



## Tomislav Ivančič

Lead Advisor, Responsible Sourcing and Agricultural Supply Chains,

Markets and Trade Division FAO

Food and Agriculture Organisation of the United Nations (FAO)

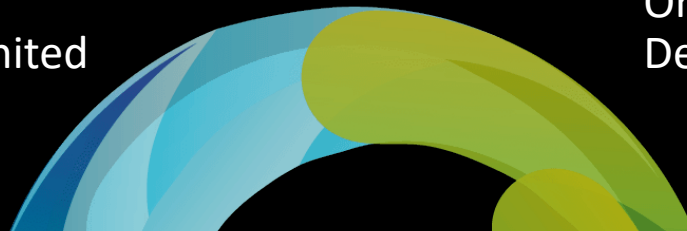


## Sophia Gnych

Policy Analyst

Responsible Agricultural Supply Chains

Organisation for Economic Co-operation and Development (OECD)





# Trade, markets, deforestation and global agricultural supply chains

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

Sophia Gnych, Agricultural Sector Lead, OECD Centre for Responsible Business Conduct

Tomislav Ivančić, Lead Advisor, Responsible Sourcing and Agricultural Supply Chains

**Amsterdam Declaration Partnership (ADP) Meeting**

**21 November 2023**



# Responsible Business Conduct (RBC) in Agriculture

growing global population

rising demand for food

poverty, trade and development

## RBC and responsible sourcing

Facilitate the introduction of **sustainability, RBC and due diligence** expectations into **trade and commodity markets**

Support **governments, farmer/companies, and other stakeholders** engage in trade and development through responsible sourcing and supply chain risk reduction

Address **salient development risks in upstream supply chains linked to demand, export markets and trade** (ex. child labour, deforestation, land tenure, etc).

Identify and  
prevent  
harm in  
global supply  
chains

Work with  
full value  
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stakeholders

Responsible  
business:  
Better  
development  
outcomes



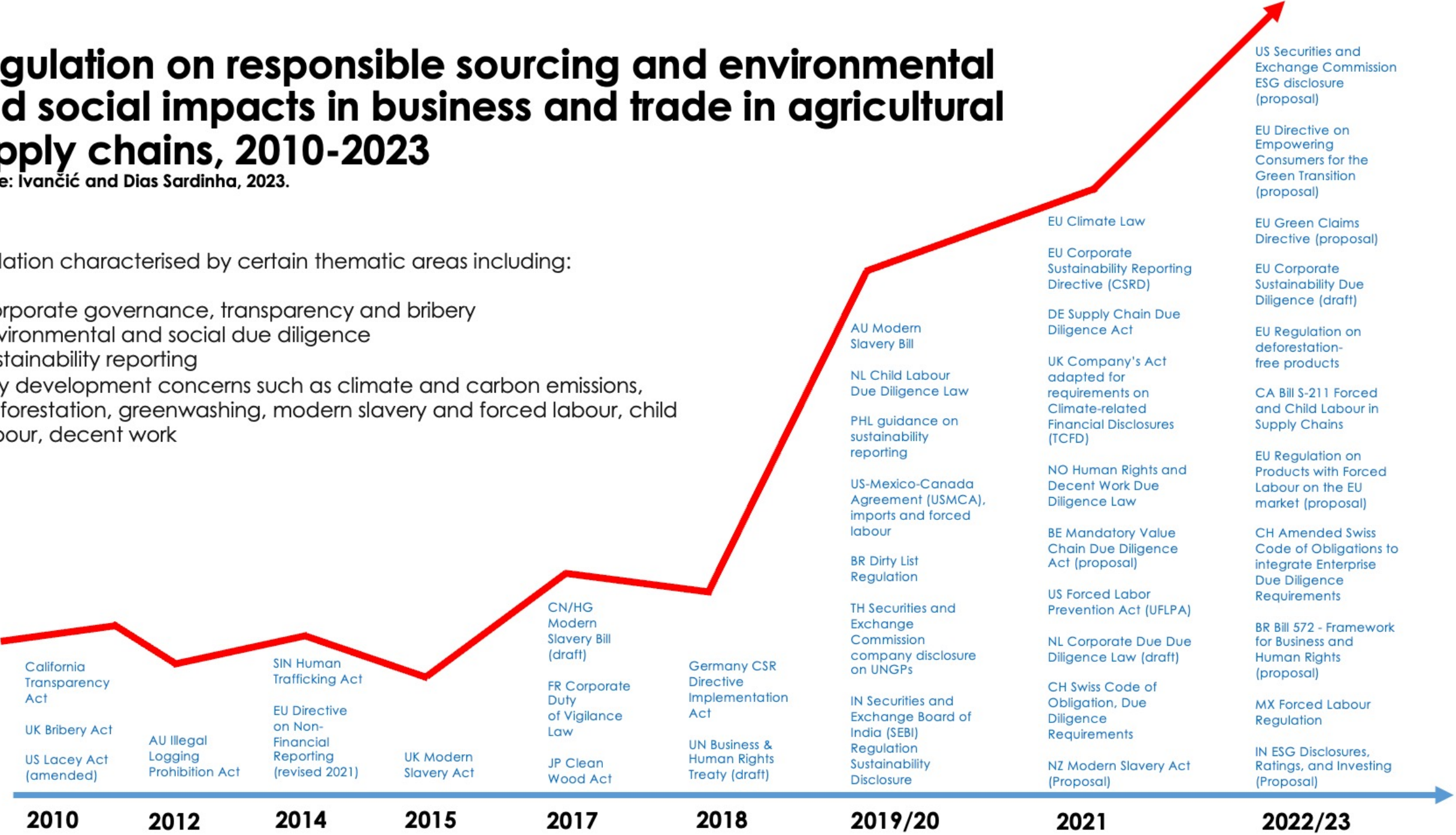


# Regulation on responsible sourcing and environmental and social impacts in business and trade in agricultural supply chains, 2010-2023

Source: Ivančić and Dias Sardinha, 2023.

