



03 June 2022, 12-1 pm

# Vom Gesetzbuch in die Agrarlieferkette

Umsetzung von Sorgfaltspflichten in die Praxis



Bundesministerium für  
wirtschaftliche Zusammenarbeit  
und Entwicklung

durchgeführt von:



Initiative für nachhaltige  
Agrarlieferketten

# Warm welcome by the BMZ

Lisa Kirfel-Rühle

Deputy Head of Division

Division 122 "Sustainable Agricultural Supply Chains, International Agricultural Policy, Agriculture, Rural Development, Innovation" German Federal Ministry for Economic Cooperation and Development (BMZ)



# **OECD-FAO Business Handbook** on Deforestation, Forest Degradation and Due Diligence in Agricultural Supply Chains

Franziska Rau, INA

Shivani Kannabhiran, OECD

Caroline Merle, FAO

# Towards an OECD-FAO Business Handbook on Deforestation, Forest Degradation and Due Diligence in Agricultural Supply Chains

3 June 2022  
OECD and FAO



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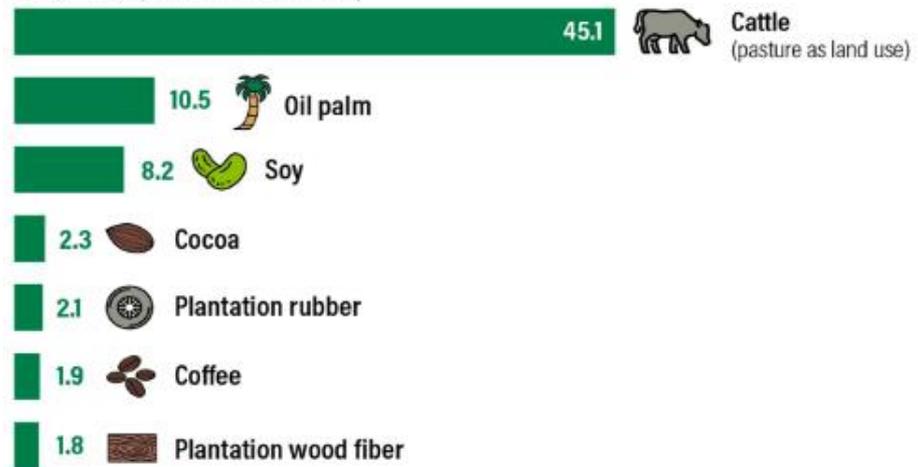
# Deforestation and Forest Degradation

## Why does it matter for business?

- Agriculture is a **significant driver of global deforestation**
- **Consumers are increasingly aware** of deforestation and how consumption can impact development
- Companies and suppliers can have **leverage** in reducing deforestation impacts in supply chains
- **Regulations** on deforestation and due diligence are being introduced in many countries and require **compliance** by companies

## Total forest replacement by analyzed commodities (2001-15)

Deforestation (2001-15, million hectares)



Source: Global Forest Review, World Resources Institute, 2021

# A practical handbook for business to identify and address deforestation and forest degradation risks in agricultural supply chains

Based on **OECD-FAO Guidance** and its 5-step framework on due diligence

**Not a regulatory framework**

Helps **businesses**:

- identify, manage and report on risks related to deforestation and forest degradation as appropriate to their individual circumstances,
- Support use and trade of commodities that may be considered medium or high risk, while reducing pressure on forests
- Reduce footprint on forests but can be used for other natural ecosystems

Funded by the **German Federal Ministry for Economic Cooperation and Development (BMZ)**, implemented by **GIZ**

