MEASURING THE UPTAKE AND IMPACT OF DUE DILIGENCE

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31 March 2021
The OECD-FAO Guidance for Responsible Agricultural Supply Chains

Incorporates existing international standards on responsible business conduct and due diligence

Applies to companies along agricultural value chain, including investors

Covers multiple social and environmental risks, plus animal welfare

5-step framework for risk-based due diligence
- prevent and mitigate adverse impacts in agricultural supply chains
- contribute to sustainable and resilient growth
Objectives of impact measurement for RBC

• **Inform policymakers** – for a supportive policy environment to promote uptake and enhance impact

• **Empower stakeholders** – give civil society, rights holders, and impacted communities actionable information

• **Enable companies** – hone in on concrete expectations and practices so companies can target improvements
Conceptual overview

Topic 1: Incentives

Incentive Environment

Topic 2: Uptake

Due Diligence

Topic 3: Outcomes

Supplier Policy & Practice / Own Operations

Exogenous Factors

Outcomes
Possible approaches and synergies

- **Incentives**
  - National Incentive Benchmark
  - Incentives Enterprise Survey
  - Exploratory Incentive Case Study

- **Uptake**
  - Light Benchmark
  - Uptake-Focused Mining of Existing Data
  - Uptake Enterprise Survey
  - Exploratory Uptake Case Study

- **Outcomes**
  - Linking Uptake and Outcomes through Mining of Existing Data
  - Quantitative Impact Assessment
  - Exploratory Impact Case Study

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Can be done in conjunction
Findings of one can be used as input for other
Example in minerals sector of how approaches can fit into a framework

- **No Due Diligence**: Company proceeds with mineral purchases.
  - **De-risking**: Company declines to purchase and completely disengages.
  - **Non-purchase engagement**: Company declines to purchase or suspends purchasing certain minerals but invests in risk mitigation or harm remediation.
  - **Unconditional purchasing**: Company proceeds with mineral purchases without conditions despite evidence of Annex II risks.
  - **Partial risk management**: Company purchases on condition of DDP participation, but without other DDG-related conditions.
  - **Enhanced risk management**: Company proceeds with purchases under conditions and/or risk mitigation actions in line with DDG (including DDP).

- **Without Annex II risks that would prompt immediate disengagement**: Company proceeds with mineral purchases.
- **With Annex II risks prompting immediate disengagement**: Company declines to purchase certain minerals.

- **Company does not carry out DD on minerals to be purchased**.
- **Company carries out DD on minerals to be purchased**.

Private sector’s effect on adverse impacts of ANNEX II (serious human rights violations and/or direct/indirect support of armed groups and criminal networks).

Private sector’s effect on socio-economic conditions for miners and mining communities.

Trade in due diligence minerals from CAHRAs passing through DDPs, e.g.,

Supply, e.g., of due diligence minerals from CAHRA – as rendered through quality and scale of due diligence programmes.

Market access for due diligence minerals.

Positive vs negative differences

- Positive positive diff.
- Positive negative diff.
- Negative positive diff.
- Negative negative diff.

Supply, c.p., of due diligence minerals from CAHRA – as rendered through quality and scale of due diligence programmes.
### Legislation through the lens of uptake measurement

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For more information on OECD Due Diligence

- OECD-FAO Guidance and implementation programmes [https://mneguidelines.oecd.org/rbc-agriculture-supply-chains.htm](https://mneguidelines.oecd.org/rbc-agriculture-supply-chains.htm)
- OECD Feasibility Study – Measuring the uptake and impact of due diligence
- OECD Alignment Assessment