Legislation characterised by certain thematic areas including:

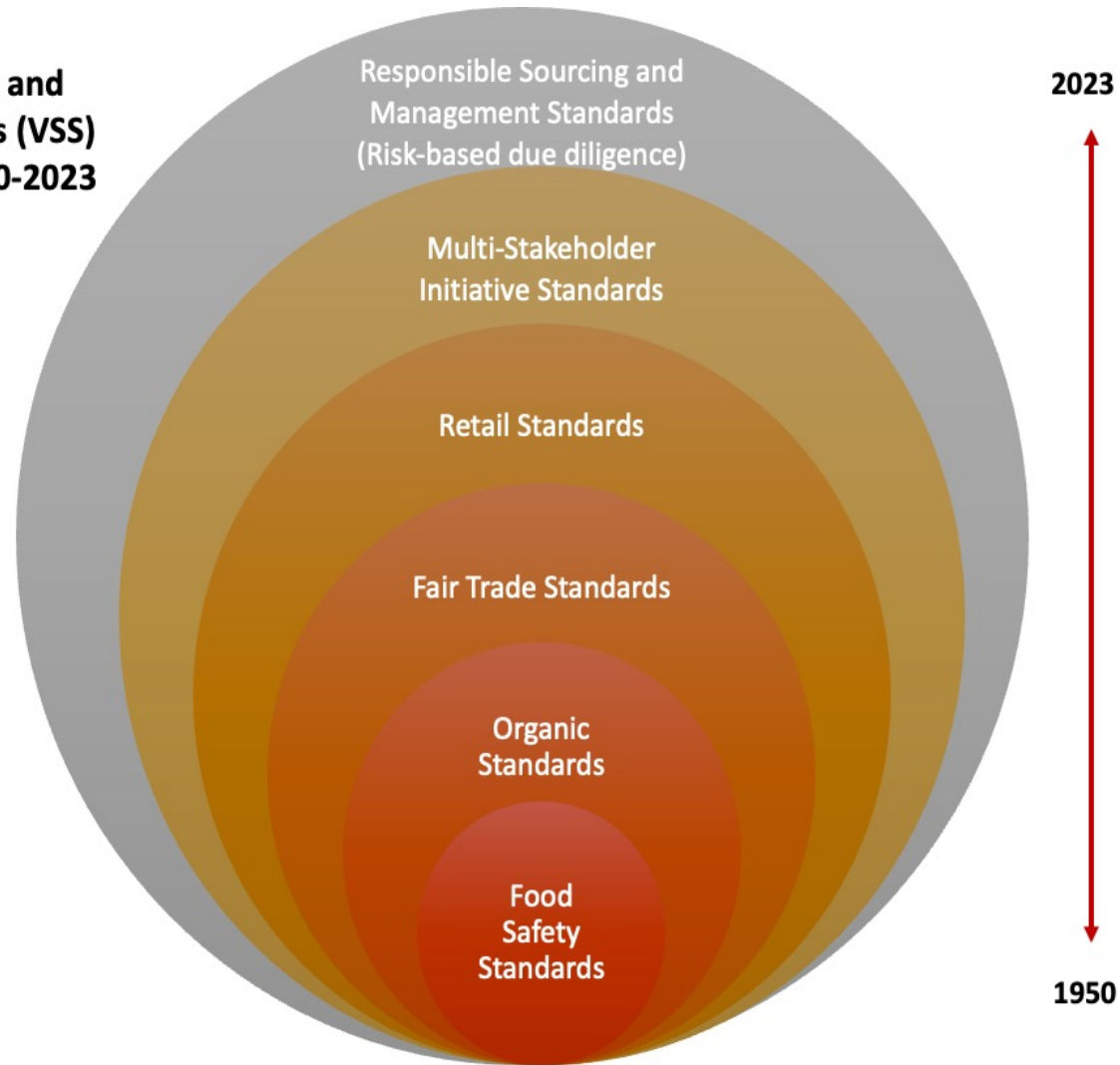
- Corporate governance, transparency and bribery
- Environmental and social due diligence
- Sustainability reporting
- Key development concerns such as climate and carbon emissions, deforestation, greenwashing, modern slavery and forced labour, child labour, decent work





## Evolution of Responsible Sourcing and Voluntary Sustainability Standards (VSS) in Agricultural Supply Chains, 1950-2023

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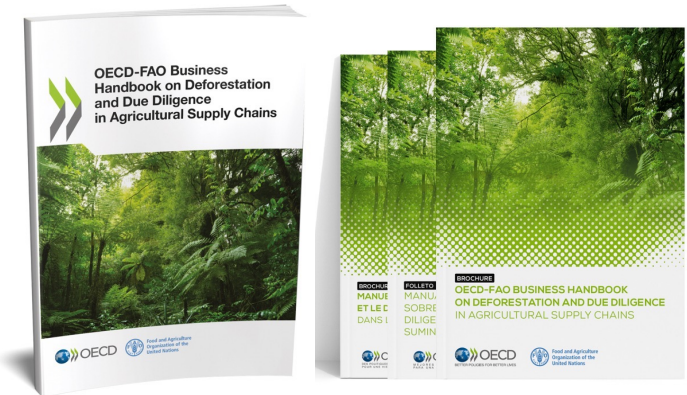
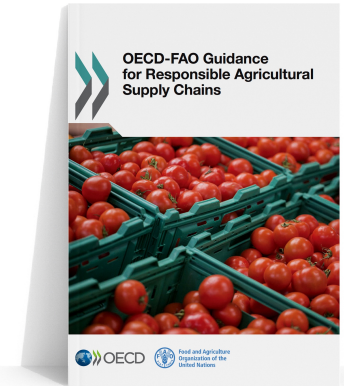