Includes input from **multi-stakeholder working group (MS-WG)**

Project kicked off October 2021, Handbook to be released in **Spring 2023**



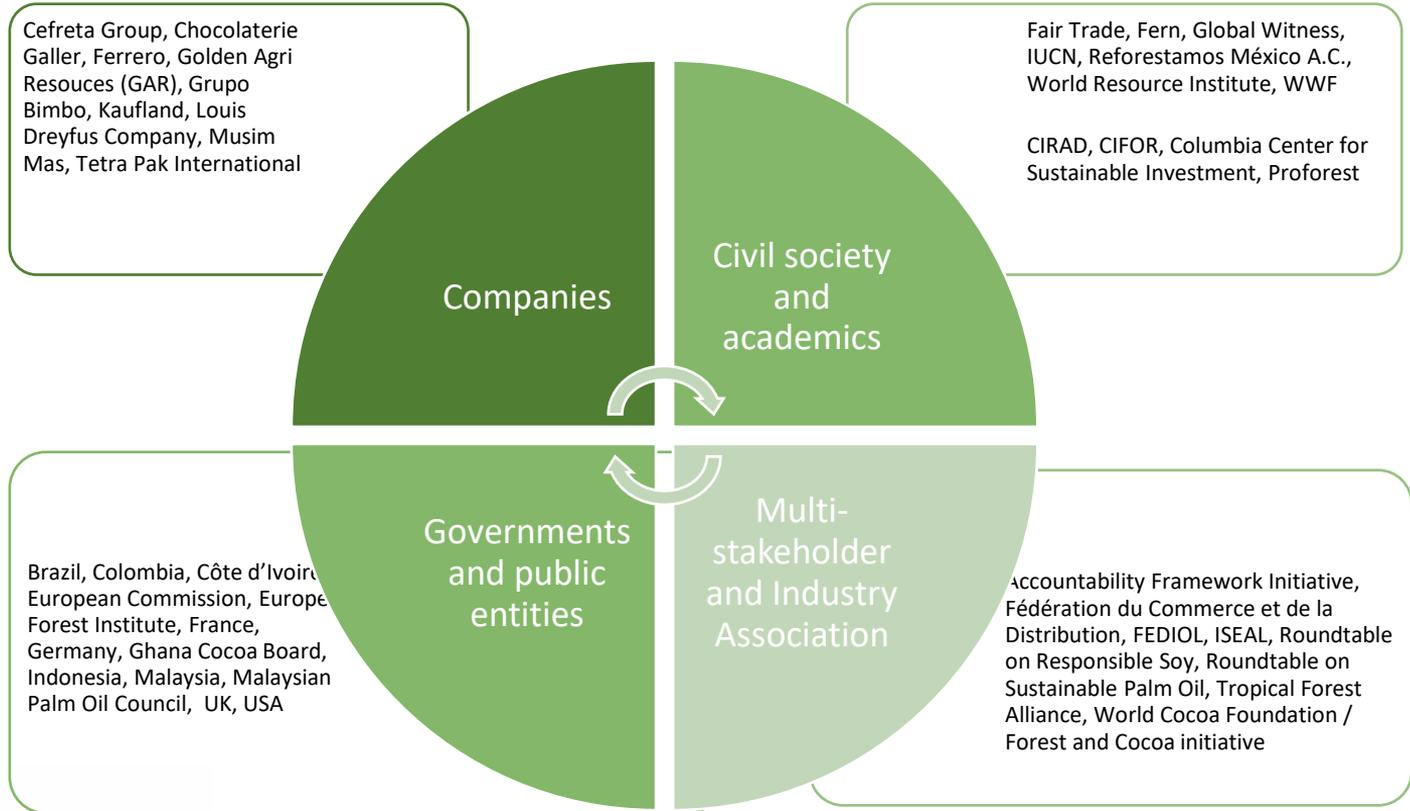
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# Members of the multi-stakeholder working-group



# OECD-FAO Guidance for Responsible Agricultural Supply Chains

- These recommendations form the **basis of the Handbook**
  - Leading **global framework** for **businesses and investors in the agricultural sector**, incorporates **existing sustainability standards** (UNGPs, ILO MNE Declaration, OECD Guidelines, CFS-RAI, etc)
- Introduces how companies can **manage social and environmental risks and development outcomes** in supply chains by establishing **due diligence systems and multi-stakeholder cooperation**
  - Illustrates how certain risks can be pronounced in developing economies and interlink with structural development challenges (food security, nutrition, land rights, carbon emissions– and deforestation and forest degradation)

