



## In the loop:

### Building together responsible supply chains! Interview with Marjoleine Hennis, Chair of the OECD-FAO Advisory Group on Responsible Agricultural Supply Chains

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WUWM was selected by the Organisation for Economic Cooperation and Development (OECD) and the Food and Agricultural Organization (FAO) as a member of the Multi-Stakeholder Advisory Group (AG) on Responsible Agricultural Supply Chains. The aim of the platform is to unite major actors of the sector who, by means of joint collaboration and sharing of mutual expertise, can help develop successful sustainable and responsible food value chains. WUWM is proud to be part of this innovative Advisory Group, and we would like to share more insights with our readers about the purpose, organization, and expected outcomes of the Advisory Group. Dr. Marjoleine Hennis, at the Permanent Representation of the Netherlands to the OECD serves as the Chair of the Advisory Group, and answered our questions.

**Could you please introduce the main objectives/goals of this initiative to our readers?**

Globalization has greatly impacted how food is produced, sourced and consumed around the world. Increasingly, many agri-food companies recognize their responsibility and role in integrating sustainability objectives into their operations and global supply chains. The question is, given the complexities of global supply chains, how can companies achieve these objectives? In 2016, FAO and the OECD launched the OECD-FAO Guidance for Responsible Agricultural Supply Chains (OECD-FAO Guidance) to help agricultural and food companies operationalize internationally agreed standards of responsible business conduct (RBC) and implement risk-based due diligence while contributing to sustainable development. The OECD-FAO Guidance highlights some of the main risk areas that companies often face in the agricultural sector when sourcing from low- and middle-income countries. Among others, this can include salient impacts on human and labour rights, animal welfare, deforestation and natural resource depletion. In addition, the Guidance shows companies how to reduce those negative impacts.

**Could you share with us some concrete examples of responsible business conduct that can meet the objectives identified by the OECD-FAO Guidance?**

One of the key value-adds of the OECD-FAO Guidance is its five-step framework for risk-based due diligence. The framework provides a step-by-step approach on how companies can operationalize risk-based due diligence into their own operations, supply chains and business relationships.

Due diligence is a process through which businesses can proactively identify, prevent and account for how they address the actual and potential adverse environmental and social impacts of their activities as a core part of business decision-making and risk management strategy. The details of this due diligence framework are increasingly featured in government policies and regulations on corporate sustainability. When implemented effectively, due diligence can benefit businesses by lowering operational, reputational and financial risks by ensuring their operations are not causing harm to people and the planet. Through due diligence, businesses can improve productivity and make a greater contribution to the SDGs, going beyond their own operations to business relations across the whole value chain.

**In which ways you think that wholesale markets can help/work towards achievement of the objectives identified by the OECD-FAO Guidance?**

Wholesale and retail markets occupy a critical position in agricultural supply chains as aggregators and distributors of safe, fresh and nutritious food. Around 50 percent of fresh produce worldwide passes through wholesale markets. By applying the OECD-FAO Guidance to their own activities, wholesale and retail markets can lead by example. In addition, they can use their leverage to encourage business partners to mitigate and prevent adverse environmental and social harms in their operations, as the OECD-FAO Guidance recommends. As logistics hubs, wholesale markets act as an interlocutor between supply chain stakeholders, including producers, processors, transporters, retailers