Sustainability,  
global trade,  
business and  
development



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

- Increasing need for a business resource **focused on deforestation in agricultural supply chains, aligned to the growing trade and sustainability landscape**
- Developed jointly with support from BMZ/GIZ, based on the **due diligence framework of the OECD-FAO Guidance for Responsible Agricultural Supply Chains**
- Aims to help companies **incorporate deforestation considerations as a core feature of their business models**, responsible sourcing and **supply chain due diligence**
- Released in July 2023; launch event - November 2023, Rome
- Followed a **two-year multi-stakeholder** consultation with governments (ex. DE, JP, US, BR, ID, GH, MY, etc) businesses (ex. multinationals + SMEs from EU, BR, ID, etc), CSOs
- Only global business resource to help companies reduce deforestation in their business operations and supplier relations according **to a process guided by due diligence, incorporating moving *beyond a focus on certification and traceability***
- Introduces practical tips for companies **upstream and downstream** in supply chains



Brochure available in  
EN, FR, ES, PT, ID

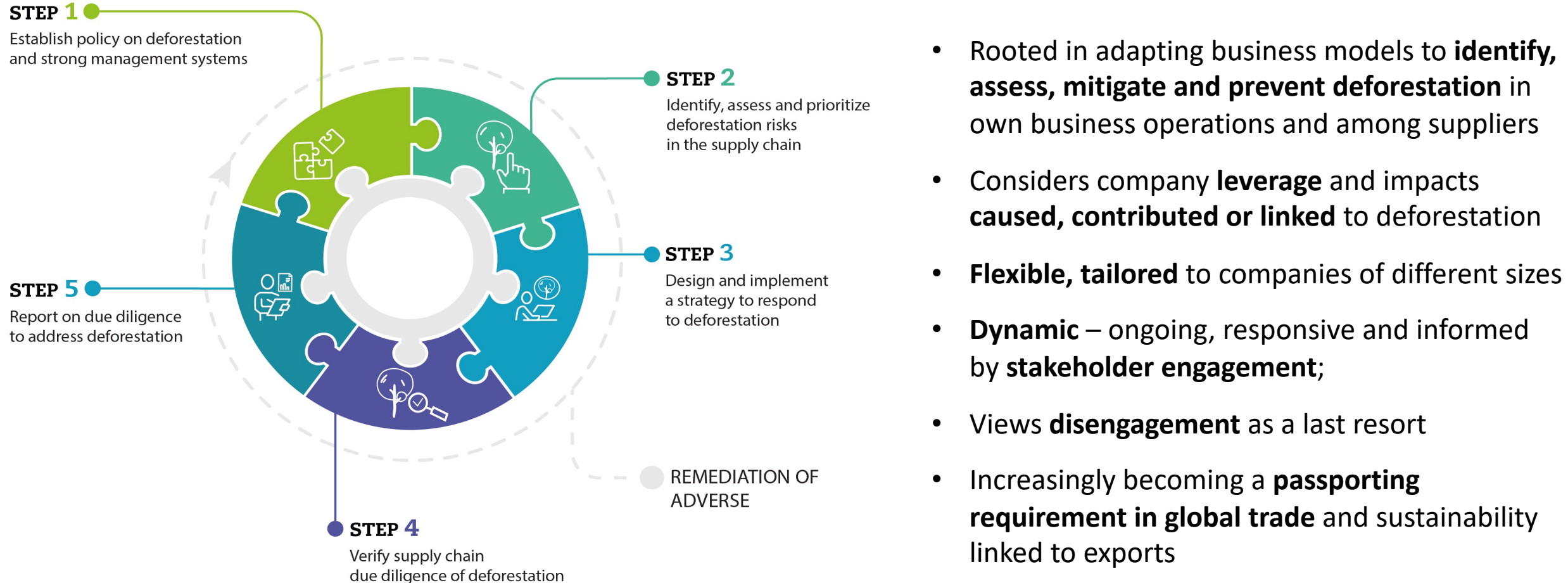
Supported by the



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## OECD-FAO 5 Step framework for risk-based due diligence





# **STEP 1** Establish a policy on deforestation and strong management systems

**Adopt or integrate into existing management processes, a corporate policy for RBC and deforestation along the supply chain**

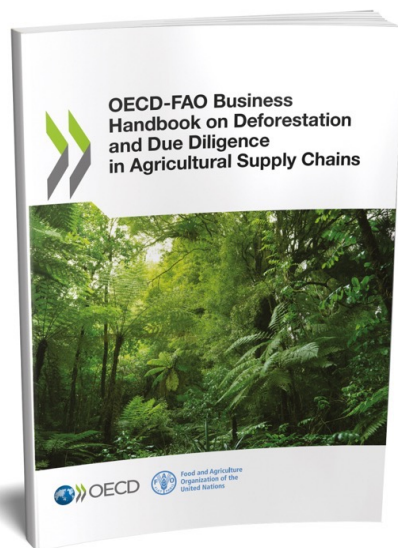
**Structure internal management systems to support supply chain due diligence**

**Strengthen engagement on deforestation with business partners and stakeholders**

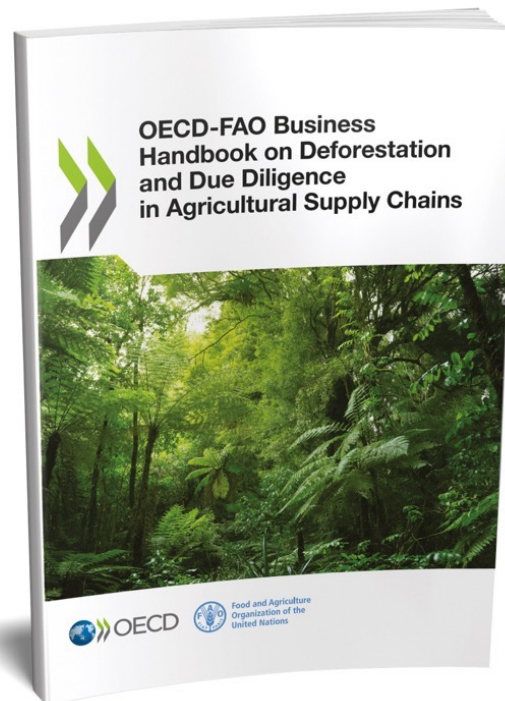
With an approval at the most senior level of the enterprise

