



OECD-FAO Guidance for Responsible Agricultural Supply Chains

Risk-based due diligence, responsible sourcing and development

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The rise of environmental and social due diligence requirements in agrifood supply chains

- **1980s-1990s: Rise of voluntary sustainability standards & certification schemes in agrifood sector**
 - Tend to focus on primary production, seldom consider the entire supply chain
 - Often developed and managed by non-state actors (CSOs, companies, business organizations)
 - Over-reliance of large downstream companies on these schemes to demonstrate sustainability
- **1990s-2000s: Due diligence requirements emerge for food safety**
- **2010s: Due diligence requirements on human rights and environmental & social sustainability**

Driven by some governments, CSOs, large companies and investors over rising concerns on risks of negative social and environmental impacts of global supply chains.
Voluntary standards viewed as insufficient to achieve the SDGs and address the global crises threatening humankind



- 2010
 -  U.S. Dodd-Frank Act
 -  California Transparency in Supply Chains Act
- 2015
 -  U.S. Trade Facilitation and Trade Enforcement Act
- 2021
 -  California Garment Worker Protection Act
- 2023
 -  Canada Forced Labour and Child Labour Act



- 2015
 -  UK Modern Slavery Act
- 2017
 -  French Loi sur le devoir de vigilance
 -  EU Conflict Minerals Regulation
- 2019
 -  Dutch Child Labour Due Diligence Act
 -  EU Sustainable Finance Disclosure Regulation
- 2020
 -  EU Taxonomy Regulation
 -  Swiss Conflict Minerals and Child Labour Due Diligence Law
- 2021
 -  UK Environment Act
 -  German Supply Chain Due Diligence Act
 -  Norwegian Transparency Act
- 2022
 -  EU Corporate Sustainability Reporting Directive (CSRD)
 -  EU Digital Services Act
- 2023
 -  EU Batteries Regulation
 -  EU Deforestation Regulation
 -  EU Carbon Border Adjustment Mechanism
- 2024
 -  EU Critical Raw Materials Act
 -  EU Empowering Consumers Directive
 -  EU Corporate Sustainability Due Diligence Directive (CS3D)
 -  EU AI Act
 -  EU Forced Labour Regulation
-  EU Green Claims Directive

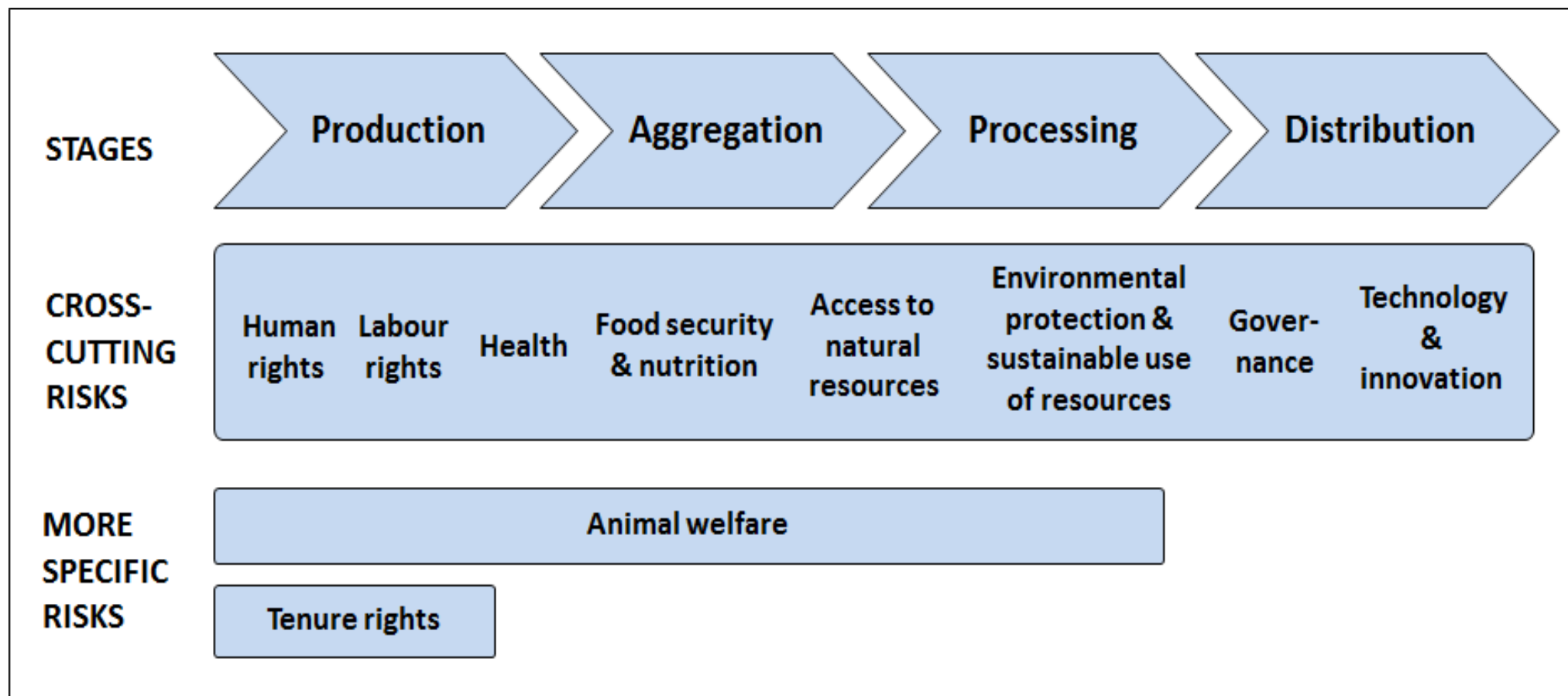
Pending entry into force (or in negotiation)