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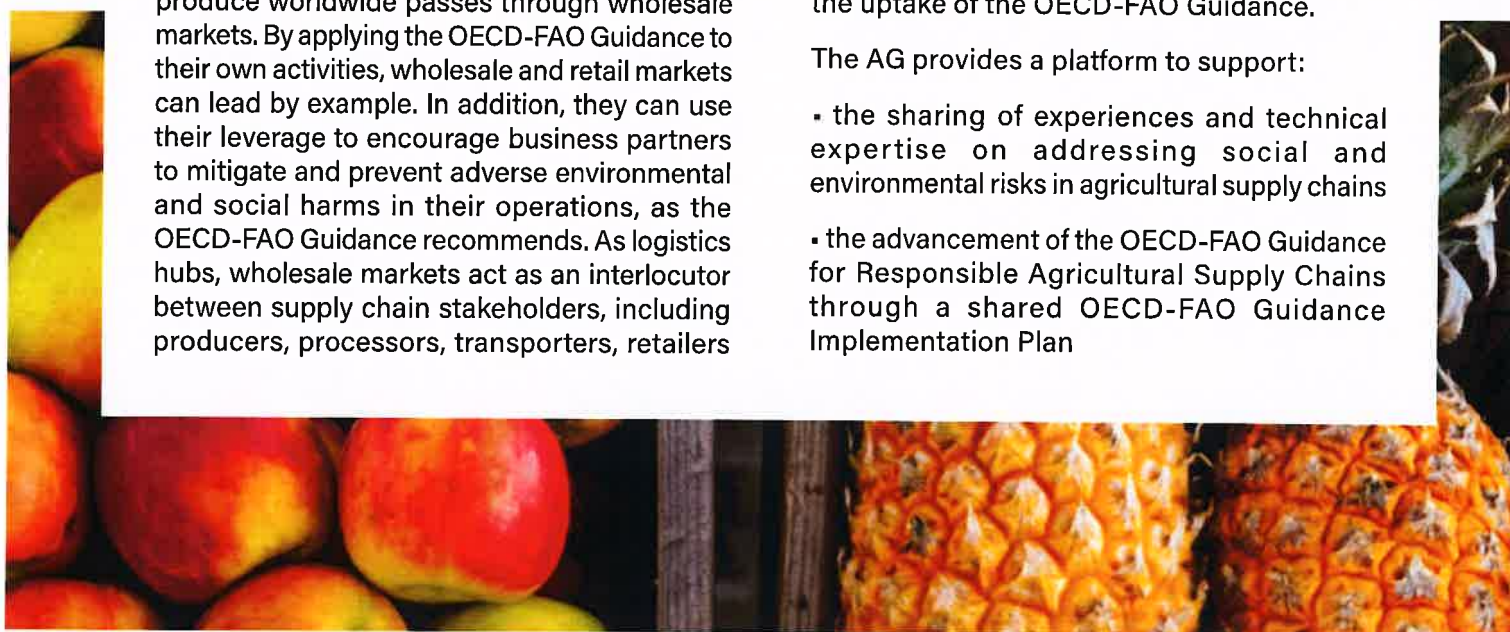
and consumers. This positioning means that wholesale markets have unique leverage to communicate and encourage responsible business practices to both upstream and downstream value chain actors. Moreover, they can provide a forum for innovative approaches to supply chain sustainability, which can support risk mitigation on various fronts, such as low-carbon food distribution, traceability for food security, and improve cold chain logistics to reduce food loss and waste. As such, they can be powerful drivers of environmental and social risk management objectives and recommendations outlined in the OECD-FAO Guidance.