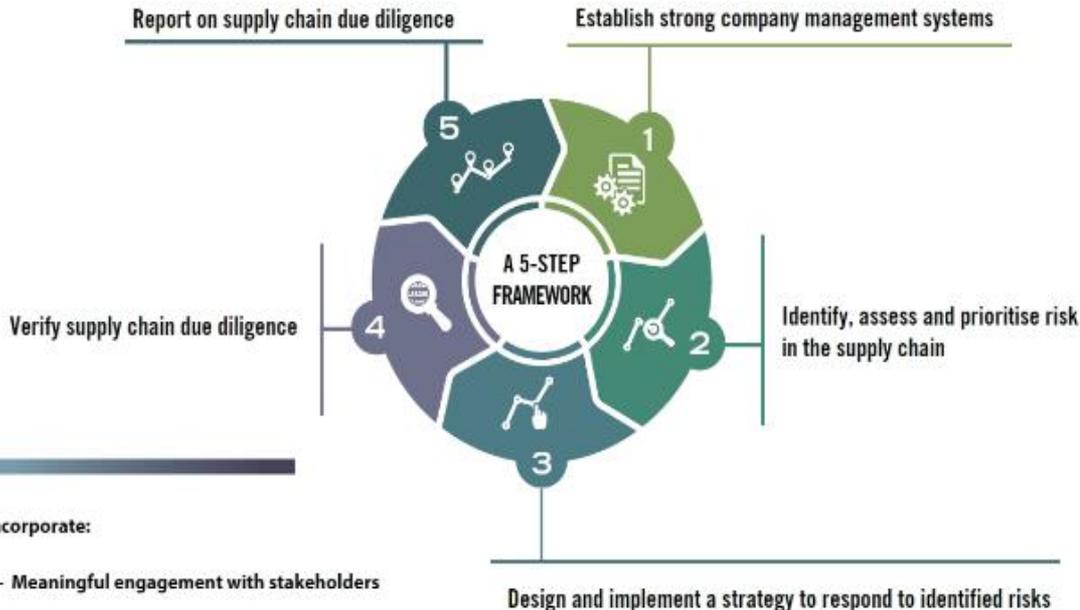


OECD-FAO Guidance  
for Responsible Agricultural  
Supply Chains



# OECD-FAO Guidance 5-Step Framework for Due Diligence

## 5-Step Framework for Risk-Based Due Diligence

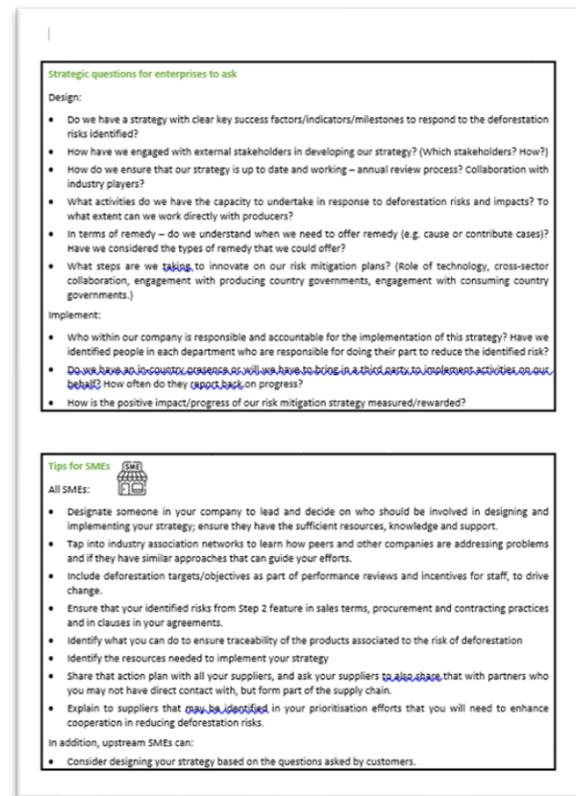


- Focused on **identifying, assessing, mitigating and preventing impacts** in own business operations and among suppliers (**supply chain**);
- Prioritizes by **severity** and **likelihood** impacts
- Considers **leverage** and impacts caused, contributed or linked to business activities
- **Flexible, tailored** to companies of different sizes, contexts, etc.;
- **Dynamic** – ongoing, responsive and informed by **stakeholder engagement**;
- **Disengagement** as a last resort



# Overview of the Handbook

- “Business-oriented” style - easy to read, boxes, tables, examples
- Nine substantive chapters
- Chapters 4-8 go into detail of five steps of due diligence
- For each step, there are:
  - Strategic questions for business to ask as they operationalize due diligence
  - Company examples of how this step is implemented in practice
  - Tips for SMEs in applying due diligence in their operations
- Annex with resources and existing tools for companies to use to operationalize due diligence



