business conduct in the agriculture sector

(Source: OECD-FAO Guidance for Responsible Agricultural Supply Chains, 2021)

Requirements on supply chain due diligence are increasingly discussed by governments and increasingly featuring in legislation in consumer countries and import markets. Among the farthest reaching actions are the recently announced [EU Directive on Corporate Due Diligence and Accountability](#) and the [EU proposal on a regulation for deforestation free products](#).

The [EU's Code of Conduct on Responsible Food Business and Marketing Practices](#), the private sector commitment to the EU Farm to Fork Strategy that came into force in July 2021, embeds the Guidance as a central reference for agricultural enterprises and due diligence. The Guidance is also referenced by the European Parliament as a key framework for risk-based due diligence among agricultural enterprises in the draft EU directive on due diligence. Since its launch, the Guidance has been translated into 11 languages and referenced in policies and initiatives of over 60 governments, in addition to the European Commission, G7, G20 and African Union.

How does FAO help enterprises apply the Guidance?

FAO and the OECD have adopted a joint implementation programme to promote RBC and the adoption of the Guidance. This program has five priority action areas:

1. Integrate OECD-FAO recommendations on due diligence into regulatory frameworks and industry standards
2. Conduct alignment assessments of certification standards for selected commodities
3. Develop communications materials on the OECD-FAO Guidance in multiple languages, and integrate references to OECD-FAO Guidance in international fora
4. Conduct capacity development and training on risk-based due diligence
5. Measure progress of uptake of the OECD-FAO Guidance and develop indicators of impact of due diligence

There is a growing body of support and resources for companies and other stakeholders, including practical briefs and capacity development materials available at:

- <http://www.fao.org/responsible-business-conduct-in-agriculture/>
- <https://www.fao.org/markets-and-trade/areas-of-work/emerging-trends-challenges-and-opportunities/oecd-fao-guidance-for-responsible-agricultural-supply-chains>
- <https://www.fao.org/markets-and-trade/areas-of-work/emerging-trends-challenges-and-opportunities/pilot-project-on-the-implementation-of-the-oecd-fao-guidance-for-responsible-agricultural-supply-chains/en/>
- <https://www.fao.org/economic/est/issues/investment/responsible-fruits>

The speaker's slides are presented in the Annex.

- **The practical use of the OECD-FAO Guidance by global agribusinesses** – Tomislav Ivančić, Advisor on Responsible Business and Investment, Markets and Trade Division, FAO

The speaker introduced the risk framework of the Guidance and its applicability in the context of business operations and cooperation with suppliers.

The Guidance presents a management framework for addressing social and environmental risks and impacts in business conduct. Key characteristics of the Guidance's **5-step framework for risk-based due diligence** are that it:

- 1) Is rooted in adapting business models to identify, assess, mitigate, and prevent impacts in supply chain;
- 2) Prioritizes by severity and likelihood of the impact;
- 3) Considers leverage and impacts caused, contributed, or linked to business activities;

- 4) Flexible, tailored to companies of different sizes, contexts, etc.;
- 5) Dynamic – ongoing, responsive, and informed by stakeholder engagements; and
- 6) Views disengagement as a last resort.

As illustrated in Figure 2, the 5-step framework begins with outlining the importance of embedding RBC into policies and management operations. Second, it advances to identifying and assessing adverse impacts in operations, supply chains and business relationships, including the prioritization of risks. Third, the framework illustrates the importance of developing a management plan to respond to the identified risks. Once a risk mitigation plan is in place, a fourth step explains the needs to verify, monitor and validate the process, together with different stakeholders. Lastly, the fifth step introduces the importance of communicating company efforts on reducing risks, including through (but not limited to) sustainability reporting.