- 2018
 -  Australia Modern Slavery Act

Environmental and Social Risks and Agricultural Supply Chain Governance

Figure 1.2. Risks at various stages of agricultural supply chains



FAO's work on Responsible Business Conduct in Agriculture



growing global population

rising demand for agri-food products

Identify risks and prevent harm in global supply chains

Work with full value chain and all stakeholders

Responsible business: Better development outcomes

FAO supports sustainable development through promoting Responsible Business Conduct (RBC) in agrifood supply chains.

- Helping **governments design policies** to promote use of RBC by businesses
- Helping companies **reduce negative social and environmental impacts** with a focus on upstream part of agri-food supply chains
- Facilitating **multi-stakeholder collaboration for responsible value chains**



OECD-FAO Guidance for Responsible Agricultural Supply Chains

- Launched in **2016** following **2-year multi-stakeholder consultation process**
 - Leading **global framework** for **agri-businesses and investors**, incorporates and aligns with **existing RBC standards** (including the UNGPs, OECD MNE Guidelines, CFS-RAI, ILO MNE Declaration, ...)
 - Available in 16+ languages
- Illustrates how companies can **manage social and environmental risks** in supply chains by introducing **due diligence** and **multi-stakeholder cooperation**
 - Illustrates how certain risks can be pronounced in developing economies and **interlink with structural development challenges**



Main areas covered by the OECD-FAO Guidance and by RBC legislation



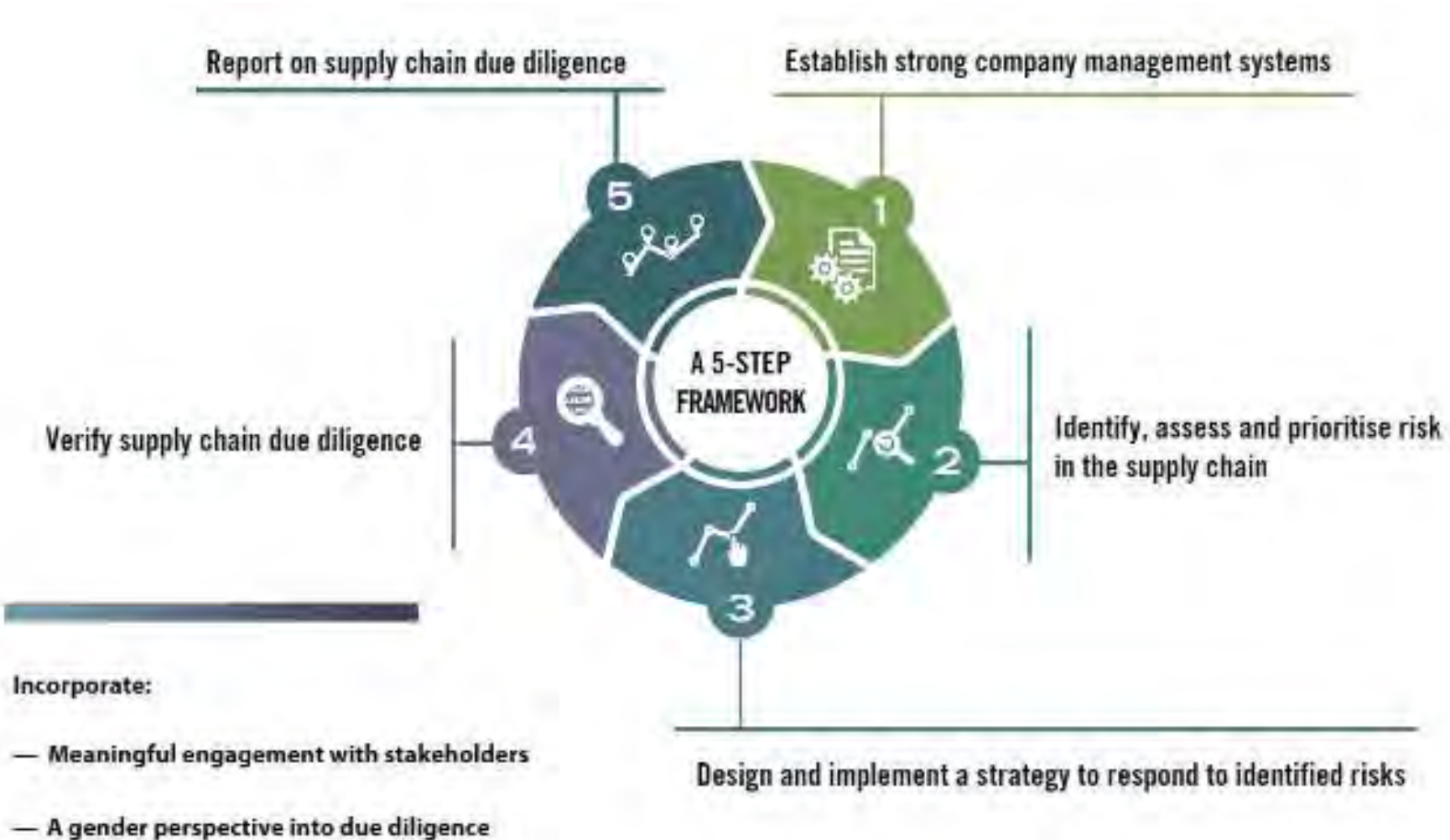
More recently:

- Climate change
- Deforestation

Due to the accelerating environmental crises (climate, biodiversity,...)



OECD-FAO Guidance and the 5-Step Framework for Risk-Based Due Diligence



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 own business operations and those of suppliers (**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



What does FAO do to help businesses comply with regulations for responsible business conduct along supply chains?

Supporting multi-stakeholder dialogue on Responsible Business Conduct in the Agricultural Sector

Examples:

- CCP items and events on sustainable agricultural supply chains
- World Banana Forum
- Conference on responsible tropical fruit value chains
- OECD-FAO Multi-Stakeholder Advisory Group



OECD-FAO Multi-Stakeholder Advisory Group

Meets 1-2 times a year (virtual and hybrid)

The AG includes:

- ❖ Governments
- ❖ International Organizations
- ❖ Business and business associations
- ❖ Investors
- ❖ Industry and multi-stakeholder initiatives
- ❖ Certification schemes
- ❖ Civil society
- ❖ Academia

The AG's role:

- **Sharing technical knowledge and experience**
- **Development and advancement of strategic priorities**
- **Guidance on projects and outputs**
- **Supporting partnerships**
- **Facilitate engagement with international forums**



Responsible Tropical Fruit Supply Chains

FAO's [Responsible tropical fruit value chains project](#) aims to address sector challenges in **pineapple** and **avocado** commodity production and trade by:

- *Supports businesses in managing risks and improve the sustainability of their operations and those of their suppliers*
- *Building a network of committed industry actors*
- *Providing technical guidance on sustainability issues based on rigorous analysis of the sector*
- *Generating knowledge on practical application of the OECD-FAO Guidance and market expectations on sustainability in trade*



Responsible Banana Supply Chains: the World Banana Forum



**WORLD
BANANA
FORUM**

- The [World Banana Forum](#) is a global multi-stakeholder platform bringing together main actors along global banana supply chains to foster collaboration and share best practices on sustainable production and trade
- Includes producers, exporters, importers, retailers, governments, trade unions, civil society organizations and research institutions
- Gathers different partners to facilitate change in the business-enabling environment, with a focus on encouraging key development and sustainability in the banana sector (ex. climate change, living wages, decent work, gender equity, etc)

Business Handbooks



OECD-FAO Business Handbook on Deforestation and Due Diligence in Agricultural Supply Chains



