



Food and Agriculture Organization  
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**BULLETIN**  
**No. 2**

# **RESPONSIBLE BUSINESS CONDUCT QUARTERLY**

**JULY–SEPTEMBER 2022**

## ► HEADLINES

### UNITED NATIONS GENERAL ASSEMBLY DECLARES ACCESS TO A CLEAN, HEALTHY AND SUSTAINABLE ENVIRONMENT A UNIVERSAL HUMAN RIGHT

The resolution, adopted on 28 July 2022, signals how climate change and environmental degradation must be part of States' environmental and human rights obligations and commitments, including those related to Responsible Business Conduct (RBC) and agricultural supply chains. Further, it indicates how environmental action based on human rights obligations is critical for effective economic policies and business models.

**28 July 2022:** UN General Assembly declares access to clean and healthy environment a universal human right

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### MAJOR COCOA COMPANIES AGREE TO A LIVING INCOME FOR COCOA FARMERS IN COTE D'IVOIRE AND GHANA

In July 2022, companies in the cocoa supply chain signed an agreement to establish a living income differential per ton of cocoa sold by Ivory Coast and Ghana, the top two global producers of cocoa. The agreement introduces a premium to increase the prices paid to farmers in efforts to curb poverty and support a living wage in cocoa sourcing communities in the two countries. As a result, Ivory Coast began selling cocoa contracts in September with a non-negative premium, the first time in three years. Previously, price premiums for cocoa dropped below zero owing to pressure from enterprises and traders in the cocoa supply chain, cancelling differentials aimed to support higher wages. Such development-driven purchasing efforts are increasingly discussed in commodity sectors, designed to drive responsible business conduct and reduce poverty through better cooperation between upstream and downstream actors in the supply chain.

**8 July 2022:** Ivory Coast and Ghana to raise cocoa premium next month;  
Ivory Coast sells 2023-2024 cocoa contracts with higher premium

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## ► HEADLINES

### EUROPEAN COMMISSION AGREES ON MANDATORY DUE DILIGENCE RULES FOR DEFORESTATION-FREE SUPPLY CHAINS

On 28 June 2022, the European Commission (EC) agreed on mandatory due diligence rules for all operators and traders that sell to or export from the European Union (EU) market certain high-risk commodities, namely palm oil, beef, timber, coffee, cocoa and soy. The rules also apply to several derived products, including chocolate. Companies that are involved in these commodity markets in the EU will be required to implement measures to identify, mitigate and prevent risks of deforestation and report on efforts to eliminate deforestation in their sourcing and production. This is the latest development in the [EU proposal](#) for a regulation on deforestation-free products, announced in November 2021.

**28 June 2022:** Council of the EU agrees on new rules to drive down deforestation and forest degradation globally

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### G7 LEADERS PLEDGE COMMITMENT TO RESPONSIBLE AGRICULTURAL SUPPLY CHAINS

In their 28 June 2022 communiqué, leaders of the G7 – joined by leaders of Argentina, India, Indonesia, Senegal and South Africa – expressed their commitment to multi-stakeholder cooperation for sustainable and resilient agricultural supply chains. The statement indicates a priority to address environmental and social risks in agricultural supply chains, including land degradation, forest loss, climate change, biodiversity loss, and promotes decent work. The statement also indicates support for mandatory due diligence measures to identify, mitigate and prevent these risks. Further, in May 2022, the [G7 Agricultural Ministers' Communiqué](#) voiced support for the OECD-FAO Guidance for Responsible Agricultural Supply Chains as well as the OECD and FAO's joint work in developing a Handbook for Businesses on Deforestation, Forest Degradation and Due Diligence in Agricultural Supply Chains.

**28 June 2022:** G7 Leaders' Communiqué

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## ► HEADLINES

### FAO COUNCIL ENDORSES NEW 10-YEAR STRATEGY ON CLIMATE CHANGE

On 14 June 2022, the Council of FAO endorsed a thematic strategy that will guide FAO's work on climate change over the next decade. Global agri-food systems are responsible for about one-third of total greenhouse gas emissions (GHG) and are extremely susceptible to the impacts of climate change. The strategy aims to address a broad range of interlinked challenges, including the loss of biodiversity, desertification, land and environmental degradation; and encourages inclusive multi-stakeholder approaches to climate action. FAO's Responsible Global Value Chains (RGVC) team is leading efforts to help companies measure their climate impacts through the World Banana Forum's carbon and water footprint initiative. Current RGVCs team efforts to create a global multi-stakeholder platform to help companies measure and reduce GHG emissions in agricultural supply chains are also aligned with the FAO strategy on climate change.