# Overall structure of second version of the handbook

Chapter 1 - Introduction

Chapter 2 - Forests and deforestation

Chapter 3 - Introduction to the OECD-FAO Guidance for Responsible Agricultural Supply Chains and Due Diligence

**Chapter 4 - Step 1** – Embed forest policy in company policies and management systems

**Chapter 5 - Step 2** – Identify, assess and prioritise deforestation risks in the supply chain

**Chapter 6 - Step 3** – Design and implement a strategy to respond to identified deforestation risks

**Chapter 7 - Step 4** – Verify supply chain due diligence to ensure that efforts to avoid deforestation are generating results

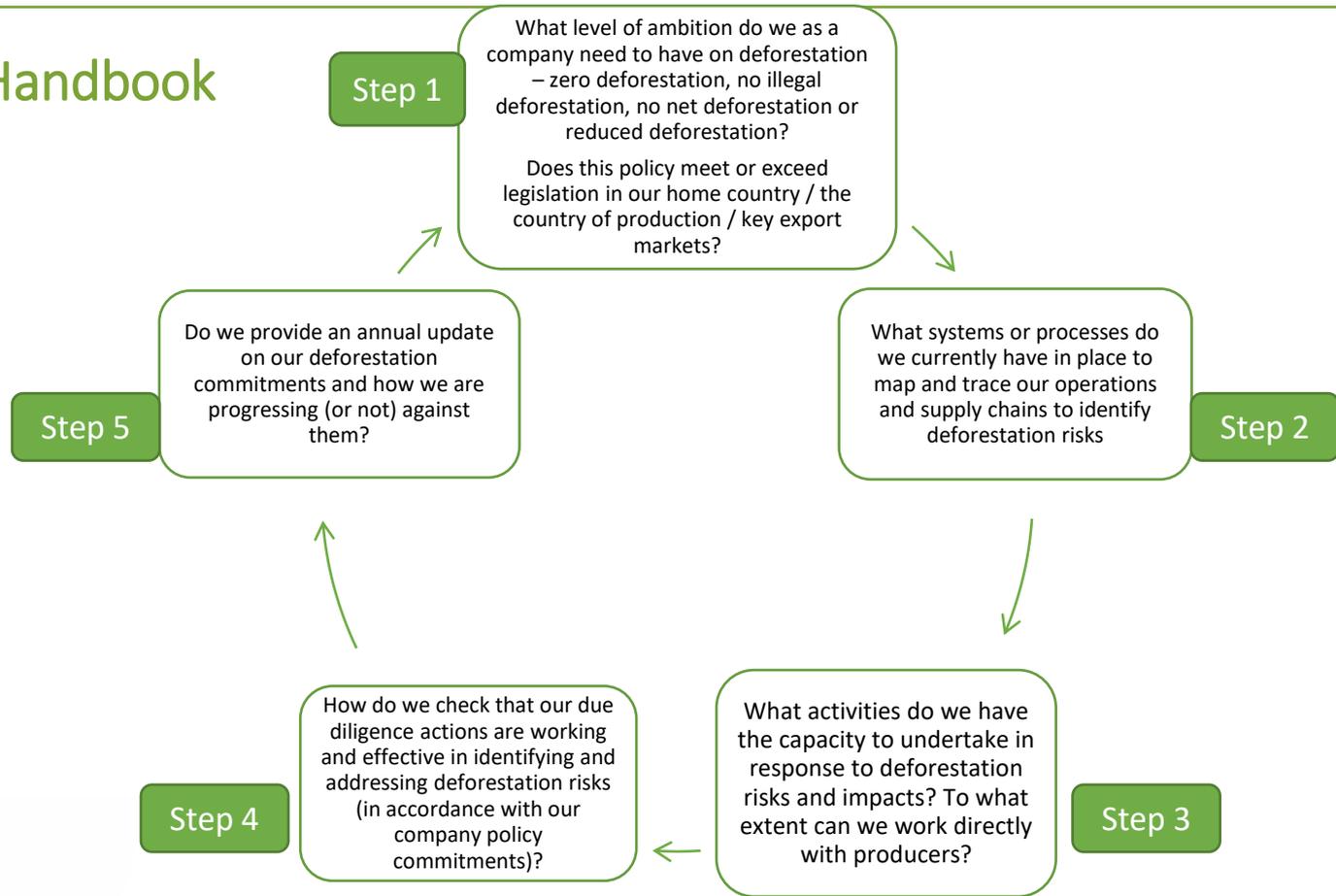
**Chapter 8 - Step 5** – Report on supply chain due diligence

