



# Guidance for Responsible Agricultural Supply Chains

This guidance has been developed by OECD and FAO to help enterprises observe existing standards of responsible business conduct along agricultural supply chains to mitigate their adverse impacts and contribute to sustainable development.

## Background

Enterprises can create employment, raise labour standards and bring the technology to increase agricultural production or reduce pollution. But their activities can also contribute to food insecurity by leading to the eviction of local communities from their lands. Child labour and abuses of migrant workers and women are regularly reported. The production of some agricultural commodities leads to soil degradation, water resource depletion and deforestation.’

As the demand for food increases driven by growing populations, higher incomes, and changing diets, agriculture attracts further investment. The increased involvement of a wide range of enterprises in agricultural supply chains can help meet the rising demand for agri- food products, but also heightens the risks of adverse impacts, particularly in countries with weak governance and insecure land rights.

The Organisation for Economic Co-operation and Development (OECD) and the Food and Agriculture Organization of the United Nations (FAO), with the support of a multi-stakeholder advisory group, have developed guidance to help enterprises observe internationally agreed standards of responsible business conduct along agricultural supply chains and undertake due diligence. A thorough due diligence process can help mitigate adverse impacts and benefit enterprises by lowering their reputational, operational and financial risks.

## About the guidance

The guidance targets all enterprises operating along agricultural supply chains, including domestic and foreign, private and public, small, medium and large-scale enterprises. It covers agricultural upstream and downstream sectors from input supply to production, post-harvest handling, processing, transportation, marketing, distribution and retailing.

The guidance comprises two major sections that cover the main risk areas:

### 1 ESTABLISHING STANDARDS

A **model enterprise policy** outlines the major standards that enterprises should observe to build responsible agricultural supply chains.

### 2 IMPLEMENTING DUE DILIGENCE

A **five-step framework for risk-based due diligence** describes the steps that enterprises should follow to identify, assess, mitigate and account for how they address the actual and potential adverse impacts of their activities.

## Risk areas covered by the Guidance



### Next steps

Activities to support the implementation of the guidance in 2016 could include:

- Road-testing of the guidance by interested enterprises
- Organisation of roundtables to share experiences and best practices
- Due diligence training and webinars, with a particular focus on small and medium-sized enterprises, and enterprises with widespread influence
- Development of practical guides tailored to specific regions, commodities or actors

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

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