With a system of controls along the supply chain, company focal point

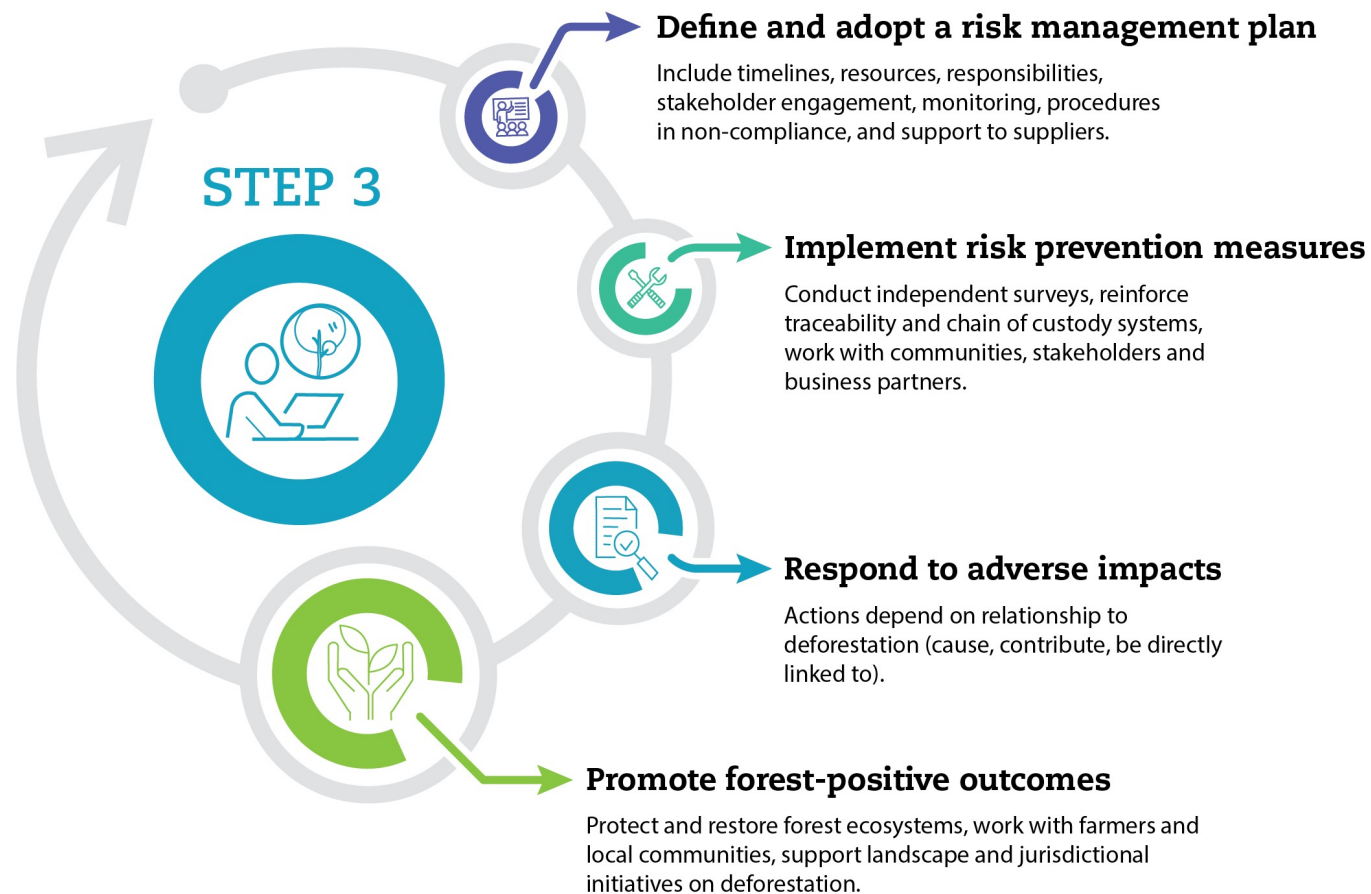
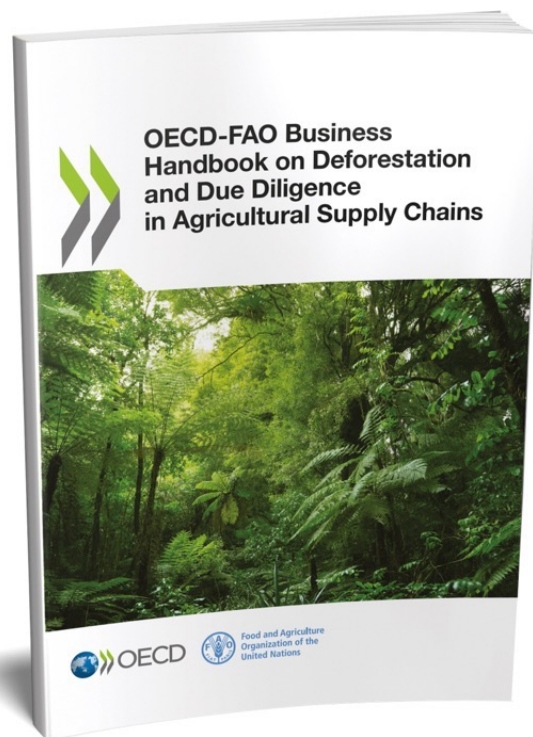
With an operational level grievance mechanism (in consultation with stakeholders)



