



Risk-based due diligence: OECD actions

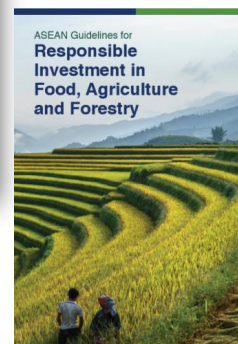
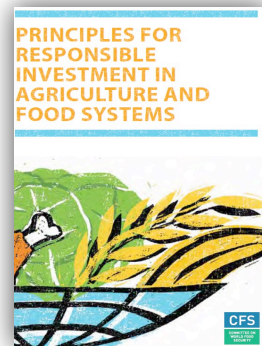
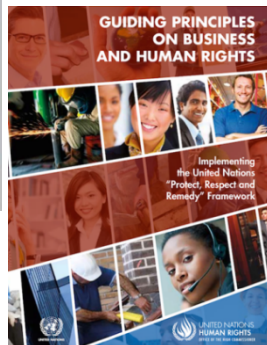
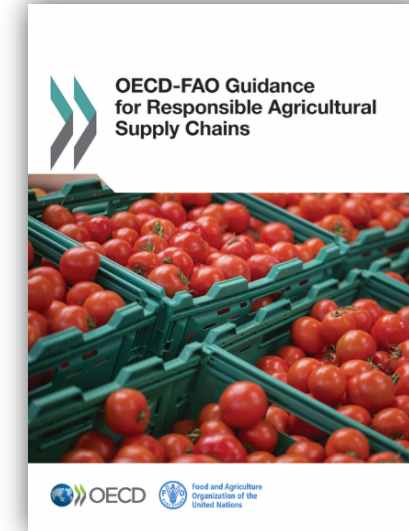
26 June 2020, Webinar





OECD-FAO Guidance for Responsible Agricultural Supply Chains

- Focuses on implementing risk-based due diligence
- Incorporates expectations of OECD, UNGPs, Principles for Responsible Investment in Agriculture (CFS-RAI Principles), the Voluntary Guidelines on Tenure (VGGT), and the SDGs
- Comprehensive in coverage of risks





What are we seeing?

OECD-FAO Agri pilot findings 2019

- Overall, companies have taken steps to strengthen their approach to due diligence
- Many companies in agricultural supply chains have a sophisticated approach to RBC, but the adoption of due diligence strategies is often impacted by reactions to external pressures
- Gaps remain in how companies translate policy commitments into implementation actions
- Systemic challenges require closer collaboration with key stakeholders
- The widespread reliance by companies on industry schemes or third party platforms may impact effective risk management
- Companies do not yet provide enough information about due diligence practices in their public reporting



OECD actions to promote due diligence to address environmental issues

1. Technical advice regulators and policy makers – incorporating OECD approach/framework into policy and legislation
2. Alignment of market tools (certification systems) to OECD standards - building on experience in minerals, and garment & footwear; next sector Agriculture?
3. White paper on environmental considerations and due diligence expected end of this year



Things to consider

1. Legislation can be a catalyst for change and awareness
2. Smart mix of voluntary and legislative measures – consider ways to align market tools like certification systems to international standards
3. Minimize confusion in the market
 - refer to international standards on due diligence (OECD Due Diligence Guidance for RBC 2018 and OECD-FAO Guidance 2016)
 - explain how the different (EU) laws and directives work together
4. Integrate remediation more fully as a part of the due diligence process



For more information

- **OECD Responsible Business Conduct main web page**
<http://mneguidelines.oecd.org/>
- **OECD Due Diligence Guidance for Responsible Business Conduct (2018)** <http://mneguidelines.oecd.org/due-diligence-guidance-for-responsible-business-conduct.htm>
- **OECD sector work and implementation programmes**
<http://mneguidelines.oecd.org/duediligence/>
- **OECD Alignment Assessment work**
<https://mneguidelines.oecd.org/industry-initiatives-alignment-assessment.htm>
<https://mneguidelines.oecd.org/alignment-assessment-garment-footwear.htm>
- **OECD National Contact Points** <http://mneguidelines.oecd.org/ncps/>
- **Email:** Shivani.Kannabhiran@oecd.org



Thank you