Chapter 9 - Deforestation impacts and remediation

Annexes

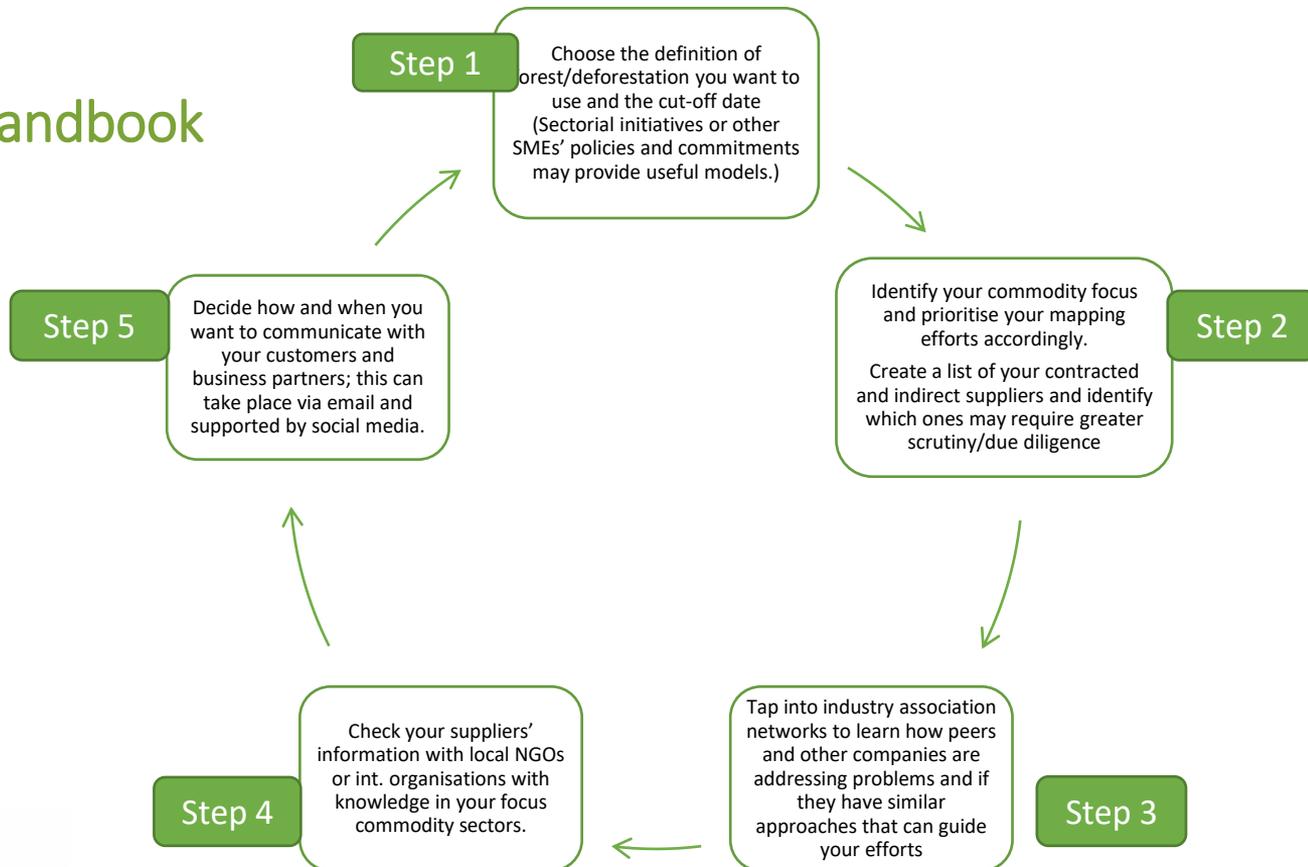
# Overview of the Handbook

- Examples of strategic questions for business to ask



# Overview of the Handbook

Examples of tips  
for SMEs



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## Next steps

- Online public consultation of Handbook to be launched at **end June 2022 for 1 month**
- Handbook to be published **Spring 2023**
- A **condensed version of the Handbook** (under 10 pages) available in **English, French, Spanish and Bahasa Indonesia**