## STEP 2 Identify, assess and prioritise deforestation risks in the supply chain



## STEP 3 Design and implement a strategy to respond to deforestation





## STEP 4 Verify supply chain due diligence is effective

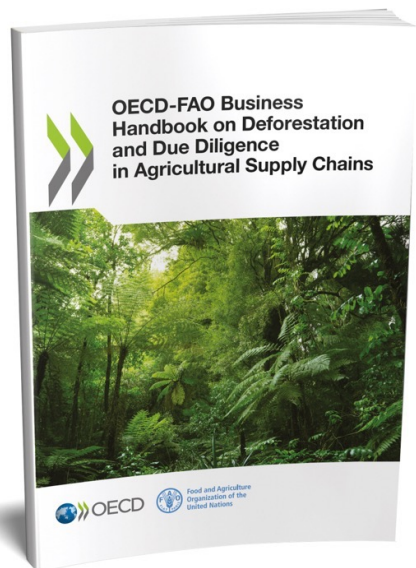
**Verify, monitor and validate progress** on due diligence applied to deforestation and its effectiveness in the company's **own operations**

Are we doing what we said we would do? Is it working? Even when successful, continue engagement and focus

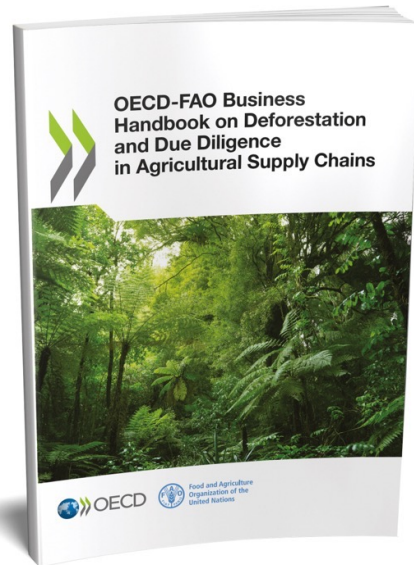
**Verify, monitor and validate progress** on due diligence applied to deforestation and its effectiveness in the company's **supply chain**

Are our suppliers making a concerted effort? How are we building capacity to understand our expectations concerning deforestation and due diligence? In upstream contexts, how are we conveying our results and efforts to clients?

***Ongoing involvement of stakeholders in tracking and monitoring of risks***



## Publicly report on your policies and activities to curb deforestation through your diligence efforts



- Information on **policy and risks covered** – **alignment to international standards**, reference to OECD-FAO Guidance as the agricultural standard, UNGPs, OECD Guidelines, etc
- Communicate **red flag or salient risks** and the **process for assessing those risks**, including justification, identification and prioritisation processes
- Highlight company's **actions/action plan** to prevent or mitigate deforestation
- Introduce efforts concerning **remediation** of identified impacts in own operations and in supply chain
- **Cooperation with stakeholders**, including NGOs, governments, suppliers
- Integrating findings in **sustainably reports**







Food and Agriculture Organization  
of the United Nations

Thank You

Спасибо

Gracias

谢谢你

Merci

شُكْرًا جَزِيلًا

Danke



[tomislav.ivancic@fao.org](mailto:tomislav.ivancic@fao.org)

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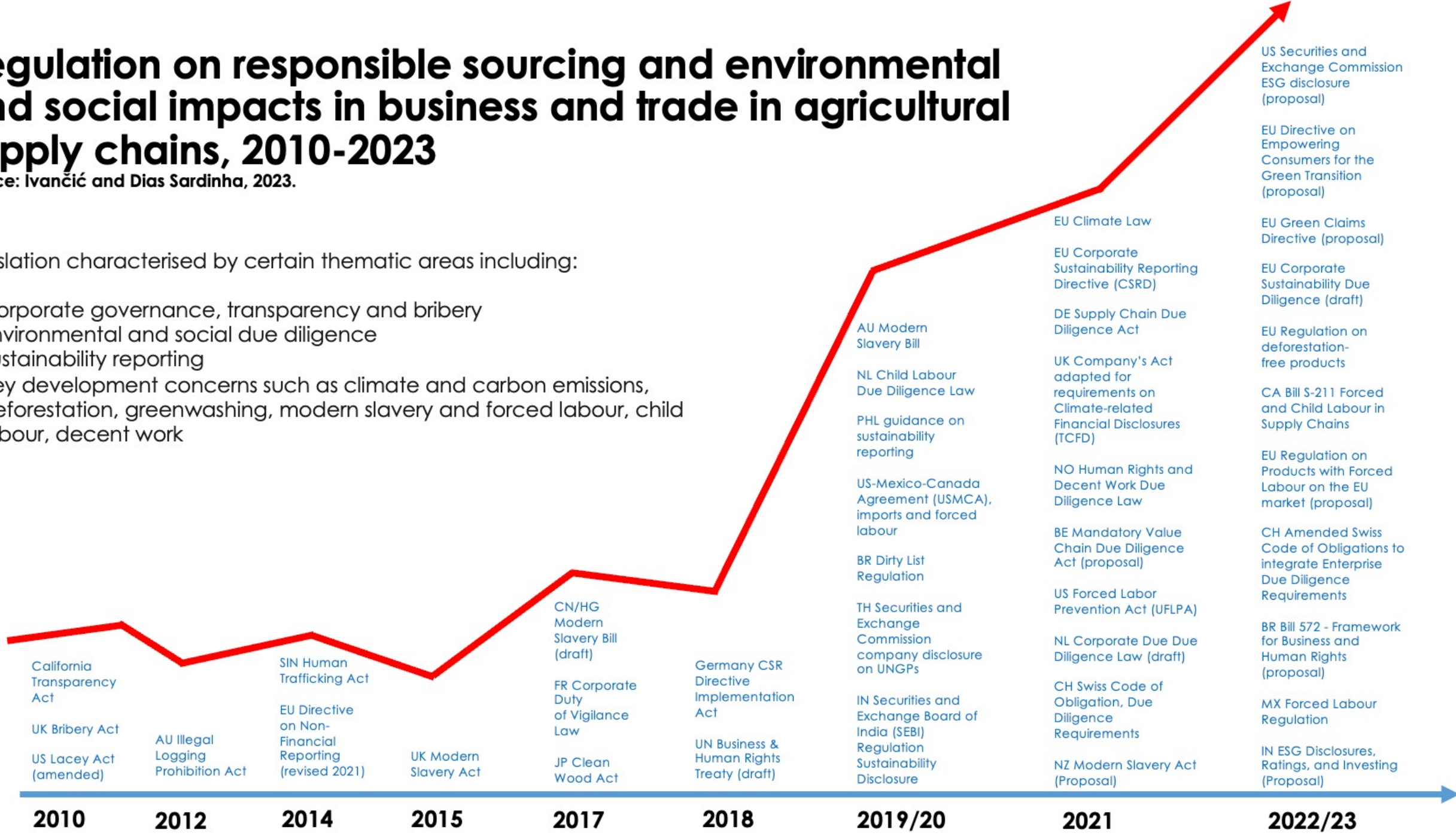


