HEADLINES

EUROPEAN COMMISSION ADOPTS PROPOSAL FOR A DIRECTIVE ON CORPORATE SUSTAINABILITY DUE DILIGENCE

On 23 February 2022, the European Commission adopted a proposal for a Directive on Corporate Sustainability Due Diligence (CSDD), which will require certain companies in all 27 European Union Member States to conduct environmental and social due diligence, as well as ensure that their business strategy is compatible with the Paris Agreement goal of limiting global warming to 1.5 °C. The implications for the agricultural sector, considered a high-impact sector in the Directive, are extensive. Companies will soon have to play a direct role in identifying, mitigating and preventing adverse environmental and social impacts in supply chains. The EU CSDD references the OECD-FAO Guidance for Responsible Agricultural Supply Chains (video introduction), which has become the agricultural sector standard for enterprise due diligence.

23 February 2022: European Commission

EUROPEAN COMMISSION LAUNCHES COMMUNICATION ON DECENT WORK WORLDWIDE

On 23 February 2022, the European Commission (EC) released its Communication on Decent Work Worldwide, highlighting the importance of supply chain due diligence, responsible sourcing and decent work. In the agricultural sector, efforts will be promoted through initiatives in the European Union’s Farm to Fork Strategy and the EU Code of Conduct on Responsible Food Business and Marketing Practices, the business commitment to the Farm to Fork Strategy, which references the OECD-FAO Guidance as the sector tool for due diligence and responsible sourcing. Additionally, the EC is considering a new legislative instrument to prevent products made by forced labour from entering the European Union market.

23 February 2022: European Commission
On 30 March 2022, the European Commission presented a Circular Economy Package, including a proposal to update the European Union Consumer Rights Directive with new rules to empower consumers against corporate greenwashing claims. The proposal aims to make all products on the EU market more sustainable. For the agricultural sector, the Directive may generate new consumer protection mechanisms and new sustainability standards for how certain commodities are produced, processed, packaged, and/or labelled.

21 March 2022: U.S. Securities and Exchange Commission

EUROPEAN UNION PROPOSAL FOR A DIRECTIVE ON EMPOWERING CONSUMERS FOR THE GREEN TRANSITION

On 30 March 2022, the United States Securities and Exchange Commission (SEC) released its new proposed mandatory climate risk disclosure rules, which will require publicly traded companies on the U.S. stock market to measure and disclose information on, among other items, its Scope 3 greenhouse gas (GHG) emissions. This follows a similar regulation in the United Kingdom, which in October 2021 announced new legislation requiring that certain companies disclose climate-related financial information. Agricultural supply chain emissions include indirect emissions along a company’s supply chains that are not part of their own operations and outside their direct control. Due to the complexity of global agri-food supply chains and lack of technical knowledge on how to measure and reduce such emissions, companies in the agricultural sector will need more knowledge, tools, and financing to meet these climate disclosure regulations and ensure that they reduce their GHG emissions efficiently and effectively.

30 March 2022: European Commission
SPOTLIGHT ON FAO’S RESPONSIBLE GLOBAL VALUE CHAINS PROGRAMME

ADVISORY GROUP (AG) ON RESponsible SOURCING, DUE DILIGENCE AND THE OECD-FAO GUIDANCE

As part its cooperation on agricultural supply chains, FAO and the Organisation for Economic Co-operation and Development (OECD) have launched a restructured multi-stakeholder Advisory Group (AG) for the implementation of the OECD-FAO Guidance for Responsible Agricultural Supply Chains to promote dialogue on environmental and social risk in agricultural supply chains, due diligence and the implementation of the OECD-FAO Guidance. The revised AG will provide a forum for business learning discussions on topics related to responsible sourcing and RBC in agricultural supply chains (e.g. sustainability metrics for agri-food companies, gender risks, certification and standards, etc.). The new AG includes 50 members and is chaired by The Government of the Netherlands, and co-chaired by the International Finance Corporation (IFC), World Business Council for Sustainable Development (WBCSD) and the Food and Land Use Coalition (FOLU) of the World Resources Institute (WRI).