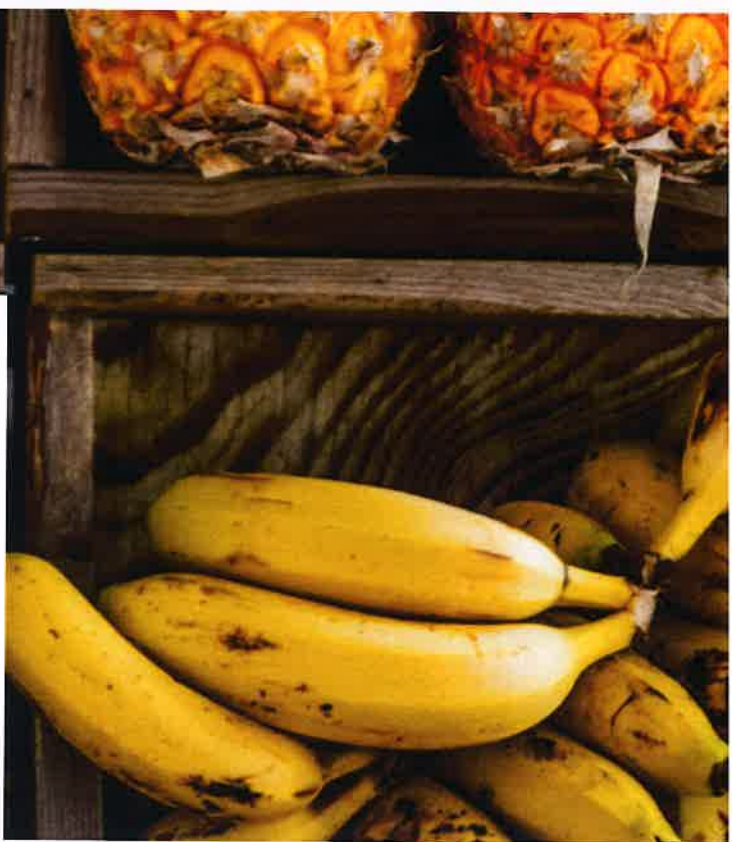
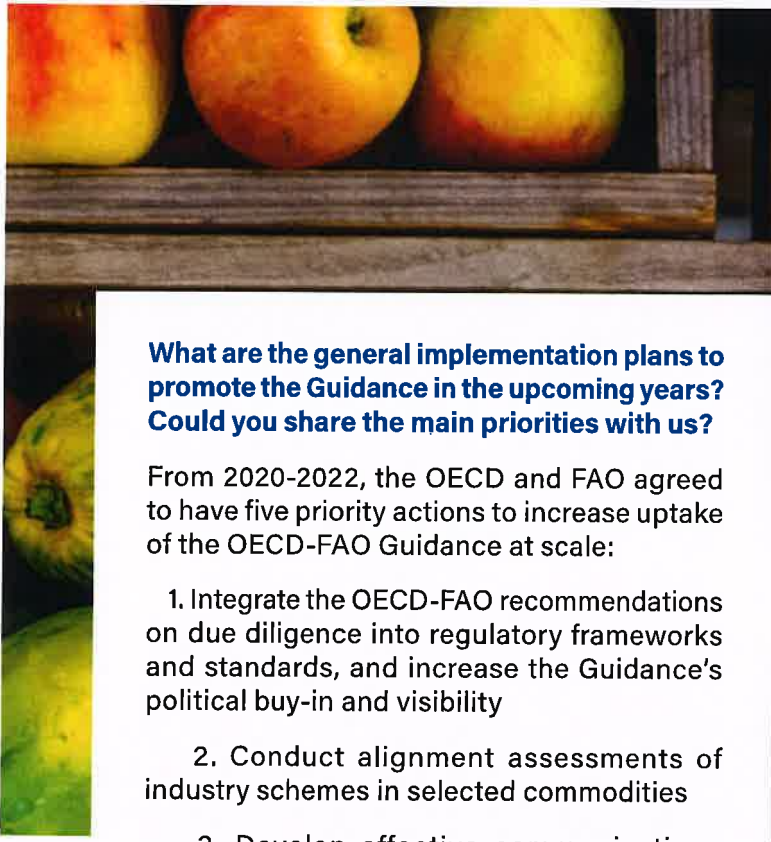
**Could you explain the objectives and tasks of the Advisory Group (AG)?**

The OECD-FAO Advisory Group on Responsible Agricultural Supply Chains (AG) is a multi-stakeholder initiative that brings together policy makers, businesses, investors, civil society organizations, academia and other stakeholders engaged in agricultural supply chains to collaborate, pool knowledge and build capacity in environmental and social risk management in the agricultural sector through the uptake of the OECD-FAO Guidance.

The AG provides a platform to support:

- the sharing of experiences and technical expertise on addressing social and environmental risks in agricultural supply chains
- the advancement of the OECD-FAO Guidance for Responsible Agricultural Supply Chains through a shared OECD-FAO Guidance Implementation Plan





**What are the general implementation plans to promote the Guidance in the upcoming years? Could you share the main priorities with us?**

From 2020-2022, the OECD and FAO agreed to have five priority actions to increase uptake of the OECD-FAO Guidance at scale:

1. Integrate the OECD-FAO recommendations on due diligence into regulatory frameworks and standards, and increase the Guidance's political buy-in and visibility
2. Conduct alignment assessments of industry schemes in selected commodities
3. Develop effective communications materials and technical handbooks/tools to promote the OECD-FAO Guidance globally
4. Conduct training on risk-based due diligence
5. Measure uptake of the OECD-FAO Guidance by Adherents, and develop indicators of impact of due diligence

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As the new Chair of the AG, along with new Co-chairs – the World Business Council for Sustainable Development (WBCSD), the World Resources Institute/Food and Land Use Coalition (WRI/FOLU), and the International Finance Corporation (IFC) – we plan to review and discuss updates to this implementation plan with AG members and the OECD-FAO Secretariat this year.