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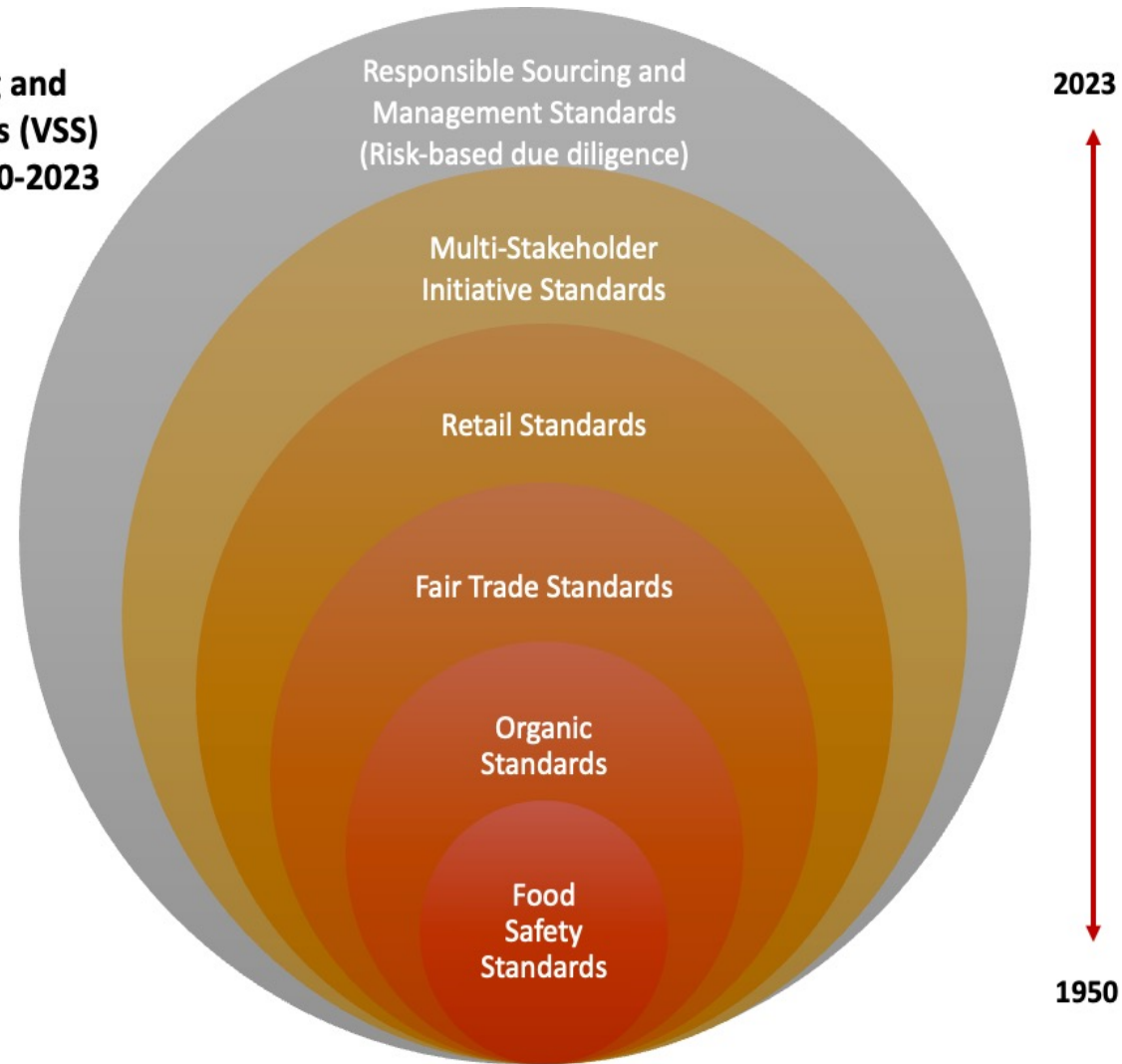
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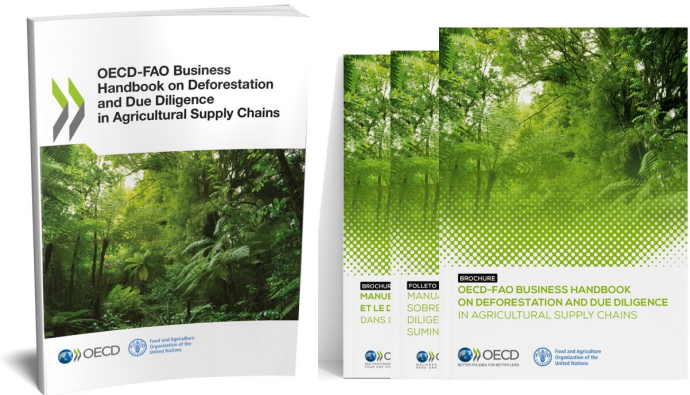
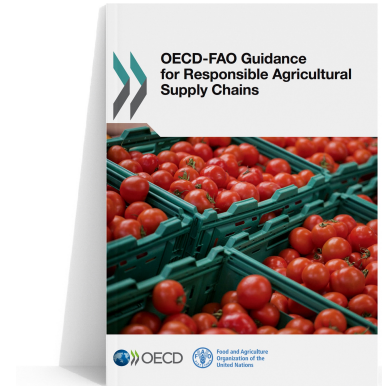