THANK YOU



# Presentation of Corporate Activities on Deforestation & Forest Degradation Due Diligence

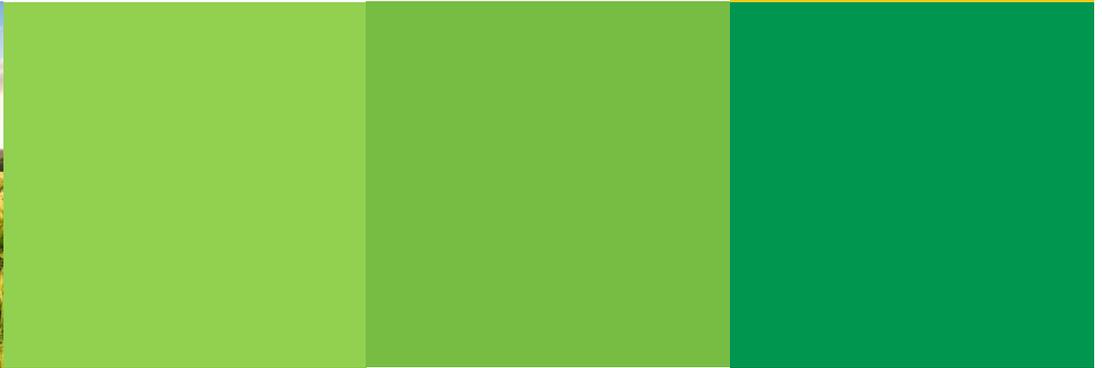
Bas Geerts, Cefetra Group BV

# Cefetra B.V.

## Introduction

# Sustainability

3 June 2022



# Why should we focus on sustainability?

Sustainability is a **key enabler** in our strategy

License to operate  
Customer intimacy  
Positive PR



## Shifting legislation:

- National
- International
- Mandatory due diligence (expected 2023)



## Access to finance

- Changing requirements

Necessary condition  
Access to talent



## Shifting market demand:

- Keep current customers
- Attract new clients
- Increasing demand for traceability, transparency & sustainability
- Stay relevant in a changing market



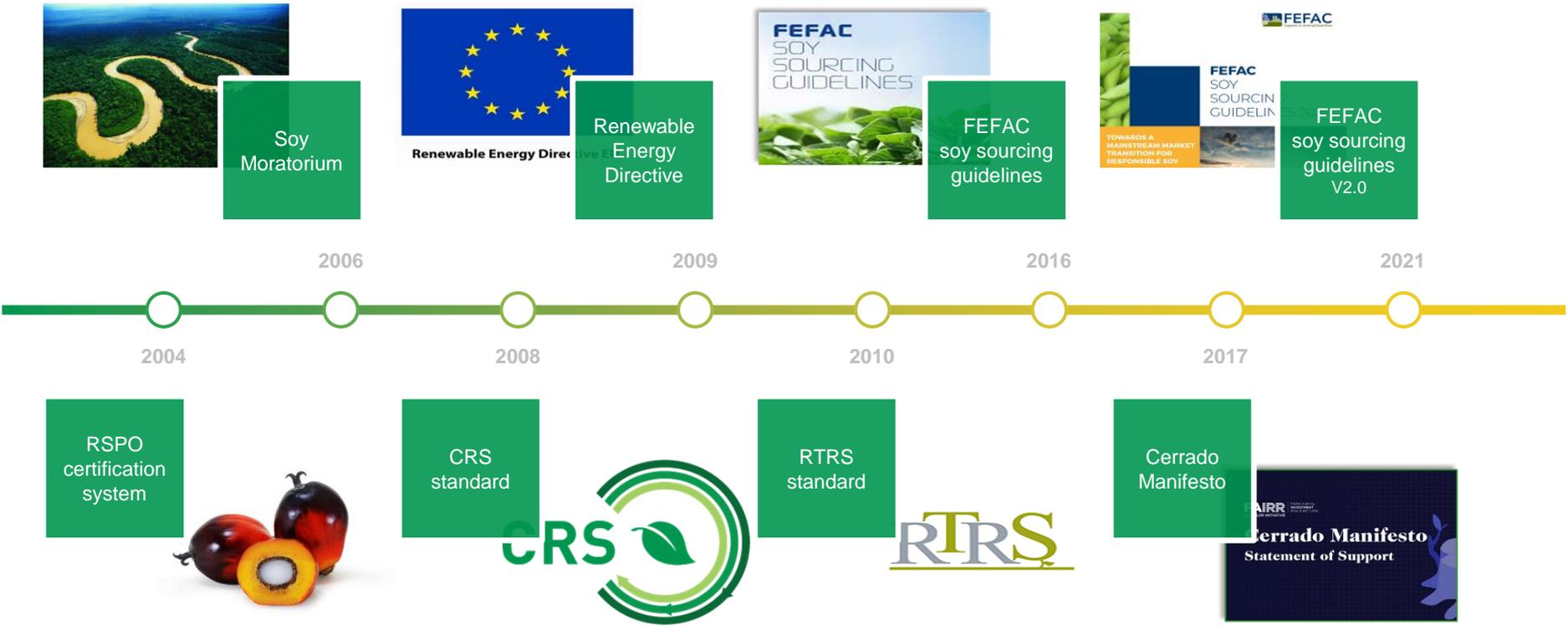
## Employability:

- Recruitment
- Company pride



## Positive positioning

# Sustainability: A continuous changing field



# EU due diligence legislation

## Deforestation & Forest Degradation Due Diligence

Scope (relevant): *soy (derivatives) and palm (oil)*  
Cut-off date deforestation: *December 31, 2020*

### Requirements:

- **Perform due diligence**
- Proof: products are:
  - **Deforestation free**
  - **Legality**
- **Segregation:** compliant product cannot be mixed with products of unknown origin or produced in areas where deforestation or forest degradation has occurred (after 31 December 2020)
- (potentially) Every batch: due diligence statement no or negligible risk was found
- Collect data (adequate & verifiable):
  - **Geo-localization coordinates** of all plots of land where the commodities have been produced
  - Proof that products are deforestation free
  - Proof that products are produced in line with relevant legislation of the country of production

## Corporate Sustainability Due Diligence

Scope (relevant): *all products*

Subject: actual and potential human rights and environmental adverse impacts

### Requirements:

- Perform due diligence, where necessary with stakeholders
- Risk assessment: identify actual & potential adverse impacts
- Prevention action plan: take measures to prevent (potential) adverse impacts
- Include requirements in contract clauses
- Verify compliance
- When adverse impacts cannot be prevented or adequately be mitigated: 1) temporarily suspend commercial relations, or 2) terminate business relationships.

& indirectly also EU Taxonomy  
has its impacts on trade

# Our offer: Snapshot of our sustainability portfolio

Not exhaustive

# Cefetra

A BayWa Company



## Corn



- ✓ Certified as FGP
- ✓ Able to offer full traceability
- ✓ Able to offer low carbon footprint maize (CO<sub>2</sub>eq/dry-ton)



## Soya



- ✓ Area Mass Balance, Mass Balance
- ✓ 20 years no-deforestation add-on
- ✓ Enhanced traceability options on demand



## Wheat



## Rapeseed(oil)



- ✓ Able to offer under ISCC



## Palm (oil)



- ✓ Palm kernel expeller: Mass Balance
- ✓ Palm oil: Mass Balance & Segregated

## Sustainability: Focus of our sustainability program

- ✓ Focus on **main stream**
- ✓ Offer credible standards to the farmer & the EU industry
- ✓ Offer **zero-deforestation** standards;
- ✓ Working directly with farmers
- ✓ Long-term partnerships with farmers
- ✓ Focus on **continuous improvement** on the farm;
- ✓ Balancing supply & demand
- ✓ Frontrunner with the objective to create an **impact in our sourcing areas**



# Key sustainability topics & related projects

(not exhaustive)



## Traceability

- Mass Balance soy projects
- Soy traceable upto farm
- RSPO certified PKE (MB)



## Transparency

- Gain insight in soy sourcing areas
- Information about deforestation for physical soy
- CDP: carbon disclosure project (climate + forest modules)



## Zero deforestation

- Remote sensing project
- CRS projects: FEAC soy sourcing guidelines



## Product environmental Footprint (PEF)

- 20 years' no-deforestation certificates
- Provide product-specific data for PEF calculations
- Provide consultancy services to customers to improve PEF
- Pilot project with soy supplier to quantify and improve carbon footprint