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**Could you briefly explain how the Advisory Group operates? (Meetings, discussion themes, proposals...)**

AG members meet virtually three times a year to discuss key levers to promote RBC and due diligence in the agricultural sector, per the recommendations of the OECD-FAO Guidance. Meetings provide an opportunity for members to share knowledge and experience on technical challenges, progress and insights on implementing due diligence, and to exchange ways to facilitate responsible agricultural supply chains with different stakeholders.

The first portion of each AG meeting is dedicated to a substantive discussion on issues related to business and environmental and social impacts in agricultural supply chains. Planned topics include global sustainability standards and certifications; government support and incentives for RBC; and developing key performance indicators (KPIs) for due diligence, among others. The AG aims to make those discussions as relevant as possible by seeking synergies with discussions in major global events of interest for its members, such as the upcoming COP27 in Egypt. Moreover, AG members may establish technical working groups (TWGs) to delve deeper on these specific issue areas outside of the three annual core AG meetings. TWGs will be member-led and provide an opportunity for further discussion amongst members.

### **From an institutional perspective, what does the Chair expect from the Advisory Group?**

As a multi-stakeholder platform, the AG provides the opportunity for agri-sector actors – from farm to fork – to build momentum, shape, and advance the global policy agenda on responsible agricultural supply chains. We focus on concrete outcomes, solutions and ideas for the promotion and implementation of the Guidance, which may contribute to the work of the FAO and the OECD and beyond. Furthermore, I hope that the AG will become the go-to group for exchanges on due diligence in agricultural supply chains and that it will serve as a forum for members to apply and build their institutional expertise and capacity to become leaders on responsible business conduct in their respective fields.

To achieve this, members are expected to be active participants – both during AG meetings and within their broader networks – to devise and implement effective environmental and social risk management measures across agricultural supply chains. AG members are also expected to adopt, promote and implement recommendations of the OECD-FAO Guidance into responsible sourcing and/or responsible business conduct (including business and human rights, ESG, CSR, sustainability, codes of conduct) strategies.

### **WUWM has recently joined the Advisory Group (AG): how do you think it could help to encourage the global uptake of the OECD-FAO Guidance? How is WUWM expected to cooperate? What are the main issues and aims you would like us to bring to the table?**

WUWM is a valuable addition to the AG. As a global network of fresh food and products organizations, WUWM is able to disseminate information, forge partnerships amongst its members, and adopt recommendations in its core business activities on the OECD-FAO Guidance.

Ensuring food security and providing healthy diets in a sustainable, inclusive, and consistent way are part of our common goals. We would value WUWM insights, learnings and good practices from your efforts to upgrade the industry, including the pursuit to a climate-neutral food supply chain. The AG provides a safe space to discuss challenges with the diverse group of stakeholders who have a role to play in building responsible agricultural supply chains, to identify gaps where more supports and collective actions are needed, and to learn from peers. As such, we look forward to WUWM's active engagement in the AG, bringing the perspectives of wholesalers and retailers.

### **How are you planning to strengthen supply chain resiliency and the role of technology in promoting responsibility and transparency in the sector, now that environmental and social risks have highlighted the vulnerability of the agricultural sector?**

The OECD-FAO Guidance recognizes how technology and innovation can play a key role in environmental and social risk mitigation efforts along agricultural supply chains. For example, traceability systems can improve supply chain logistics, make trading easier and ensure food safety of fresh produce. Enterprises operating along agricultural supply chains can make a significant contribution to sustainable development by supporting the diffusion of technology and innovation, particularly those that increase responsible production and sourcing and can generate direct and indirect employment. At the same time, enterprises must consider risks associated with technology, intellectual property rights, genetic resources, and traditional knowledge; the OECD-FAO Guidance provides a description of measures to mitigate such risks along agricultural supply chains. The AG plans to facilitate dialogue on best practices, challenges, and opportunities for technology to support responsible, resilient and just food systems. It will be great to learn how WUWM is approaching supply chain resiliency and technology in wholesale markets, particularly how technologies can be more inclusive of small-scale local producers.