OECD-FAO BUSINESS HANDBOOK ON DEFORESTATION, FOREST DEGRADATION AND DUE DILIGENCE IN AGRICULTURAL SUPPLY CHAINS AND MULTI-STAKEHOLDER EXPERT WORKING GROUP

In October 2021, FAO and the OECD began the development of a handbook for companies to help reduce possible negative impacts of agricultural production for exports on forests. The work complements the European Union proposal for regulations on deforestation-free products, in addition to legislation under consideration in the United Kingdom of Great Britain and Northern Ireland and the United States of America. The project is supported by GIZ and BMZ.

A 40-member multi-stakeholder expert working group on business, agricultural supply chains and deforestation was created to guide the development of the handbook on responsible sourcing and deforestation. Members include companies and stakeholders such as Ferrero, Louis Dreyfus Company, Tetra Pak, Kaufland, Tropical Rainforest Alliance, CIFOR and RSPO. Government participants include representatives from countries including Colombia, Malaysia, Ghana, Brazil, Indonesia, Germany, France, the United Kingdom, the United States of America and the European Commission.
In March 2022, FAO joined the Donor Committee for Enterprise Development (DCED)’s Private Sector Engagement (PSE) Working Group. The PSE Working Group cooperates with donors and multilateral agencies to enhance the impact of the private sector’s core business on the Sustainable Development Goals (SDGs). It supports the development of SDG-oriented business models and platforms for dialogue on responsible business conduct. FAO’s Responsible Global Value Chains team looks forward to contributing its expertise on responsible business conduct and due diligence in agricultural supply chains.

Launched in 2020, FAO’s Responsible Fruits project is designed to help companies and industry associations in the avocado and pineapple sectors increase their capacity to manage sustainability risks and strengthen due diligence processes, building on the OECD-FAO Guidance. The project has organized six technical webinars in response to the interests of the participants. The project is supported by Germany’s Federal Ministry of Food and Agriculture (BMEL). For more information about the project, please email Responsible-Fruits@fao.org.
SPOTLIGHT ON FAO’S RESPONSIBLE GLOBAL VALUE CHAINS PROGRAMME

WORLD BANANA FORUM (WBF)

FAO’s multi-stakeholder platform for the bananas sector, the World Banana Forum (WBF), is the leading global sector platform to gather stakeholders to discuss risks including in decent work, gender equality, sustainability and production challenges. WBF members include global retailers, civil society organizations, governments and workers organizations, among others. It hosts three working groups on: sustainable banana production systems and environmental impact; the distribution of value along the banana value chain; and on labour rights in the banana industry. The WBF also helps producers and traders measure and reduce carbon emissions throughout the supply chain. For more information, please contact WBF@fao.org.

GLOBAL PILOT PROJECT ON THE IMPLEMENTATION OF THE OECD-FAO GUIDANCE FOR RESPONSIBLE AGRICULTURAL SUPPLY CHAINS

To test the application of the OECD-FAO Guidance, the OECD and FAO launched a global pilot project in 2018-2019 with volunteer companies and industry initiatives operating in agricultural supply chains. The pilot allowed companies to share their learnings and good practices in implementing due diligence, raise questions and share solutions for addressing gaps and inconsistencies. The study was subsequently selected as a good practice in implementing the Sustainable Development Goals (SDGs) by the UN Secretariat (UN/DESA) in 2021.

OECD-FAO Pilot project on the implementation of the OECD-FAO Guidance for Responsible Agricultural Supply Chains: Final Report, 2019
EVENTS AND WEBINARS

ADVISORY GROUP TO THE OECD-FAO GUIDANCE FOR RESPONSIBLE AGRICULTURAL SUPPLY CHAINS

The OECD and FAO held the first meeting of their restructured multi-stakeholder Advisory Group on Responsible Agricultural Supply Chains on 28 April 2022. The OECD and FAO presented on the OECD-FAO Guidance, and the Chair (The Government of the Netherlands) and Co-chairs (WBCSD, IFC, WRI) shared their different stakeholder perspectives on the importance of risk-based due diligence and how it drives responsible business conduct in the agricultural sector.

