



# 2019 SUSTAINABLE AGRICULTURE FORUM

TOWARDS A SUSTAINABLE AND RESPONSIBLE

AGRICULTURE SUPPLY CHAIN

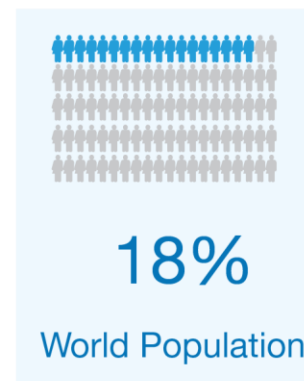
*THE INTERNATIONAL PERSPECTIVE*

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# OECD TODAY

## Better Policies for Better Lives





# Responsible Business Conduct

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- RBC principles and standards emphasize the expectation that business make (1) **a positive contribution** to sustainable development while, at the same time (2) identify and address **adverse impacts** associated with business activities
- Moves away from traditional vision of CSR
  - Goes beyond philanthropy or voluntary action
  - but also beyond “just” complying with law
- Focuses on **company impact** – both positive and negative
  - People the environment and society
- Applies to **all businesses**, not just large multinationals
- Implementation: **Risk-based due diligence** approach



# Challenges facing the global food and agriculture system

Agriculture sector provides development, poverty reduction and food security



- World population is expected to grow to 9 billion by 2050 (of which 5.2 billion in Asia and Pacific)
- Limited natural resources, soil degradation and climate change
- Water scarcity
- Biofuel production
- Changing lifestyles leading to more protein-intensive diets.



# Increasing international expectations for RBC

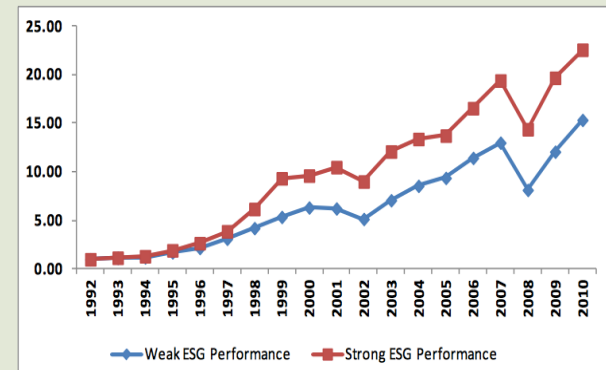
## The Push

- Legislation
- Lawsuits
- Investor and shareholder requirements
- Consumer action
- Public Benchmarking,
- Scrutiny from governments

## The pull

- Reputational damage and social license to operate
- Access to global value chains and new markets
- Increase productivity and distinguish from competitors
- Demonstrating concrete action on the SDGs

FINANCIAL PERFORMANCE OF COMPANIES WITH WEAK VS. STRONG ESG PERFORMANCE



Source: Eccles G.R., Ioannou I. Serafeim G. "The Impact of a Corporate Culture of Sustainability on Corporate Behavior and Performance," Harvard Business School, November, 2011.



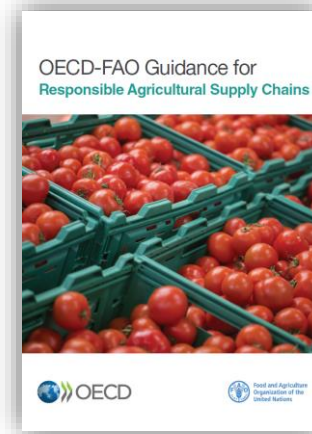
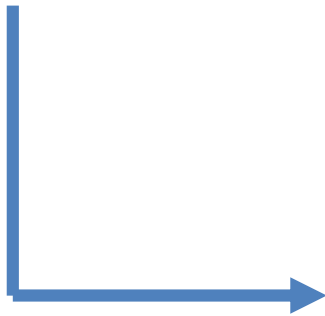
# Business can contribute to solving challenges in the Agri Food Sector

- The 2030 Agenda for Sustainable Development adopted in 2015 calls for robust involvement of the private sector in global development efforts
- Of the 17 UN Sustainable Development Goals (SDGs), nearly all link either directly or indirectly to the global food system
- Business awareness of the SDGs is high - many businesses have embraced the SDGs and are using them to frame their business strategies and re-define daily operations
- However, business need to move away from focusing only on “doing good” but also on **addressing the risks** associated with their supply chains to meet the targets of the SDGs across business practices and global supply chains





# RBC and working towards the SDGs





# Promoting Responsible Supply Chains in Asia

- Partnership: OECD, ILO EU, with funding from the EU
- 3 years 6 countries: Japan, China, Myanmar, **Philippines**, Thailand, Vietnam
- Work directly with:
  - **Businesses** to promote responsible supply chains through implementing due diligence standards and processes.
    - Objectives:
      - ✓ progressing private sector action towards SDGs
      - ✓ supporting business competitiveness
  - **Government** to support the development of enabling policy frameworks for RBC implementation
- Target sector for Philippines: Agriculture



EUROPEAN UNION





**THANK YOU**

**QUESTIONS AND DISCUSSION**

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