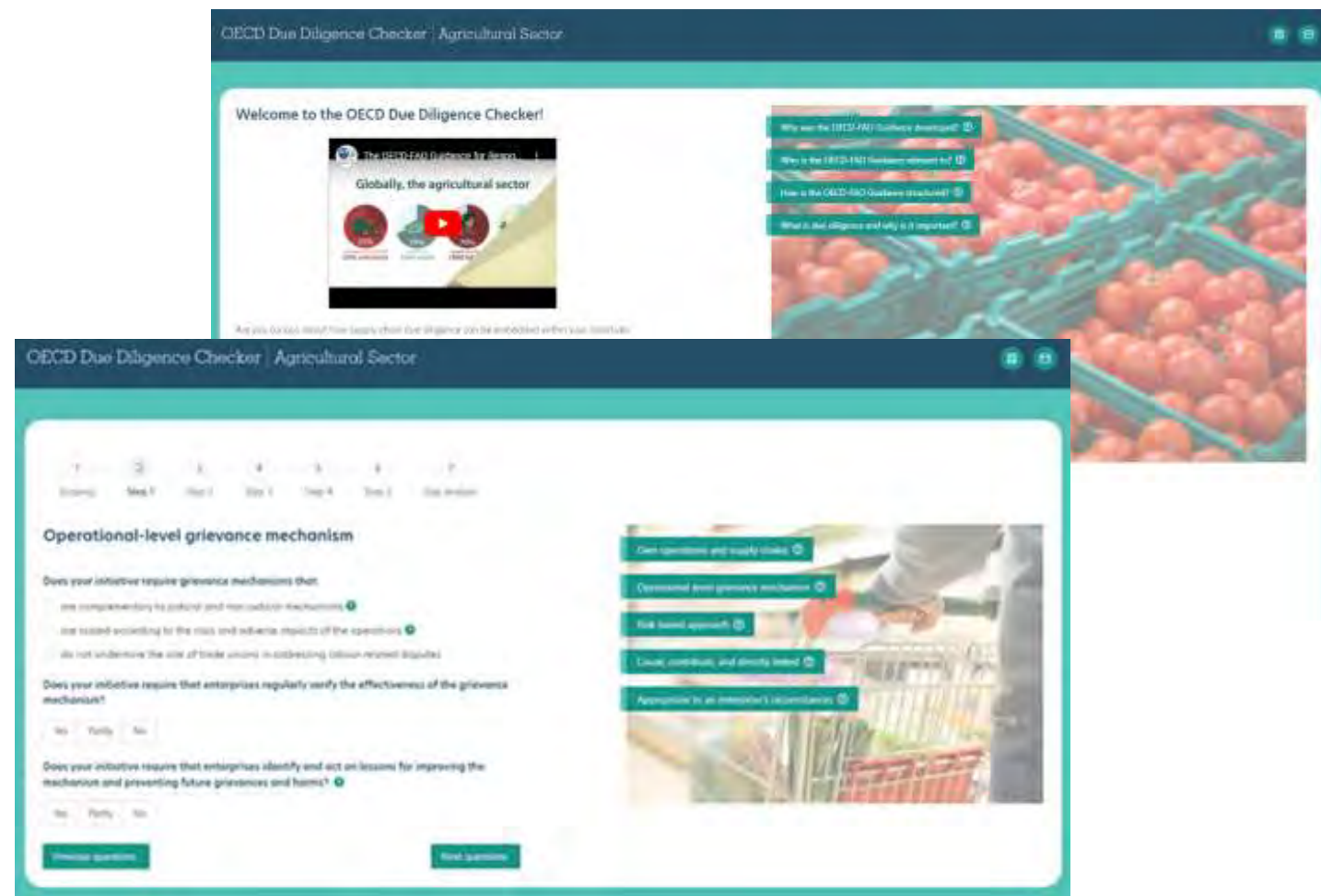
Business Handbook on Due Diligence in the Cocoa Sector
ADDRESSING CHILD LABOUR AND FORCED LABOUR



- Provide clarity on how to operationalise existing OECD recommendations on due diligence for specific risks
- Promote a common understanding of risks and impacts in supply chains, to help companies meet emerging government due diligence measures
- Provide commodity and sector-specific considerations, tips and examples for business to implement due diligence, including for small and medium-sized enterprises (SMEs).
- References existing resources available to companies that can be used to support due diligence

Online Due Diligence Checker tool

- Checker is designed for **Industry, multi-stakeholders and government-led initiatives and schemes** in the sector.
- Sustainability initiatives can be a **significant multiplier for due diligence**, by integrating those standards into their guidance, tools, supporting activities and requirements for business.
- Launch in **September 2025**



Regional and national level engagement and capacity building

For business and industry associations(of all sizes) active in the agri-food sector – from farm to retail

Work in Latin America and the Caribbean

- **Guatemala** – focus on palm oil, coffee, cocoa, sugar, and wood
 1. Capacity-building workshops for business
 2. OECD Investment Policy Review
 3. Technical training to government officials to support implementation of due diligence
- **LAC**
 1. Development of a dedicated OECD e-learning programme for agri business
 2. Spanish version of the OECD Due Diligence Checker
 3. Training to address sectoral risks



Due Diligence training programme in MENA + Türkiye

- Business from, active in, or sourcing from Egypt, Jordan, Morocco, Tunisia, or Türkiye
- Five online sessions
 - Launch 28 May: Exploring key risks facing businesses in MENA & Türkiye
 - Training 1 (3 June): Mapping and assessing risks in your operations and supply chains
 - Training 2 (12 June): Addressing identified risks and remediating any impacts
 - Training 3, (24 June): Monitoring progress and reporting on results
 - Closing session: date TBC





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Responsible Business Conduct (RBC) in Agriculture

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