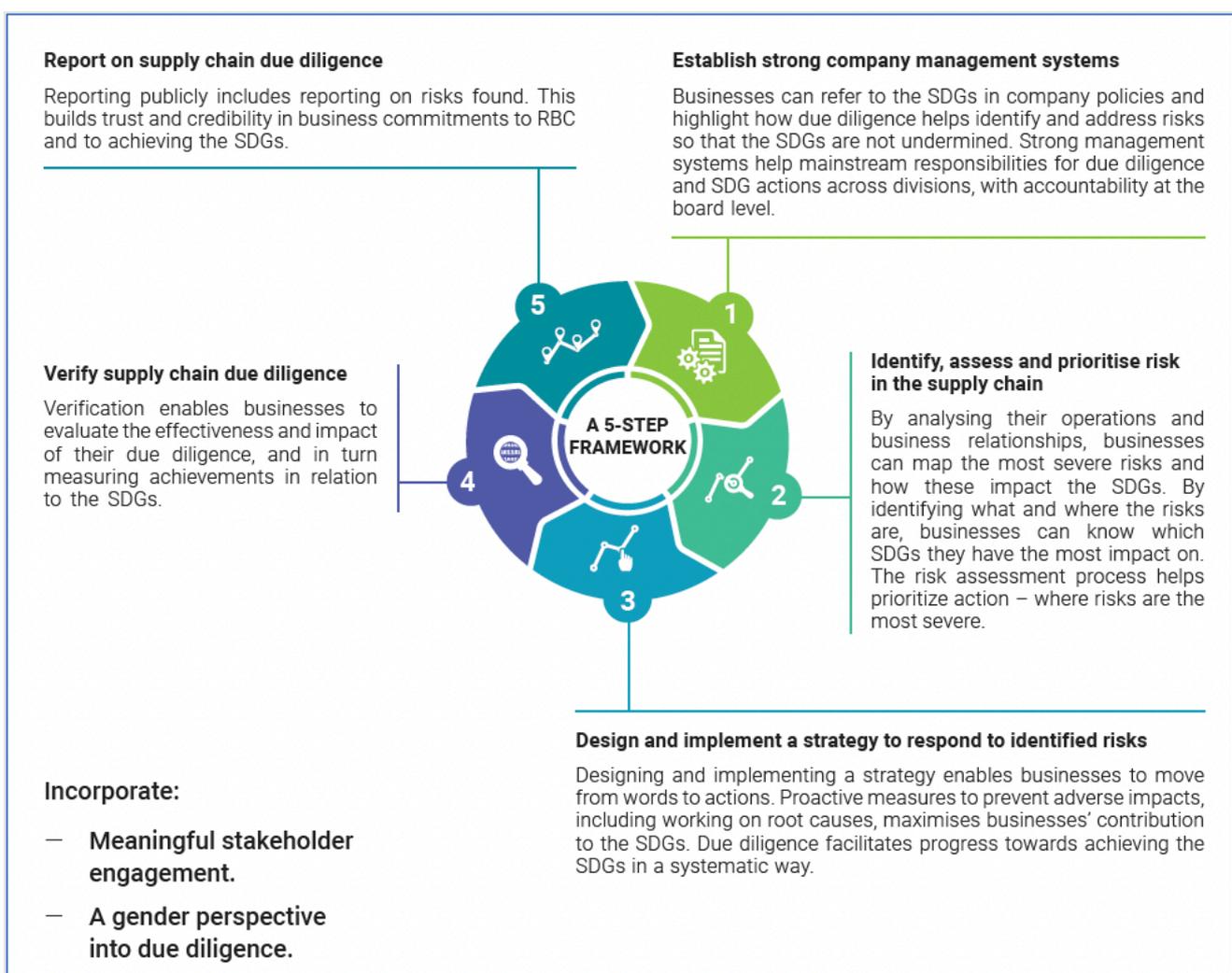


Figure 2: 5-step framework for risk-based due diligence

(Source: OECD-FAO Guidance for Responsible Agricultural Supply Chains, 2021)

Practicalities for Small and Medium Enterprises (SMEs)

For small business owners, the introduction of due diligence can be a challenging effort until its application to their business contexts is understood. In practice, many small enterprises already exercise key features of due diligence, however those efforts may not be formalized or understood as due diligence. Among others, instances include company efforts to address occupational safety and health, food safety and quality standards.

In terms of its formalization, introducing due diligence in small and medium enterprises can be more straightforward than in larger enterprises. Reduced administration and bureaucracy, along with having fewer suppliers and a more intimate understanding of key business partners, allow for more effective dialogue that can reduce the likelihood of social and environmental impacts taking place. Further, communication and visibility of due diligence efforts to both upstream and downstream business partners can be more easily recognizable, allowing SMEs to strengthen their competitiveness and emerge as attractive partners or preferred suppliers.

Global pilot project on the implementation of the OECD-FAO Guidance for Responsible Agricultural Supply Chains

In 2018, FAO and the OECD launched a pilot to review the practical application of the Guidance and its recommendations, providing companies with an understanding of how others were implementing the Guidance's main findings. Over 30 companies and industry initiatives participated in the pilot and the application of the 5-step framework for risk-based due diligence. Among the findings, companies often reported an overreliance on certification or industry schemes, which are useful but not always sufficient to identify risks and reduce development impacts. In 2021, the [OECD-FAO Global Pilot Project](#) was selected as a SDG Best Practice by the UN Secretariat (UN/DESA). Details of the Global Pilot Project, its achievements and challenges, and informative reports are found in the speaker's presentation slides and also on the [Pilot Project website](#).

The speaker's slides are presented in the Annex.

- **Q&A and discussion**

Following each presentation there was a chance for questions and then open discussion.

The development of the Guidance was further discussed, with particular sensitivity to the role of the private sector. It was emphasized that the OECD and FAO were closely guided by a multi-stakeholder advisory group that included companies and producer organizations. A point of concern was raised regarding the potential for over-regulation to inhibit the positive impacts of value chains and to limit the ability of organizations to communicate positive impacts on communities. It was noted that the Guidance could contribute to reducing over-regulation by encouraging companies to take meaningful initiatives to ensure responsible business practices.

While some companies are proficient in due diligence, many are also fearful of exposing their risk profiles to criticism through due diligence reporting. The concern was recognized; however, it was advised that the opportunity available in reducing risks is more than sufficient to counter the concern. Risk-based due diligence could lead to reduced financial and management costs, enhance company reputation, and create new opportunities for business. It was also noted that since due diligence requirements are expected to become increasingly mandatory, now is the ideal time for companies to improve their skills in this area.

One company explained that they have relied on popular industry certifications but are now trying to move beyond this with metrics and indicators to track sustainability and due diligence. As part of this, the company hoped to develop a standard data set that would accommodate accounting for social, geographic, environmental variance/differences in products being sourced. In response, FAO observed that owing to the particularities of doing business – and the fact that each company has different suppliers and risks, an industry-wide or standardized approach to identifying or reducing

social and environmental risks is difficult to envision. A key motivation behind the development of legislation on due diligence was that the reliance on existing risk tools, including auditing and certification, was not reducing impacts.

Another producer organization explained that they had signed a convention with a certification organization with the objective of reaching the EU market and other new markets. Now, however, these markets are the ones starting to demand social and environmental due diligence and certification. The producer organization now recognizes the necessity of following and responding to these demands to maintain or gain market access.

FAO highlighted the importance of identifying specific responsibility for leading and monitoring risk assessment work in a company. Certification schemes are helpful but maybe no longer enough in face of changing regulation.

Certification standards

There was particular interest in understanding the relationship between the OECD-FAO Guidance and certification standards. It was clarified that the Guidance is not a standard, and that standards are not a replacement for due diligence. Due to the interest this issue, it will be addressed in greater detail in a technical paper to be produced by FAO.

● **Wrap-up and next steps**

Participants are encouraged to contact the project team if they have an interest in working more closely on due diligence and/or learning more about the OECD-FAO Guidance. FAO is committed to supporting capacity development for due diligence in avocado and pineapple value chains, including the application of the Guidance. In follow up to this webinar, FAO proposes the following actions:

- Focused discussion with individual organizations or small groups (e.g. members of a producer organization or a cluster of organizations that work together) to address specific questions and concerns about due diligence and the OECD-FAO Guidance.
- A briefing on due diligence and the OECD-FAO Guidance for organizations in Asia at a time convenient to individuals in the region.