RESPONSIBLE FRUITS PROJECT WEBINAR ON SUSTAINABLE WATER MANAGEMENT IN THE AVOCADO AND PINEAPPLE SECTORS

On 26 April 2022, FAO’s Responsible Fruits project hosted its sixth webinar with presentations from FAO’s Land and Water Division (NSL) and companies on efficient water use in the avocado and pineapple value chains, and how these value chains can adapt to increasing water stress.

DUE DILIGENCE TRAINING FOR COMPANIES IN THE AGRICULTURAL SECTOR IN LATIN AMERICA AND THE CARIBBEAN AND LAUNCH OF THE OECD-FAO GUIDANCE IN PORTUGUESE

On 16 March 2022, with the OECD’s Centre for Responsible Business Conduct, FAO held a joint presentation for companies in Latin America and the Caribbean on the OECD-FAO Guidance and the implementation of risk-based due diligence for companies in commodity sourcing in the region. The OECD-led event also launched the Portuguese translation of the OECD-FAO Guidance.

MULTI-STAKEHOLDER EXPERT WORKING GROUP FOR THE OECD-FAO BUSINESS HANDBOOK ON DEFORESTATION

The multi-stakeholder expert working group for the OECD-FAO Business Handbook on Deforestation, Forest Degradation and Due Diligence in Agricultural Supply Chains held its second and third meetings on 17 February and 24 May 2022, where participants provided feedback and suggestions on recent drafts of the handbook. The draft handbook will be available for public consultation from 29 June to 29 July 2022. Please contact responsible-business-conduct@fao.org with any questions.
EVENTS AND WEBINARS

RESPONSIBLE FRUITS PROJECT WEBINAR ON REDUCTION OF AGROCHEMICAL USE, SUSTAINABLE PEST AND DISEASE MANAGEMENT AND COMPLIANCE WITH MAXIMUM RESIDUE LEVEL (MRLS)

The Responsible Fruits project hosted its fifth webinar on 2 February 2022 with presentations from FAO on good agricultural practices and integrated pest management strategies. Companies and associations shared their experiences and practices including on the control of pests and diseases, monitoring of pollution and agrochemical safety for workers.

WORLD BANANA FORUM WEBINAR ON TR4-RESISTANT BANANA VARIETIES: FROM SELECTION TO MARKET DEMAND

On 19 and 20 January 2022, the World Banana Forum and FAO Mesoamerica co-organized a two-day webinar on TR4-Resistant Banana Varieties: From Selection to Market Demand. The sessions aimed to provide an overview of banana varieties tolerant or resistant to TR4, their agronomic performance, and the challenges related to their introduction and acceptance.
PUBLICATIONS AND RESOURCES

**Action Report April 2022: Responsible Tropical Fruits Project, 2022**

FAO’s Responsible Fruits project published its April 2022 Action Report, providing a periodic update of the project’s events and activities to-date.

**OECD-FAO Guidance for Responsible Agricultural Supply Chains (two-page flyer), 2021**

The two-page flyer on the OECD-FAO Guidance for Responsible Agricultural Supply Chains (OECD-FAO Guidance) introduces how the OECD-FAO Guidance helps enterprises mitigate adverse impacts in their agricultural supply chains and promote inclusive growth.
Integrating a gender perspective into supply chain due diligence, 2021

This enterprise policy note presents how companies can integrate a gender perspective into responsible sourcing and due diligence efforts, based on the OECD-FAO Guidance for Responsible Agricultural Supply Chains. The policy note also helps companies understand how their due diligence efforts can contribute to implementing SDG 5: Achieve gender equality and empowering all women and girls when considering gender impacts and business relationships with suppliers in agricultural supply chains.

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

The OECD-FAO SDG brief describes how the risk-based due diligence framework recommended by the OECD-FAO Guidance can help businesses ensure that their actions and inactions are not undermining the SDGs and systematically manage risks to demonstrate their contribution to the SDGs in a measurable way. It also maps how the different sections of the OECD-FAO Guidance link to the 17 SDGs and their associated targets.