14 June 2022: FAO Council endorses new 10-year strategies on Climate Change and on Science and Innovation

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## ► SPOTLIGHT ON FAO'S RESPONSIBLE GLOBAL VALUE CHAINS PROGRAMME

### FAO TO JOIN COMPANIES AND STAKEHOLDERS IN MODERATING A PANEL SESSION ON DUE DILIGENCE, AGRICULTURAL SUPPLY CHAINS AND DEVELOPMENT IN PORTUGAL

The [Annual Conference](#) on Sustainability and Risk-Based Due Diligence, organised by the [NOVA Centre for Business, Human Rights and the Environment](#) will take place from 28 to 29 September and is organized in cooperation with the Portuguese government. Speakers include Didier Reynders, European Commissioner for Justice, João Pedro Guimarães, Secretary-General of the Portuguese Chamber of Commerce and Heidi Hautala, Vice-President of the European Parliament, among others. Participants who wish to join online can register [here](#).

## ► SPOTLIGHT ON FAO'S RESPONSIBLE GLOBAL VALUE CHAINS PROGRAMME

### FAO LEADS A TECHNICAL SEMINAR ON AGRICULTURAL SUPPLY CHAINS AND RESPONSIBLE BUSINESS CONDUCT IN EASTERN EUROPE AND CENTRAL ASIA

The seminar will take place from 21 to 27 September 2022, organized by the Polish Institute of Human Rights and Business. The course takes place within the context of a European Economic Area (EEA) grant funded by the governments of Iceland, Liechtenstein and Norway designed to reduce social and economic disparities in Europe and Central Asia. FAO support will focus on the application of responsible sourcing and risk-based due diligence in the agricultural sector, as outlined in the OECD-FAO Guidance and applied to the realities of the region which is both a downstream retailer and consumer and upstream producer of key global and regionally traded commodities. FAO's intervention will discuss concrete ways agri-food actors can proactively address and mitigate environmental and social risks through due diligence to meet national and legislative objectives on business and human rights. For further information see: [CEE&CA Summer Academy on Business and Human Rights](#).

### FAO AND OECD LAUNCH A PUBLIC CONSULTATION ON THE OECD-FAO BUSINESS HANDBOOK ON DEFORESTATION, FOREST DEGRADATION AND DUE DILIGENCE IN AGRICULTURAL SUPPLY CHAINS

As part of their multi-stakeholder consultation process, the OECD and FAO launched a public consultation for stakeholders around the world to comment on the final draft of the [handbook](#) for companies to help to reduce possible negative impacts of agricultural production for exports on forests. The public consultation was open from 4 to 29 July 2022 and came as a final step towards the launch of the handbook in 2023. The project is supported by the German Agency for International Cooperation (GIZ) and the German Federal Ministry for Economic Cooperation and Development (BMZ).

## ► SPOTLIGHT ON FAO'S RESPONSIBLE GLOBAL VALUE CHAINS PROGRAMME

### FAO COMMITTEE ON COMMODITY PROBLEMS (CCP) SIDE EVENT: HOW CAN GLOBAL VALUE CHAINS ENHANCE SUSTAINABLE AGRICULTURAL DEVELOPMENT?

On 14 July 2022, the Responsible Global Value Chains team of FAO's Markets and Trade Division led a side event of the 75th Session of the CCP, alongside panellists from the European Commission, Fairtrade International, Ecuador and the Alternate Permanent Representative of Cameroon to FAO, among other leading speakers. The event addressed global agri-food value chains and ways that they can effectively support responsible agricultural development in low- and middle-income countries. FAO discussed how international development agencies can help developing countries to transition to carbon neutral value chains, highlighting FAO's advisory services and tools to help countries and companies in the agri-food sector measure and reduce GHG emissions and advance towards carbon neutrality. FAO also announced upcoming plans to launch a global multi-stakeholder platform project proposal to address GHG emissions in global agri-food value chains. The event was recorded and can be viewed [here](#).