The results of the third and final poll are presented here:

3. Do you think that a tropical fruits sector-specific version of the OECD-FAO Guidance would be useful for your organization?
 - Yes: **86%**
 - Uncertain/Undecided: **14%**
 - No: **0%**

The Responsible Fruits project will follow up on this interest in creating a version of the Guidance that is customized to tropical fruits.

Participants were informed that the project team would shortly launch the baseline survey of companies. Results would be aggregated and kept anonymous, and everyone was encouraged to participate. Survey findings would guide the project moving forward and would be presented to all the participants for feedback and validation.

There would be future opportunities to suggest topics for the project's webinars and activities, including through the upcoming business survey or by contacting the project team at any time. In closing it was announced that the topics and schedule of the third and future webinars of this series would be announced after the completion of the business survey.

Annex 1Working languages

English and Spanish with simultaneous interpretation.

Agenda

Section title	Speaker/Facilitator
Housekeeping and announcements	Valentina Perez-Mardones , Outreach Specialist, FAO
Welcome and introduction	Valentina Perez-Mardones
Introduction to the OECD-FAO Guidance for responsible agricultural supply chains	Pascal Liu , Senior Economist, FAO
Q&A	Marlo Rankin , Senior Researcher, FAO
The practical use of the OECD-FAO Guidance by global agribusinesses	Tomislav Ivančić , Advisor on Responsible Business and Investment, FAO
Q&A and further discussion	Jesper Karlsson , Project Officer, FAO
Wrap-up and next steps	Marlo Rankin

The OECD-FAO Guidance for Responsible Agricultural Supply Chains is available in the following languages: [Arabic](#) | [Chinese](#) | [English](#) | [French](#) | [German](#) | [Japanese](#) | [Myanmar](#) | [Russian](#) | [Spanish](#) | [Ukrainian](#) | [Vietnamese](#)

For more information about the project or the webinar series, please contact: Responsible-Fruits@fao.org



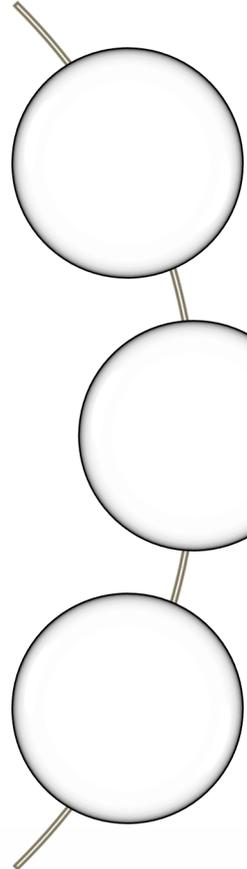
Food and Agriculture
Organization of the
United Nations

An Introduction to the OECD-FAO Guidance for Responsible Agricultural Supply Chains

Pascal Liu, Senior Economist, Responsible Global Value Chains
Food and Agriculture Organization of the United Nations (FAO)



Outline



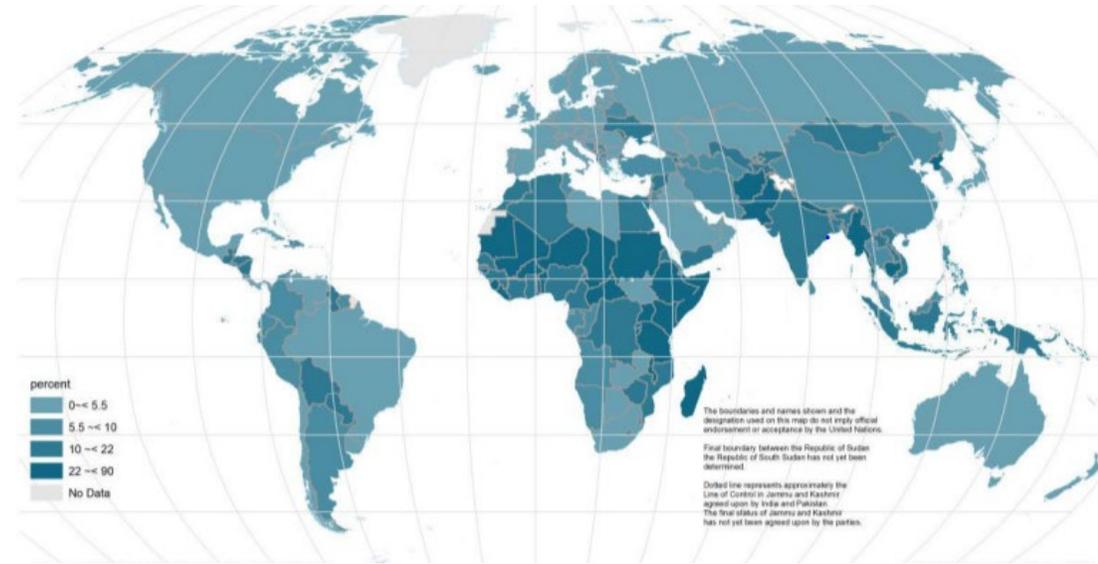
Why did FAO and OECD produce the Guidance?

How can the OECD-FAO Guidance be useful to growers and companies?