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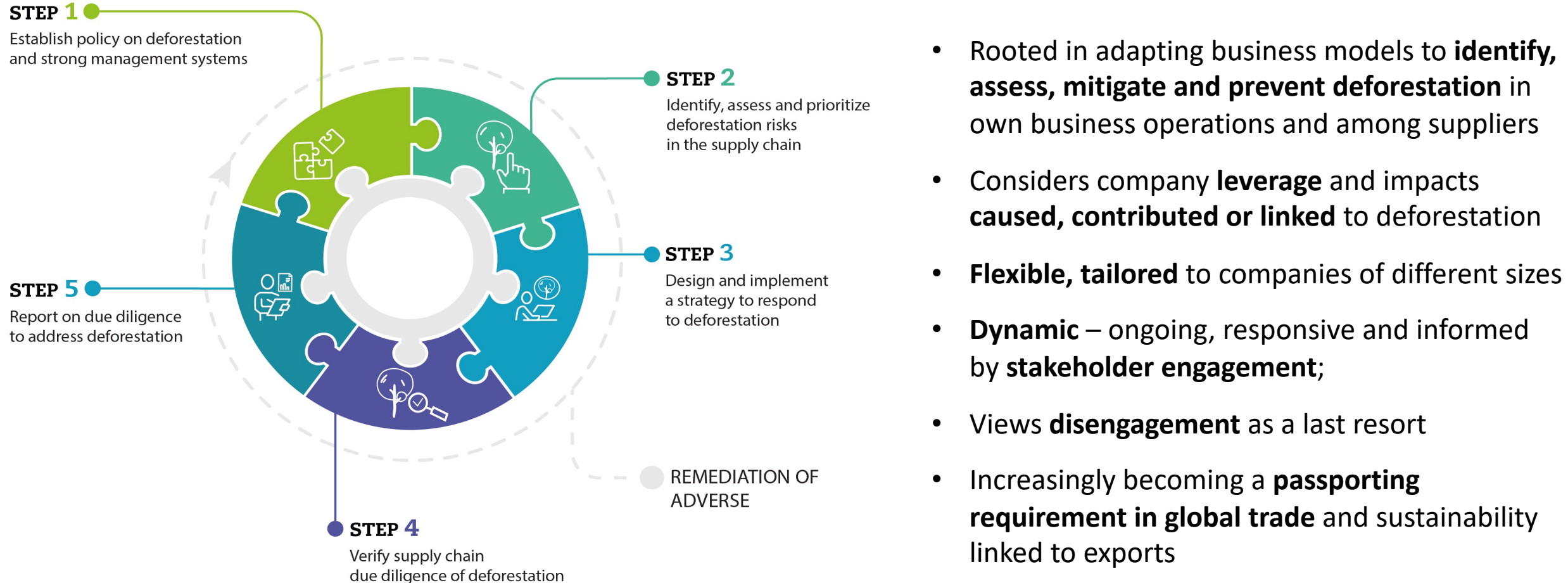
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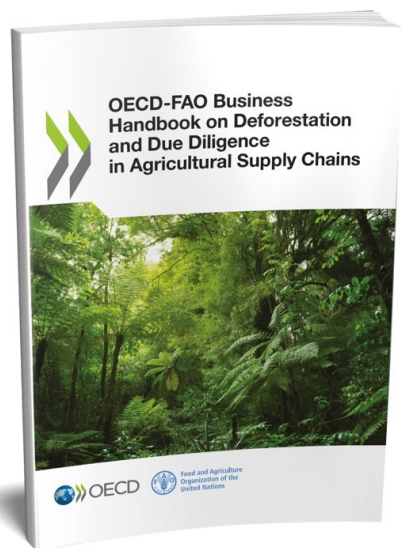
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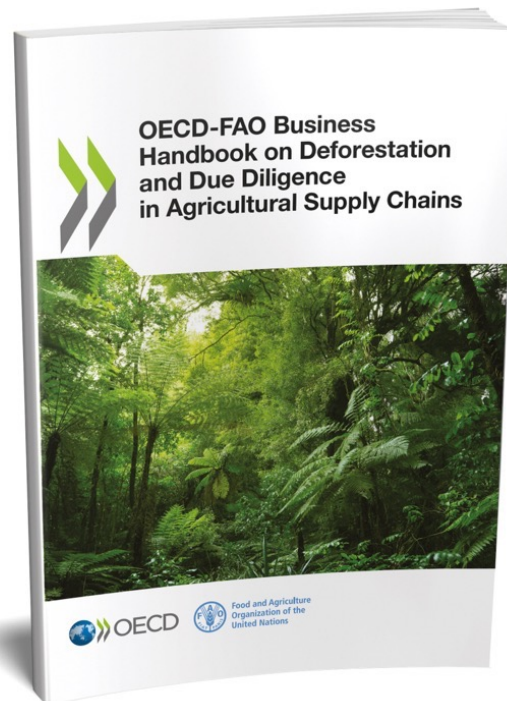
