

Launch: Review of G7 Government-led voluntary and mandatory due diligence measures for sustainable agrifood supply chains

25 January 2024





Regulatory developments relating to DD and RBC

Draft legislation:

- *EU Corporate Sustainability Due Diligence Directive (CSDDD)*
- *EU Critical Raw Materials Act*
- *EU Prohibition on Placing Products Made with Forced Labour on EU Market*
- *EU Artificial Intelligence Act*
- *New Zealand Modern Slavery Bill*
- *South Korea Due Diligence legislation...*

CH, DE, FR, NL, NO, UK & EU

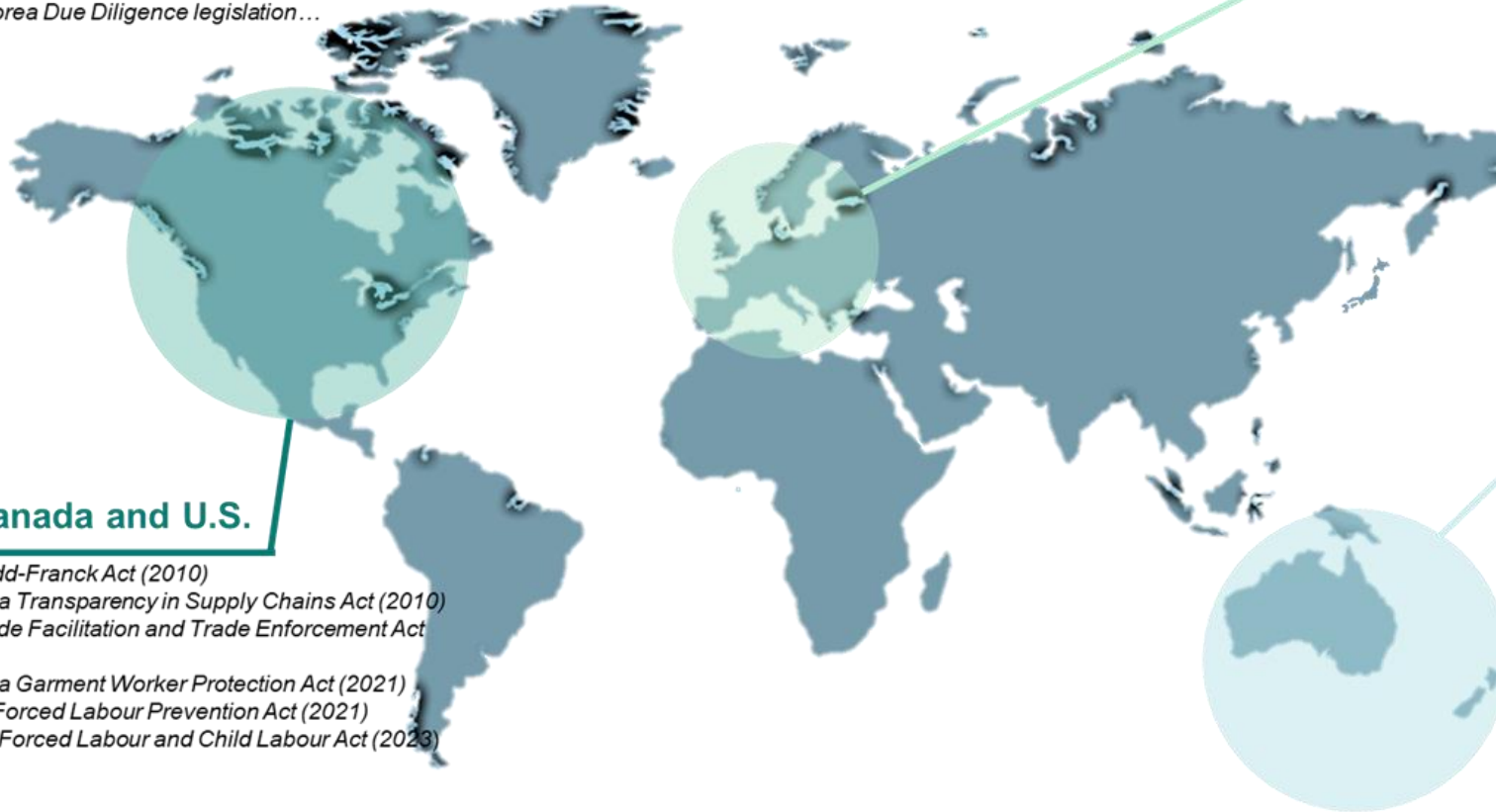
- *UK Modern Slavery Act (2015)*
- *French Loi sur le devoir de vigilance (2017)*
- *EU Conflict Minerals Regulation (2017)*
- *Dutch Child Labour Due Diligence Act (2019)*
- *EU Sustainable Finance Disclosure Regulation (2019)*
- *EU Taxonomy Regulation (2020)*
- *Swiss Conflict Minerals and Child Labour Due Diligence Law (2020)*
- *UK Environment Act (2021)*
- *German Supply Chain Due Diligence Act (2021)*
- *Norwegian Transparency Act (2021)*
- *EU Corporate Sustainability Reporting Directive (2022)*
- *EU Digital Services Act (2022)*
- *EU Batteries Regulation (2023)*
- *EU Deforestation Regulation (2023)*