### FAO RBC TRAINING ON BIODIVERSITY, DUE DILIGENCE AND AGRICULTURAL SUPPLY CHAINS

In July 2022, FAO led a training session on biodiversity and environmental due diligence at an event organized by the GIZ and German Federal Agency for Nature Conservation (BfN). The training targeted development practitioners, governments, civil society organizations and other stakeholders. It introduced solutions to drive better development cooperation that is tailored to the needs of biodiversity conservation. Further information on the training session can be found [here](#).

## ► EVENTS AND WEBINARS

### **WORLD BANANA FORUM WEBINAR ON CLIMATE CHANGE AND ACCESS TO THE EUROPEAN MARKET**

In July 2022, the [World Banana Forum](#) (WBF) held a webinar on the WBF's carbon and water footprint tool and digital innovations to improve transparency and traceability of the banana supply chain. It also examined the proposed EU Directive on Corporate Sustainability Due Diligence and how the carbon and water footprint tool and digital innovations can help companies improve their environmental impact in banana global supply chains in compliance with the forthcoming Directive.

### **ADVISORY GROUP TO THE OECD-FAO GUIDANCE FOR RESPONSIBLE AGRICULTURAL SUPPLY CHAINS**

The OECD and FAO held the second meeting of their multi-stakeholder Advisory Group on Responsible Agricultural Supply Chains in June 2022. The meeting included a presentation by Advisory Group Co-Chair, the International Finance Corporation (IFC), on how it monitors environmental, social and governance (ESG) risks in its agri-business investments through the IFC Performance Standards and Corporate Governance Methodology. The next meeting will take place on 20 October 2022 and focus on government policies and support to enterprises on responsible business conduct in the agricultural sector, considering the differences between policies in high-, middle- and low-income countries.

### **FAO'S RESPONSIBLE FRUITS PROJECT WEBINAR ON CLIMATE CHANGE ADAPTATION IN THE AVOCADO AND PINEAPPLE SECTORS**

The webinar was held in June 2022 and featured presentations from FAO's Office of Climate Change, Biodiversity and Environment and companies from the avocado and pineapple sectors that shared their experiences and approaches on climate change adaptation. The Responsible Fruits project also introduced the upcoming FAO's Climate Change Adaptation Technical Guide.

## ► EVENTS AND WEBINARS

### WEBINAR ON BIODIVERSITY AND CLIMATE CHANGE ADAPTATION IN THE TROPICAL FRUIT SECTOR

On 13 September, FAO held a webinar to drive peer learning, sharing good practices, and discussion on how companies can avoid negative impacts on biodiversity and adapt to the needs of climate change. The webinar was open to companies, producer associations and trade organizations working in avocado or pineapple value chains.

### CAPACITY BUILDING WORKSHOP ON RISK-BASED DUE DILIGENCE IN THE TROPICAL FRUIT SECTOR

On 28 September 2022, FAO will host a workshop on risk-based due diligence for companies, producer associations and trade organizations working in avocado or pineapple value chains. Together with support of International Tropical Fruits Network (TFNet), the workshop will illustrate how companies can introduce risk-based due diligence in their business models and support risk reduction with practical tools such as a risk gap analysis. The workshop is also open to stakeholders, including governments, NGOs. Registration can be accessed [here](#).



# ► PUBLICATIONS AND RESOURCES



## *Agricultural cooperatives, responsible sourcing and risk-based due diligence, 2022*

Launched in September, the technical policy brief is the first analytical paper of its kind to link risk-based due diligence and responsible sourcing with agricultural cooperatives in low- and middle-income economies. It discusses the role of cooperatives in global value chain (GVCs) and illustrates how they can be leveraged to support the reduction of adverse environmental, social and development impacts. As many governments advance with corporate sustainability and due diligence regulations, this paper illustrates how agricultural cooperatives can adapt training and extension services to help members, including smallholder farmers, meet the changing market needs on responsible agricultural production and sourcing.

[Agricultural cooperatives, responsible sourcing and risk-based due diligence](#)

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[Responsible Global Value Chains](#)

[OECD-FAO Guidance for Responsible Agricultural Supply Chains](#)

[Responsible Business Conduct \(RBC\) in Agriculture](#)

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