What FAO does to help enterprises apply the OECD-FAO Guidance

Agri-food value chains are critical for growth and development

- create millions of jobs around the world
- contribute to incomes and livelihoods
- export earnings
- access to markets, inputs, finance and technology
- can help reduce poverty, improve food security and nutrition
- can support more diverse and healthy diets for millions of people in the world

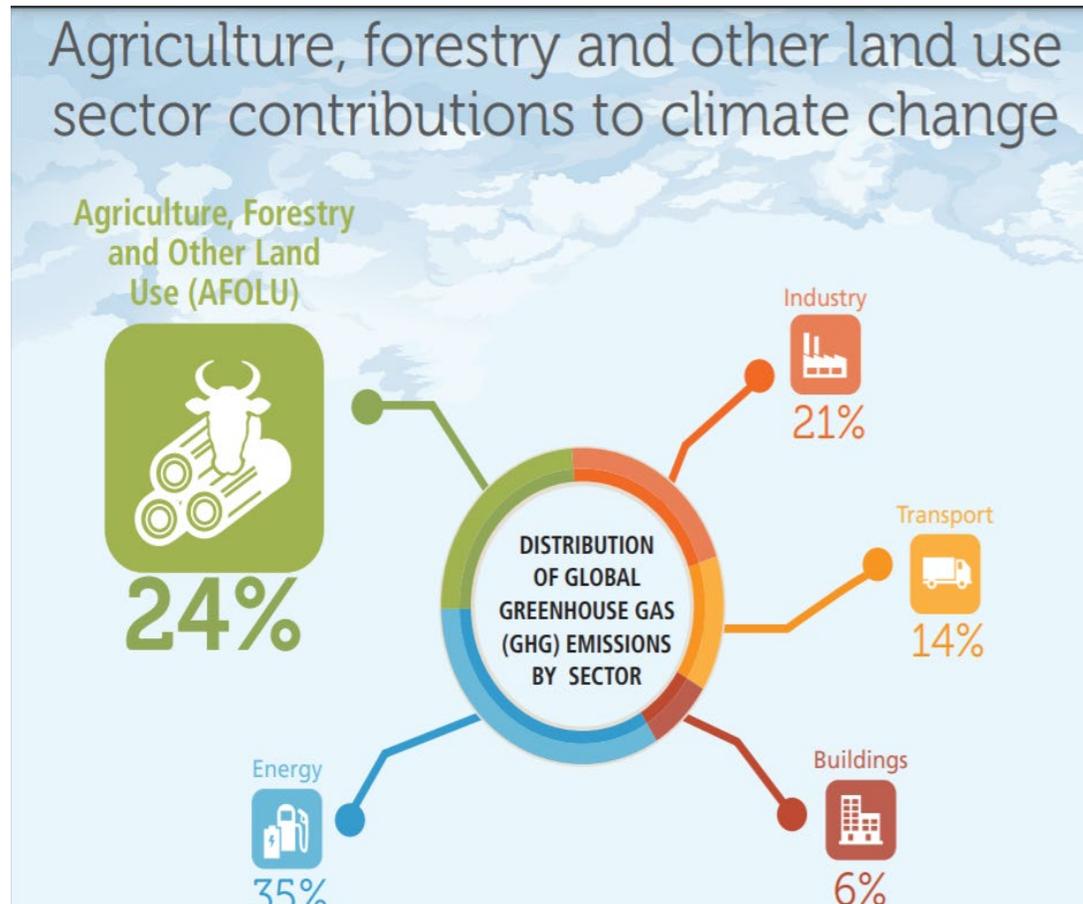


Risks and challenges of agri-food value chains

Risks of **negative impacts** on:

- Small holder farmers and workers
- Local communities
- Vulnerable groups (for ex. children, youth, indigenous people, migrants, women)
- Natural resources and the environment
- Climate (see next slide)

Climate Change and Natural Resources



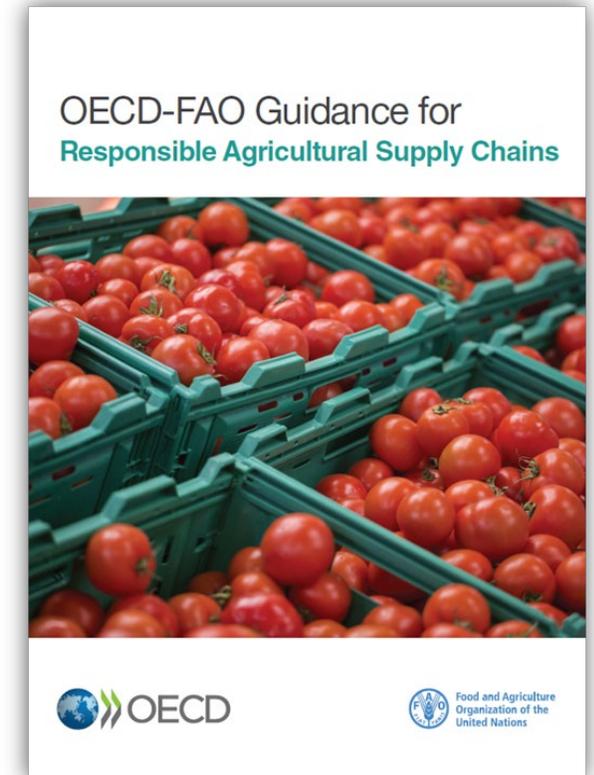
The role of companies in managing risks

Companies have critical role in making value chains sustainable through:

- their investments
- their mode of doing business

But how to do this in practice?

To help companies to identify and mitigate environmental and social risks in their supply chains, FAO and OECD jointly developed *the OECD-FAO Guidance for Responsible Agricultural Supply Chains*.



How can the OECD-FAO Guidance be useful to growers and companies?

Increasing regulation and demand for responsible supply chains

Political

- **G7** (2016), G7 Agricultural Ministers (2016)
- **G20** (2017)
- **UN Guiding Principles on Business & Human Rights** (2011)
- **ILO**: 2016 ILO Labour Conference on decent work in global supply chains + update of MNE Declaration
- **EU Parliament** statements on various industries (garment, minerals)