Canada and U.S.

- *U.S. Dodd-Frank Act (2010)*
- *California Transparency in Supply Chains Act (2010)*
- *U.S. Trade Facilitation and Trade Enforcement Act (2015)*
- *California Garment Worker Protection Act (2021)*
- *Uyghur Forced Labour Prevention Act (2021)*
- *Canada Forced Labour and Child Labour Act (2023)*

Australia

* Refers to OECD RBC standards





Outcomes of OECD Ministerial Meeting on RBC



14-15 February 2023 | #OECDRBCministerial

Responsible Business Conduct IN THE GLOBAL ECONOMY



Recommendation of the Council on
the Role of Government in
Promoting Responsible Business
Conduct

OECD Legal
Instruments



Declaration on Promoting and
Enabling Responsible Business
Conduct in the Global Economy

OECD Legal
Instruments





German G7 presidency

Voluntary and mandatory due diligence measures **associated with G7 countries and the European Union (EU)**

Basis for G7 countries and policy makers to:

- **Identify common elements** across G7 members' policy measures
- **Strengthen the quality and, where possible, coherence** of G7 policy responses

Structure

- Section 1: **background and rationale**
- Section 2: **analytical framework**
- Section 3: **comparative review**
- Section 4: **future research**

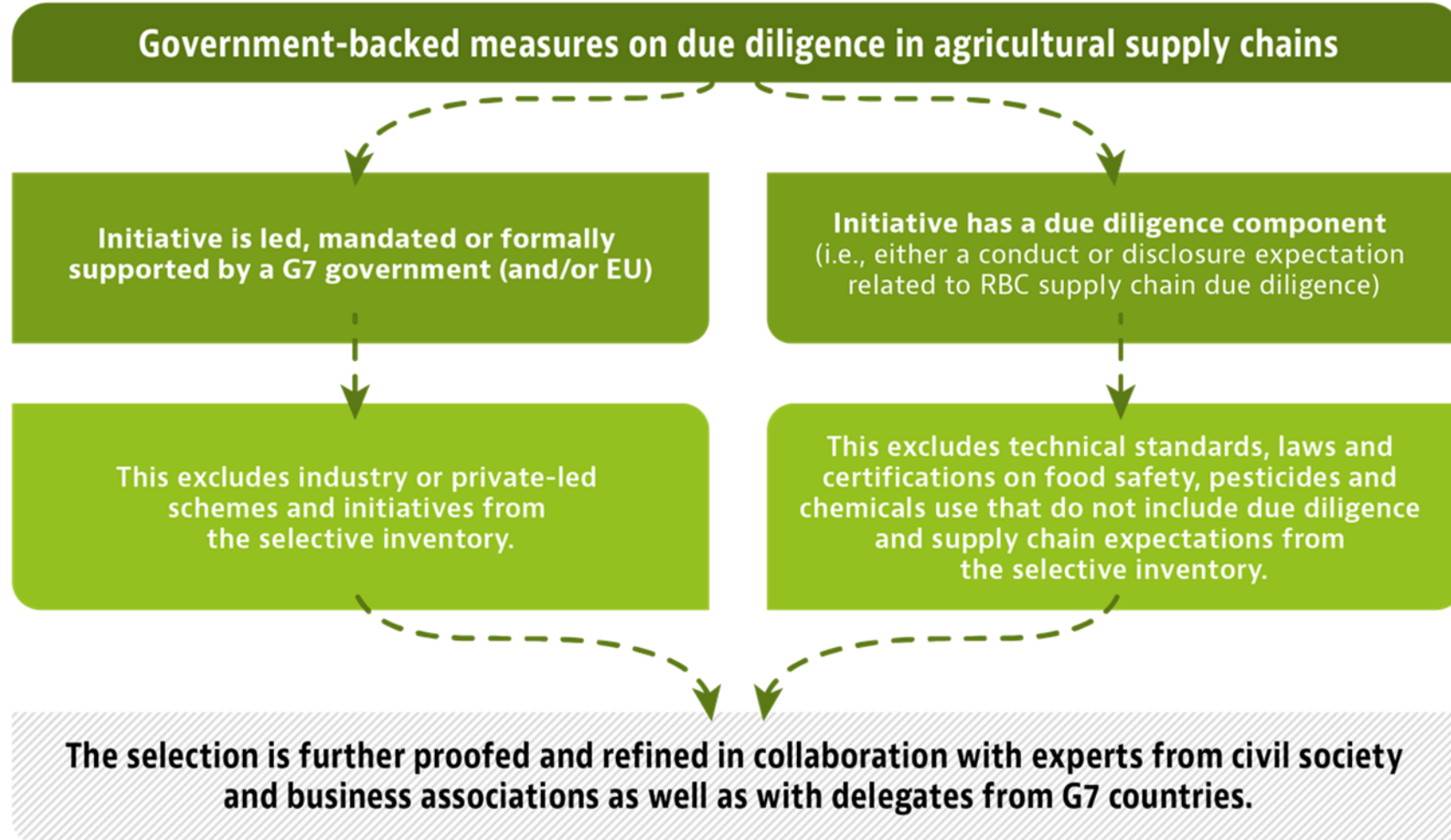




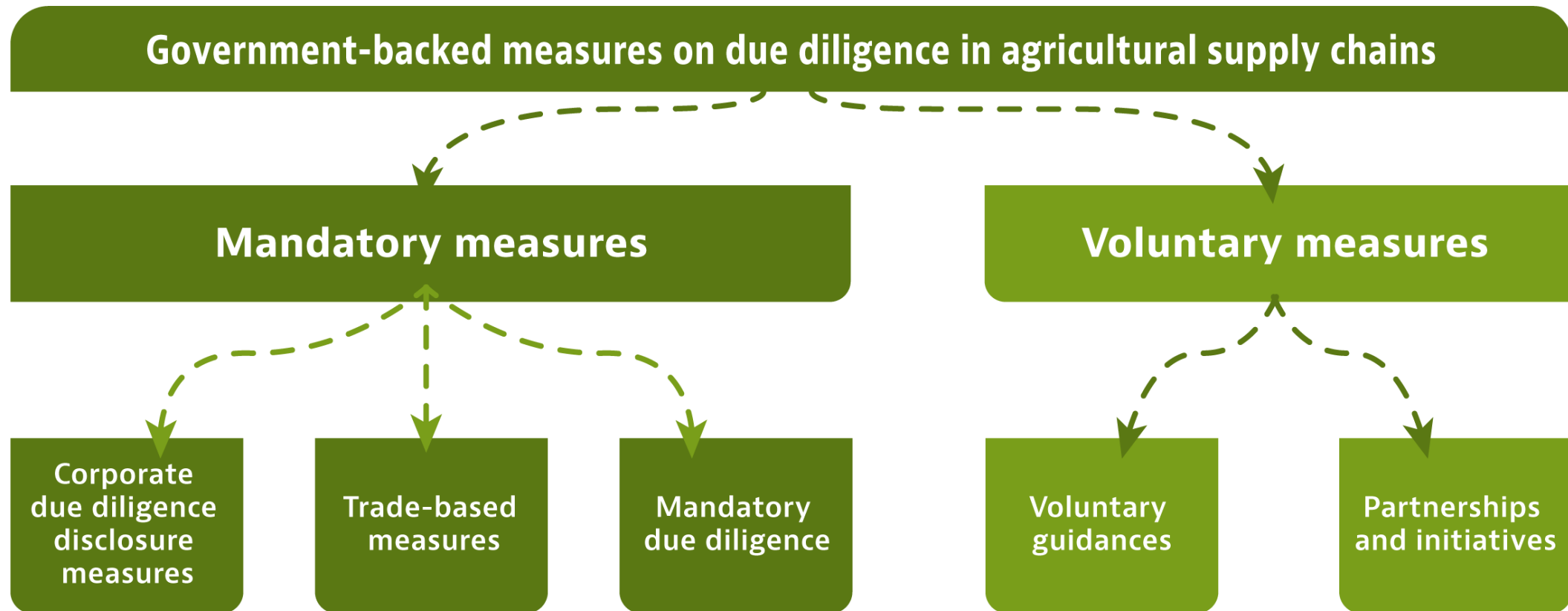
Selecting measures for review



THE OECD APPLIES TWO FILTERS TO SELECT MEASURES AND COMPILE THE INVENTORY:



Source: OECD



Source: OECD



Key findings

- > 10 (42%) are **mandatory** measures
- > 14 (58%) are **voluntary** measures
- > **63%** of the measures in scope of this paper were introduced **in the past three years**

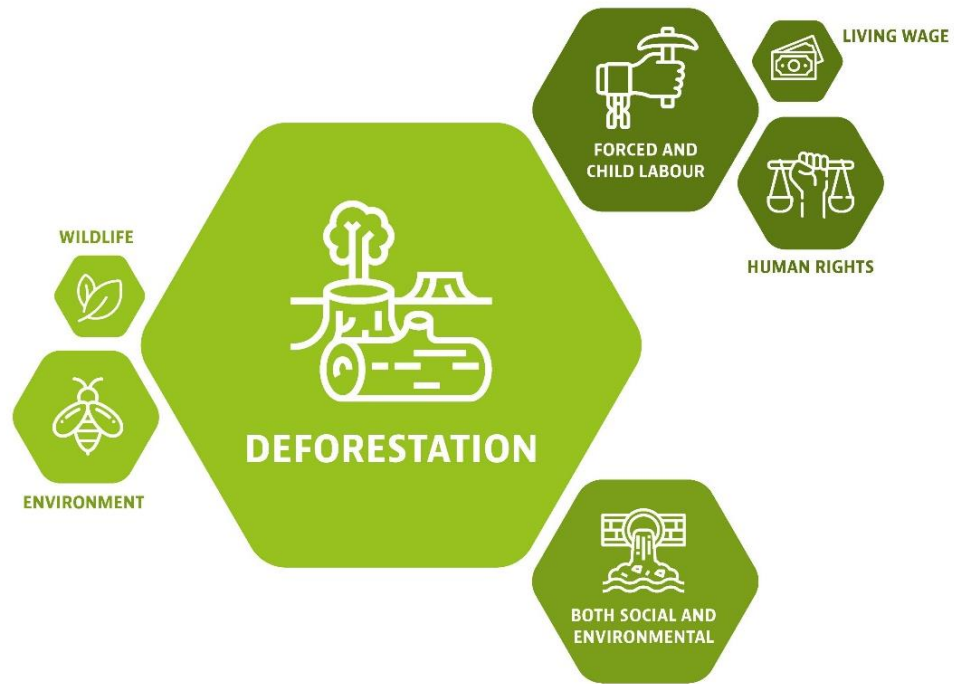
Timeline



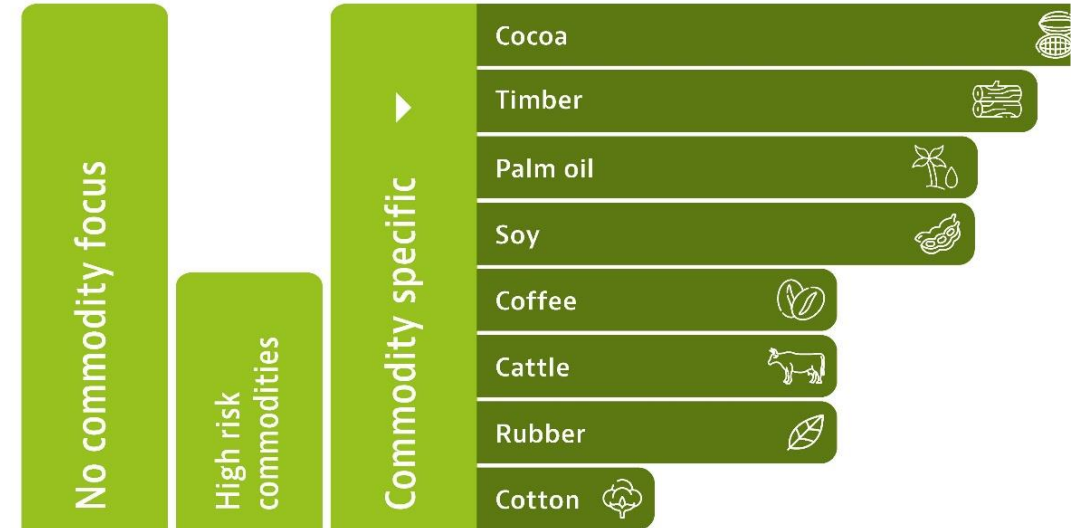


Key findings

Risk scope

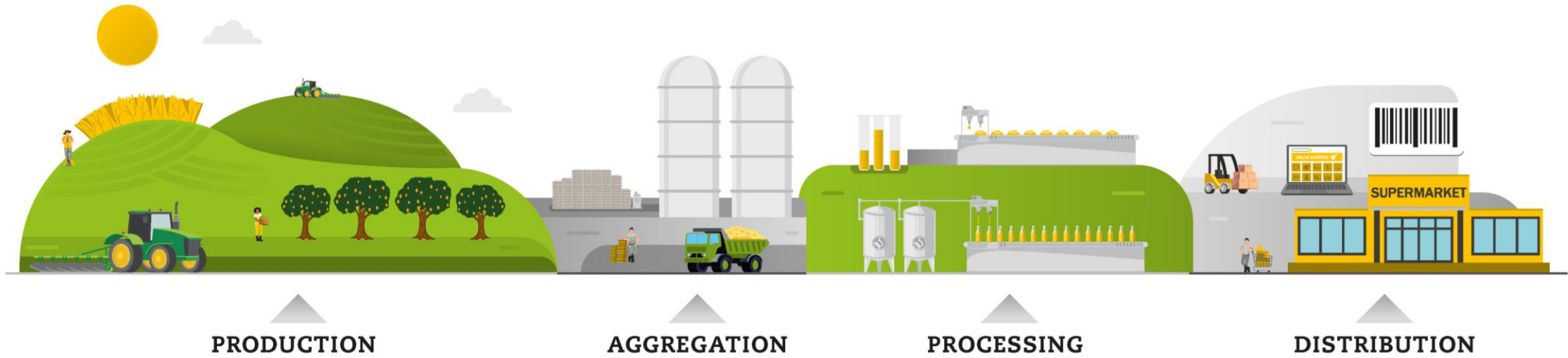


Commodity scope





Key findings



→ Supply chain scope

→ Entity Scope



Key findings

How the 10 mandatory measures approach due diligence

- Approaches vary based on nature and purpose of measure
- Different approaches to two key “characteristics” of RBC due diligence:
 - risk-based approach
 - stakeholder engagement – differences in emphasis and level of detail
- Public reporting most common feature shared by mandatory measures
- Varied approach to enforcement: authorities and penalties





- Future research to address **potential unintended consequences and implementation challenges**
- Foster greater **policy coherence** around internationally recognised standards on RBC
- Design RBC policies in a way that **avoids unintended outcomes** such as de-risking and disengagement or pushing costs upstream
- **Promote coordination around accompanying measures**



RBC tools and resources

OECD RESPONSIBLE BUSINESS CONDUCT
OECD Guidelines for Multinational Enterprises

Home | MNE Guidelines | Due Diligence | National Contact Points | Global Forum

OECD Due Diligence Policy Hub

Helping governments promote RBC due diligence in law and regulation

Governments are increasingly using legislation and regulation as a policy tool to promote more responsible business conduct. New legislation, in particular on human rights and environmental due diligence in global supply chains. Many governments have sought to use OECD responsible business conduct (RBC) standards to support supply chains and business relationships.