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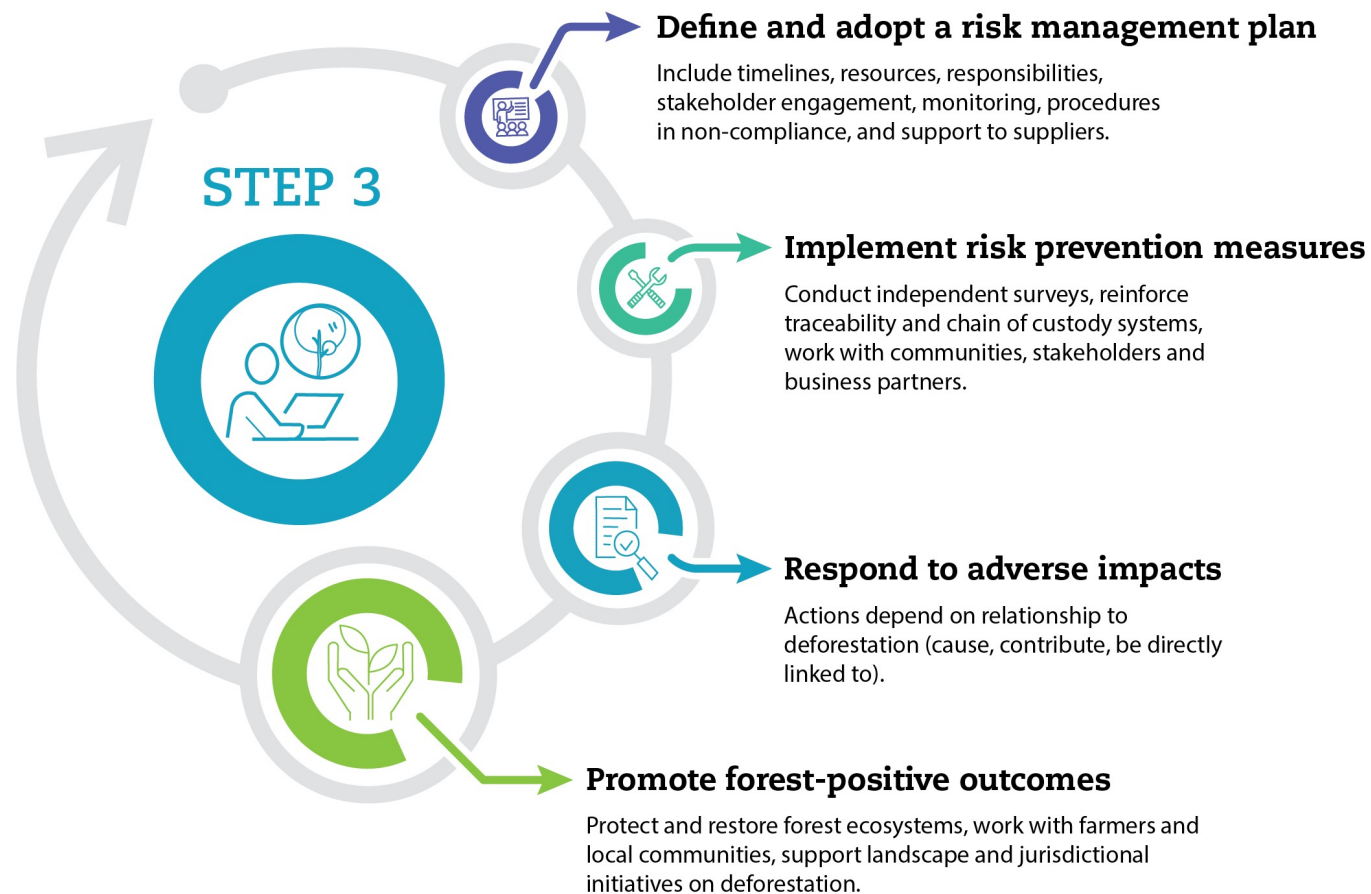
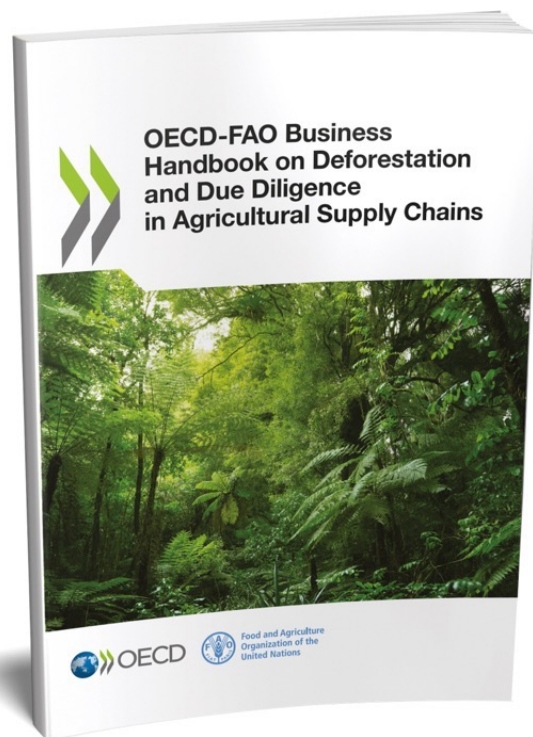
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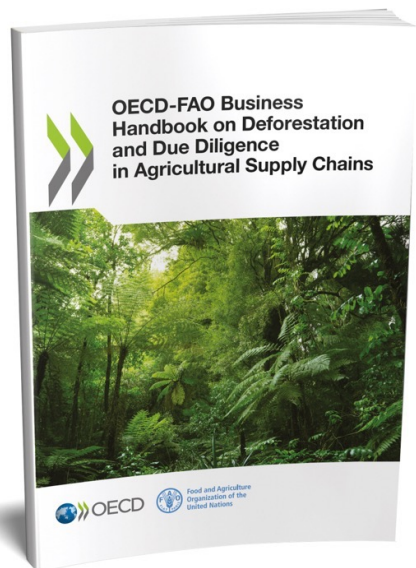
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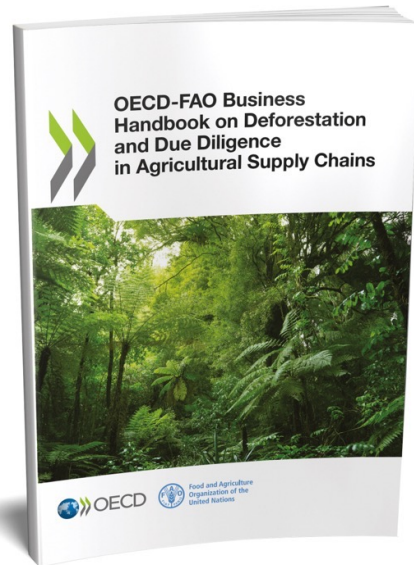
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