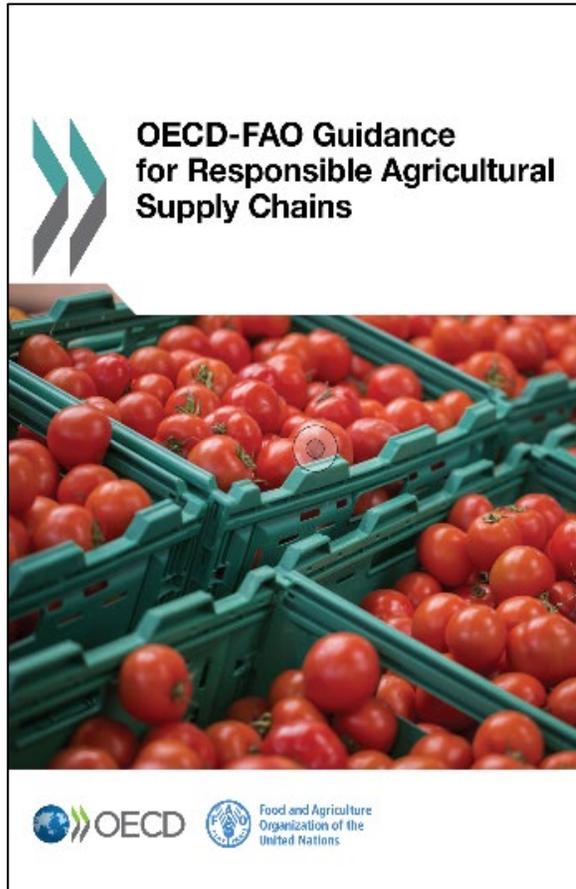
Industry & Consumer

- **Consumer campaigns, workers and civil society** (e.g. Human Rights Corporate Benchmark, Amnesty International, Human Rights Watch, ITUC, IndustriALL)
- **Institutional investors** (e.g. APG, NBIM & ethical council; SRIs; **Blackrock**)
- **Brands and retailers** (e.g. Responsible Business Alliance (*formerly EICC*); FLA, BSCI, Fairwear, WRAP)

Legal & regulatory

- **UK Modern Slavery Act (2015)**
- **US Trade Facilitation & Enforcement Act (2015)**
- **California transparency in supply chains (2010)**
- **EU non-financial reporting directive (2014)**
- **French Duty of Care Law (2016)**
- **Australia Bill on modern slavery**
- **Dutch Law on child labour (2019)**
- **Germany, Norway (2021)**
- **EU Directive on Corporate Due Diligence and Accountability**

The Guidance focuses on companies and agriculture



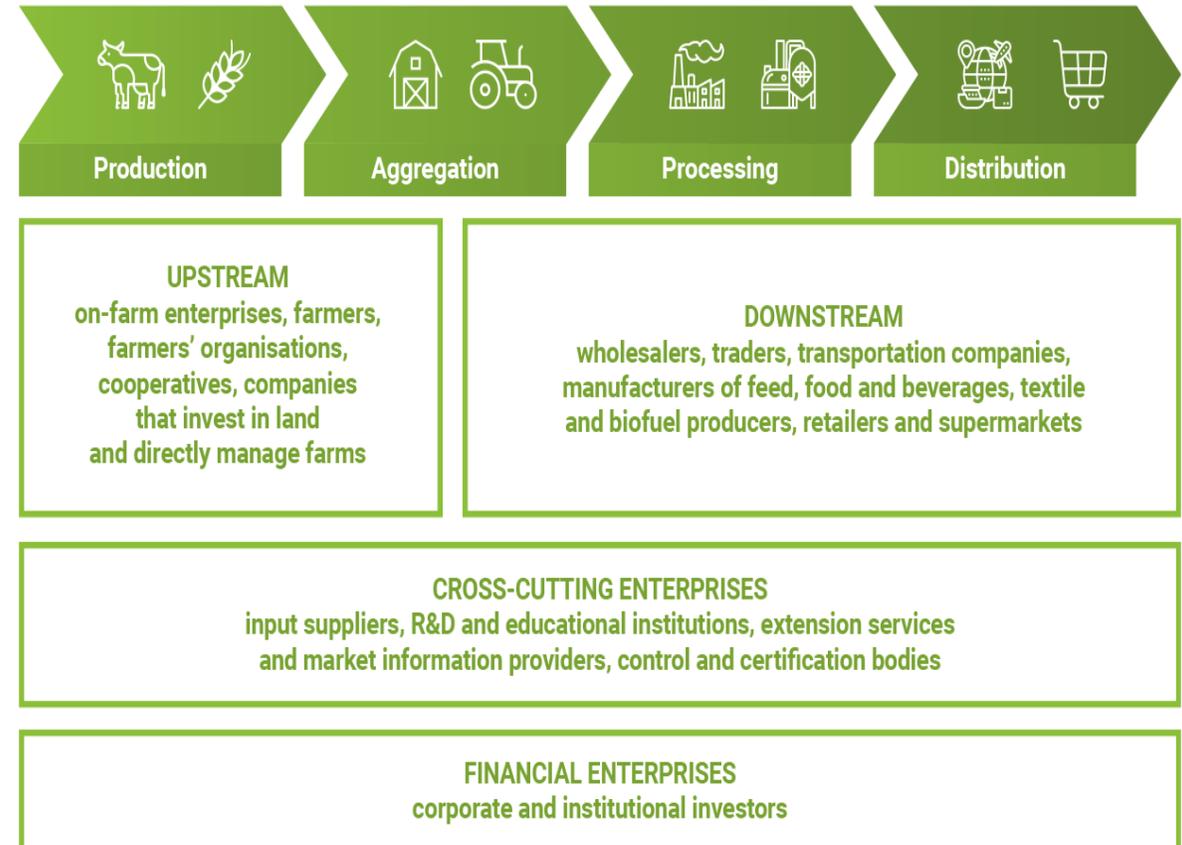
- Developed by OECD & FAO (2012-15) with a multi-stakeholder advisory group
- Provides guidance **specific for business** along agricultural supply chains
- Focuses on **risk-based due diligence**
- From risk management to sustainable development

The Guidance presents key risk areas and impacts that businesses can have



The Guidance is for agri-food enterprises & other actors

- Enterprises, both private and public, and small and medium-sized enterprises (SMEs)
- The entire agricultural value chain from upstream production to downstream suppliers, including cross-cutting intermediaries and investors
- Governments, civil society organizations and other stakeholders, including affected communities



The OECD-FAO Guidance:

- Builds on existing international standards, applying a sector focus
- Introduces a **5-step framework for risk-based due diligence**, helping companies understand how they can affect society and the environment through upstream and downstream business in the agricultural sector.
- Shows to agricultural enterprises how to:
 - consider development challenges in producing countries and sourcing communities
 - address key concerns such as food security and human rights
 - collaborate and dialogue with different actors.