## Carbon credits

- Quantify carbon emission savings on CRS farms
- GOLD standard: apply for carbon (CRS) project



## Due diligence (a.o. child labor & deforestation)

- Perform risk assessments for products traded by BV and CFS
- Supplier code of conduct
- Project in Ukraine for Maize (project on hold)



## Block chain solutions

- Project to forward product-specific information in the supply chain (crush to retail)



Q&A

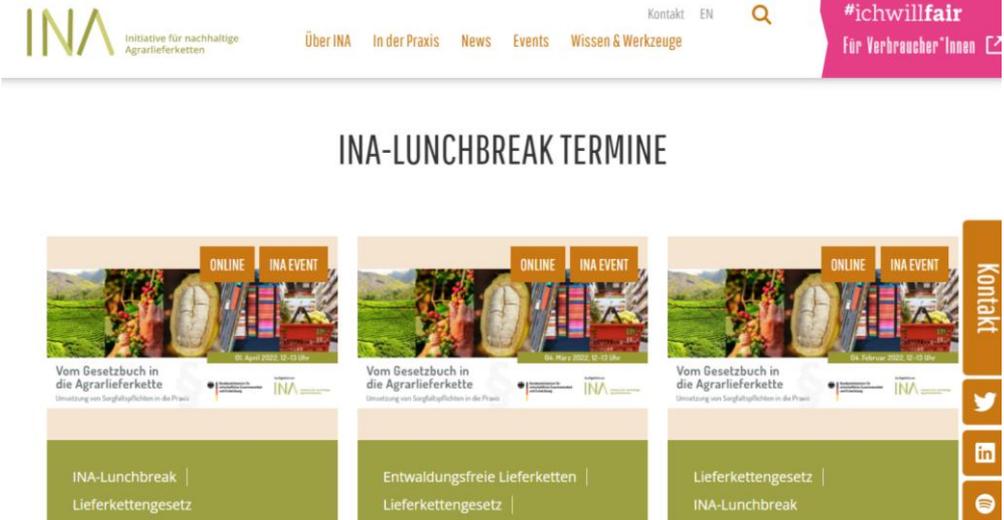
# Summary & Next Steps

Jona Ziebula

Deputy Programme Manager  
INA

On our website you will find further inspiration, recordings and documents on the event series „Lunchbreak“

 [Events – INA \(nachhaltige-agrarlieferketten.org\)](https://www.ichwillfair.org/Events-INA-nachhaltige-agrarlieferketten.org)



The screenshot shows the INA website header with the logo and navigation menu: Über INA, In der Praxis, News, Events, Wissen & Werkzeuge, Kontakt, EN, and a search icon. A pink banner on the right says "#ichwillfair Für Verbraucher\*innen". The main content area is titled "INA-LUNCHBREAK TERMINE" and features three event cards, each with an "ONLINE" and "INA EVENT" tag. The cards are:
 

- 1. "Vom Gesetzbuch in die Agrarlieferkette" (19. April 2022, 10:00 Uhr) with a green bar containing "INA-Lunchbreak | Lieferkettengesetz".
- 2. "Vom Gesetzbuch in die Agrarlieferkette" (16. März 2022, 10:00 Uhr) with a green bar containing "Entwaldungsfreie Lieferketten | Lieferkettengesetz".
- 3. "Vom Gesetzbuch in die Agrarlieferkette" (16. Februar 2022, 10:00 Uhr) with a green bar containing "Lieferkettengesetz | INA-Lunchbreak".

 A vertical sidebar on the right contains the text "Kontakt" and social media icons for Twitter, Facebook, and YouTube.



**... open for applications!**

All information available at:



[www.nachhaltige-agrarlieferketten.org/foerderungen/due-diligence-fund](http://www.nachhaltige-agrarlieferketten.org/foerderungen/due-diligence-fund)



ddf@giz.de

We are looking forward to your application!

A scenic view of a tea plantation with terraced rows of green tea bushes on rolling hills. In the background, there are large, rocky mountains under a blue sky with light clouds. A semi-transparent green banner is overlaid at the top of the image.

Next INA lunch break

A white calendar icon with a small crown on top, positioned to the left of the date.

Fr. 01.07.2022

Digital Integration of Agricultural Supply Chains  
Alliance (DIASCA)



Initiative für nachhaltige  
Agrarlieferketten