

OECD-FAO Guidance for Responsible Agricultural Supply Chains

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.

A 5 step framework

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

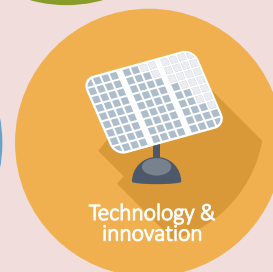
**4**

Verify supply chain
due diligence

**5**

Report on
supply chain
due diligence





Activities to support the implementation of the OECD-FAO Guidance for Responsible Agricultural Supply Chains

1. Pilot project with agri-business companies to promote implementation of the OECD-FAO Guidance
2. Practical tools and guidance to help companies with implementation of due diligence steps
3. Peer learning webinars and meetings to share due diligence approaches, tools and solutions
4. Multi-stakeholder roundtables and conferences on Responsible Agricultural Supply Chains
5. Global network of National Contact Points to promote OECD standards in responsible business conduct and help resolve complaints constructively

For more information, please contact :

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

<http://www.fao.org/economic/est/issues/investment/guidance>