What FAO does to help companies apply the OECD-FAO Guidance

Implementation Plan for the OECD-FAO Guidance (2020-2022)

Joint OECD-FAO program for responsible business conduct in agriculture

5 priority actions:

1. Integration of OECD-FAO recommendations on due diligence into regulatory frameworks and industry standards
2. Conduct alignment assessments of certification standards for selected commodities
3. Develop communications materials on the OECD-FAO Guidance in multiple languages, and integrate references to OECD-FAO Guidance in international fora
4. Conduct training on risk-based due diligence
5. Measure progress of uptake of the OECD-FAO Guidance and develop indicators of impact of due diligence

Support and resources for companies and other stakeholders

1. Supporting responsible value chains for tropical fruits
2. Briefs and capacity development materials

Responsible investment and COVID-19

Addressing impacts, risks and responsible business conduct in agricultural value chains, 2020



OECD-FAO Gender and Agricultural Supply Chains

Integrating a Gender Perspective into Supply Chain Due Diligence, 2021

OECD-FAO Guidance for Responsible Agricultural Supply Chains
Helping achieve the Sustainable Development Goals 2020



Thank you!

FAO's support to responsible agricultural value chains:

<http://www.fao.org/responsible-business-conduct-in-agriculture/>

Project to support responsible fruit value chains:

<http://www.fao.org/economic/est/issues/investment/responsible-fruits>

Economic and Social Development Stream
Markets and Trade Division

www.fao.org/economic/est/issues/investment/guidance/oecd-fao/en/

Food and Agriculture Organization of the United Nations (FAO)
Rome, Italy





Food and Agriculture
Organization of the
United Nations

OECD-FAO Guidance for Responsible Agricultural Supply Chains

*Company due diligence and development risk
mitigation in practice*

Tomislav Ivančić, Advisor, Responsible Business and Investment
Food and Agriculture Organization of the United Nations (FAO)



Outline

- 1 The 5 Step Framework for Risk-based Due Diligence
- 2 Due Diligence and Development Impacts for Small and Medium (SME) Enterprises
- 3 OECD-FAO Pilot Project on Implementing the OECD-FAO Guidance for Responsible Agricultural Supply Chains

Risk, development impact and mitigation

How can a company get from this...



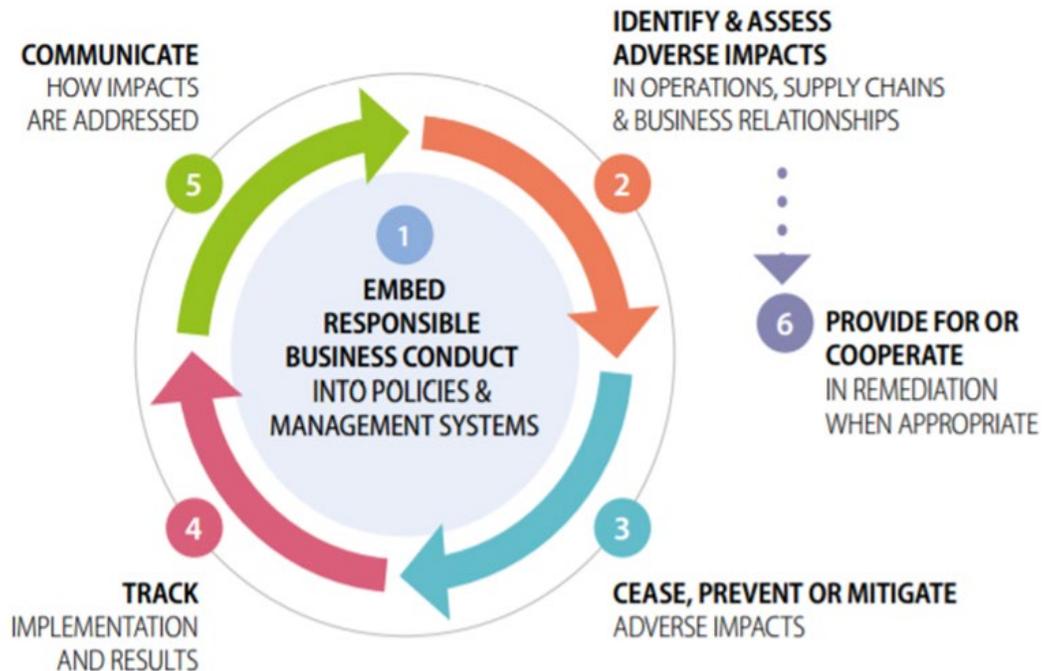
Common development risks in business conduct in agricultural supply chains

...to this?



A dashboard of prioritised risks informing sustainability performance while implementing due diligence

OECD-FAO Guidance - 5-step framework for risk-based due diligence



- **Preventive**
- **Risk-based:** Commensurate to the severity and likelihood of the impact, and prioritized accordingly
- **Flexible and tailored** to company size, context, severity of adverse impacts, etc.
- **Dynamic** – ongoing, responsive and changing
- Informed by **engagement with stakeholders**
- **“Leverage”** is essential to prevent or mitigate adverse impacts directly linked to operations, products or services by a business relationship
- **Views disengagement as a last resort**, considers the development impacts of terminating a business relationship

Step 1: Embed RBC into policies and management systems



Adopt or integrate into existing processes, an enterprise policy for RBC along the supply chain

With an approval at the most senior level of the enterprise

Structure internal management systems to support supply chain due diligence

With a system of controls and transparency along the supply chain

Strengthen engagement with business partners

With an operational level grievance mechanism (in consultation with stakeholders)