This Due Diligence Policy Hub brings together technical papers, event information, tools and other resources for governments to regulate on due diligence for responsible business conduct. It is an important part of the efforts of the wide-ranging policy measures at their disposal to promote RBC, including in relation to [RBC & public policy reviews](#).

OECD Due Diligence Guidance

OECD due diligence frameworks are the negotiated and government-backed global benchmark for due diligence.

The [OECD Due Diligence Guidance for Responsible Business Conduct](#), which was launched in 2018, has been adopted by 50 governments and promotes a common global understanding of supply chain due diligence for responsible business conduct.

The Guidance details the specific steps and key characteristics of the due diligence process that have been agreed upon by policymakers, businesses – including investors, trade unions and civil society.

OECD Due Diligence Checker | Garment and Footwear Sector

Welcome to the OECD Due Diligence Checker!

OECD DUE DILIGENCE GUIDANCE FOR RESPONSIBLE SUPPLY CHAINS

- Why was the OECD Garment Guidance developed?
- For whom is the OECD Garment Guidance relevant?
- How is the Garment Guidance structured?
- What is due diligence and why is it important?

Welcome to the OECD Due Diligence Checker!

The OECD-FAO Guidance for Responsible Agricultural Supply Chains

Globally, the agricultural sector

- 25% contributes up to 25% of all GHG emissions
- 70% uses 70% of fresh water
- 70% accounts for 70% child lab

- Why was the OECD-FAO Guidance developed?
- Who is the OECD-FAO Guidance relevant to?
- How is the OECD-FAO Guidance structured?
- What is due diligence and why is it important?

Are you curious to understand how well your initiative's requirements for enterprises reflect the [OECD-FAO Guidance for Responsible Agricultural Supply Chains](#) (OECD-FAO Guidance)?

The Due Diligence Checker for the Agricultural sector guides you through the

THANK YOU

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