Probability



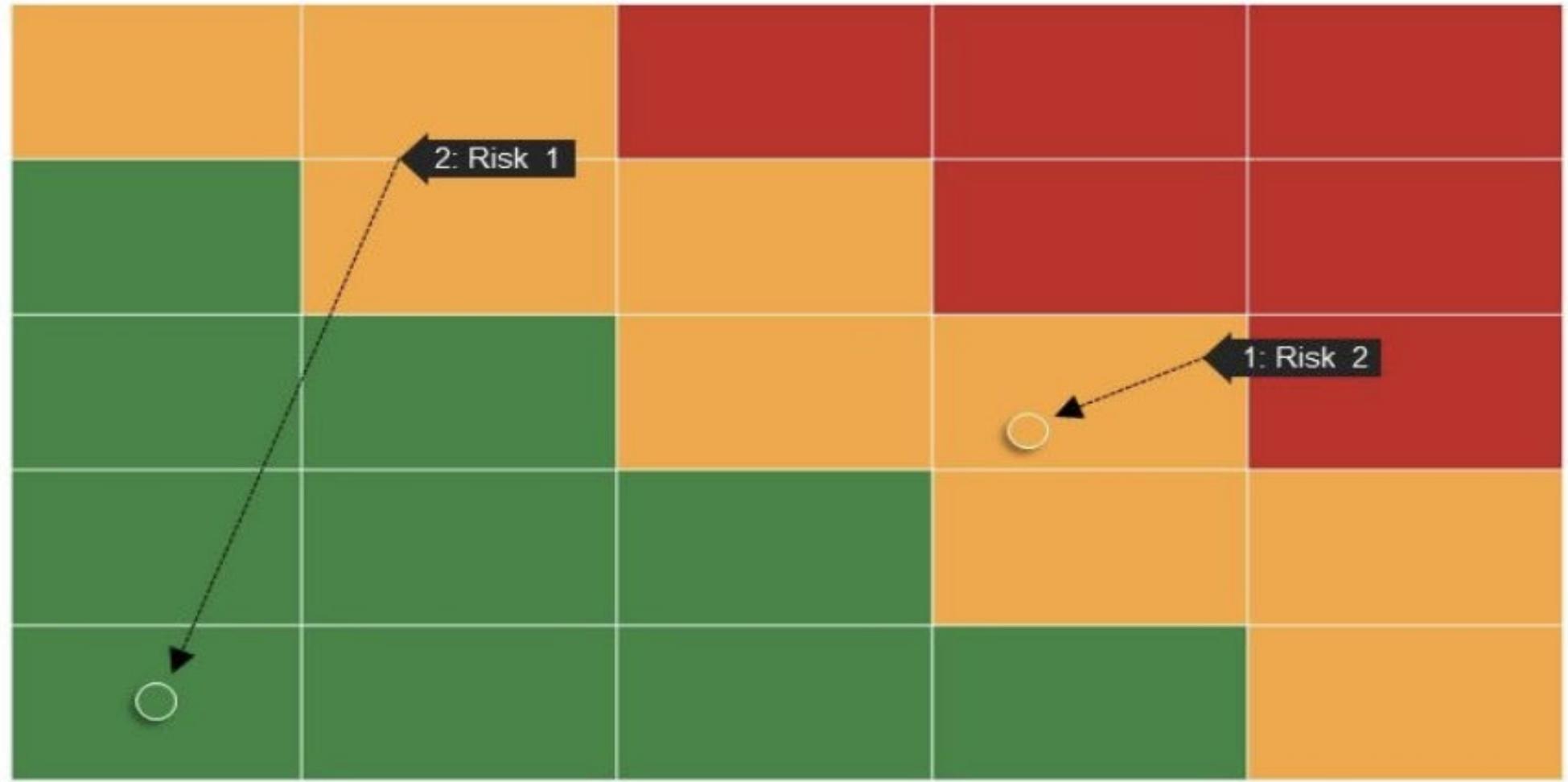
Very High

High

Medium

Low

Very Low



Negligible

Minor

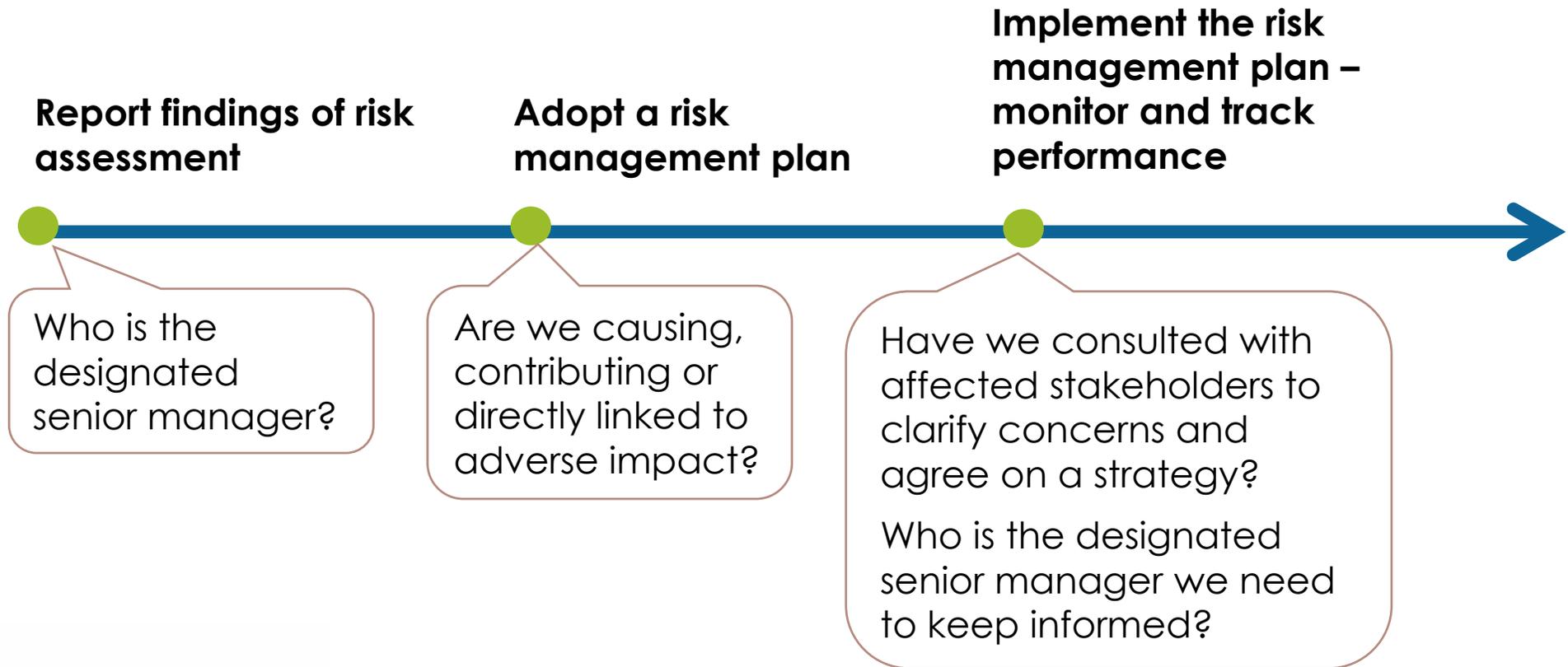
Moderate

Serious

Critical

Impact

Step 3: Cease, prevent and mitigate: Design and implement a strategy to respond to identified risks



Step 4: Track efforts: Verify supply chain due diligence



Verify, monitor and validate progress on due diligence and its effectiveness in the company's **own operations**

Are we doing what we said we would do? Is it working?

Verify, monitor and validate progress on due diligence and its effectiveness in the company's **supply chain**

Are our suppliers doing what they said they would do? How are we building supplier capacity to conduct due diligence?

Ongoing involvement of stakeholders in tracking and monitoring of risks

Step 5: Communicate and report on supply chain due diligence



Publicly report on your supply chain due diligence policies and practices

- Information on **policy and risks covered** – **alignment to international standards**, reference to OECD-FAO Guidance as agricultural standard, UNGPs, OECD Guidelines, etc
- Most **salient risks** and the **process for assessing those risks**, including justification, identification and prioritisation of risks
- Company's **actions/action plan** to prevent or mitigate risks
- Details on **remediation** of identified impacts in its own operations and in its supply chain
- **Cooperation with stakeholders**, including NGOs, governments, suppliers
- Integrating findings in **sustainably reports** (building further on GRI, UNGP RP, etc)



Due Diligence and Development Impacts for Small and Medium (SME) Agricultural Enterprises

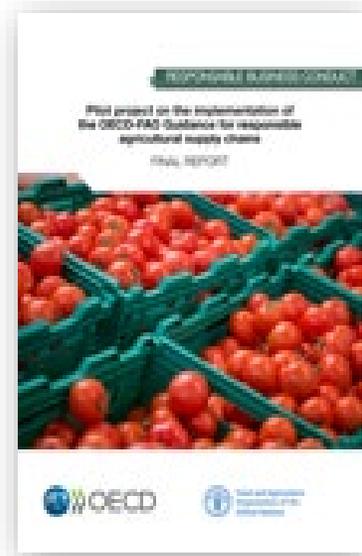
Pressure on smaller agricultural enterprises as due diligence becoming mandatory - small business owners unsure about what is being asked, many lack knowledge on how to translate ES risk mitigation into operations

Practical solutions and opportunities for smaller agricultural enterprises

- **Power in numbers** – SMEs can join industry platforms or business associations to apply leverage collectively
- **Greater scope** – Small enterprises generally source from fewer suppliers than larger companies
- **Flexibility to set standards** – many options incl prequalification for partners to consider development impacts
- **Less internal bureaucracy** – SMEs often more agile, with informal processes and management structures
- **May already be doing it** – aspects of due diligence may be covered by existing processes (ex. OSH compliance)
- **Efforts more communicable, recognizable** – DD+lead companies seeks assurance of ENV/SOC of in risk management among suppliers, those companies that make efforts to organize and communicate those activities can **(i) contribute to development (and the SDGs)** and **(ii) strengthen competitiveness and rise to become a preferred supplier**

OECD-FAO Pilot Project on Implementing the OECD-FAO Guidance for Responsible Agricultural Supply Chains

- From 2018-19, the **OECD and FAO** implemented a **global pilot project** with companies and industry initiatives in the agricultural sector, with an objective of **testing the practical application of the OECD-FAO Guidance by companies** including the 5 step framework for risk-based due diligence
- A total of **twenty-seven companies** and seven **industry initiatives**
- Participants included enterprises operating **upstream and downstream** at different parts of the value chain, responsible for producing, transporting and transforming a wide range of **food and non-food commodities** including cocoa, palm oil, soy, sugar, among others
- In 2021, the **UN Secretariat designated** the OECD-FAO Pilot Project an **SDG Good Practice**



OECD-FAO Guidance for Responsible

- Activities included with companies at a baseline report
- Companies demonstrate several noting impacts as the *introduction of internal reviews of*
- For businesses, challenges include:
 - Transitioning a
 - Systemic challenges
 - A *widespread* may impact effectiveness
 - Many were not

Policy Commitments	Cocoa	Palm oil	Soy	Sugar	Tobacco
Compliance with national legislation	●	●	●	●	●
Assess and address actual and potential impacts	●	●	●	●	●
Disclose timely and accurate information	●	●	●	●	●
Consult with potentially affected communities	◐	●	●	●	●
Contribute to sustainable and inclusive rural development	◐	◐	◐	◐	●
Provide a grievance mechanism	●	●	●	●	●
Eliminate discrimination against women	●	●	●	◐	●
Human Rights	●	●	●	●	●
Labour Rights	●	●	●	●	●
Health and Safety	●	●	●	●	●
Food Security and Nutrition	●	●	●	●	◐
Tenure Rights	◐	◐	◐	◐	◐
Environment	●	●	●	●	●
Governance	●	●	●	●	●
Technology and Innovation	○	○	◐	○	◐
Gender Equality	●	●	●	◐	●

Guidance for

Workshop meetings
Examples including
Recommendations

Commitments, with
Driven by factors such
attention on impacts,

Examples, illustrating that this

Public reporting



Thank You !

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Markets and Trade Division

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