



Item 04 - Project Proposal for an Agriculture and Fishing Sector Standard

For GSSB approval

Date	28 November 2019
Meeting	10 December 2019
Project	Development of a sector standard for the agriculture and fishing sector
Description/ background	<p>This document sets out the revised project proposal to develop a Standard for the agriculture and fishing sector.</p> <p>In accordance with the Due Process Protocol the draft proposal was discussed at the 7 February 2019 GSSB meeting. Following the meeting, the project proposal was shared with the GRI Stakeholder Council and the GRI Board.</p> <p>The GRI Stakeholder Council commented on the proposal by letter. The letter, in its entirety, is part of the GSSB meeting documents on the 25 March 2019 and is contained in Item 02 - Stakeholder Council response to the GSSB's Sector Standard Proposals and Proposal for Review of Universal Standards. The Stakeholder Council queried whether fishing fits within the scope of the project proposal, given the potential difference in impacts between fishing and agriculture. They also commented that, if it is, whether the standard should have a different title to reflect this. The GRI Board also received the proposal and did not suggest any changes.</p> <p>In response to the Stakeholder Council query, consideration was given to whether fishing is retained in the sector scope. Other international multi-stakeholder processes and reports commonly include both agriculture and fishing and any issue of alignment between the two appears to be primarily confined to the environmental impacts. This is not dissimilar to differences in environmental impacts resulting from the production of crops and raising of livestock.</p>

Following a GSSB query on whether the Sector Standard would include companies within the broader food value chain, such as food processing and food retail companies, further consideration was also given to the merit of including midstream and downstream food production activities.

Agriculture and fishing products serve as an input to a number of other sectors (for example food processing and textile and apparel). If the scope also includes activities further down the food-production value chain, it would limit the relevance to non-food related sectors. There is a high number of impacts associated with the upstream agricultural and fishing activities which may not be fully explored if the scope is expanded to the full food production value chain, given the complexity of the value chains, variety of commodities, and the likelihood of a drift towards impacts associated with food consumption.

Based on these findings, the Standards Division recommends that the sector scope focuses on upstream activities, comprises both agriculture and fishing and that the project title is changed to 'Agriculture and Fishing'. The Standards Division has revised the proposal to more clearly reflect the relevance of this Sector Standard to organizations in the broader food value chain and non-food sectors relying on agricultural and fishing production.

This document is the final proposal for the development of a Standard for the agriculture and fishing sector, for approval by the GSSB.

Changes since previous version

The following changes have been made:

- The name of the project has been changed throughout the document from 'Agriculture' to 'Agriculture and Fishing' to reflect more clearly that both fishing and agriculture are included within the scope of the project.
- Additional commentary has been added to clarify that the Sector Standard will be focused on the upstream activities of production and aggregation, but that it will likely be relevant for organisations undertaking food processing, food distribution, food retail or other business activities that have agriculture and fishing in their supply chains.
- The dates in the Tables 2 and 3 have been adjusted.

This document has been prepared by the GRI Standards Division. It is provided as a convenience to observers at meetings of the Global Sustainability Standards Board (GSSB), to assist them in following the Board's discussion. It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard-setting body of GRI. For more information, visit www.globalreporting.org.

Project background

The GRI Standards Division has identified the agriculture and fishing sector as a high-priority sector from a sustainable development perspective. The sector is recommended for project prioritization in the GSSB workplan.

Sector description. The agriculture and fishing sector provides for the basic societal need for agricultural commodities and involves crop production; the raising of livestock; fishing and aquaculture activities.

Major agricultural products can be broadly grouped into foods, fibers, fuels and raw materials such as rubber. Though the size of non-food related agricultural activities is relatively small compared to the food-related.¹

Fishing is broadly defined to include the capture of wild fish stocks from inland and marine waters, the capture of fish stocks that have been enhanced through stocking and other measures, and various types of aquaculture.²

The Sector Standard will be focused on the upstream activities of production and aggregation for food and non-food related products.

Economic value. According to the *International Trade in goods statistics 2001-2017* from the International Trade Centre (ITC), world agriculture exports totalled USD 920 Billion in 2017.³

Rationale for prioritization

Producing a Sector Standard can help companies with agriculture and fishing activities in their value chain understand their role in sustainable development and promote positive changes in transparency and accountability in the sector. Transparency enables a much-needed discussion on the sustainable future of the food production system among a wide array of stakeholders, including companies, investors, civil society, policymakers, academia, the general public, and other stakeholders.

The impacts of the agriculture and fishing sector are widely documented by intergovernmental organizations such as the OECD, the Food and Agriculture Organization of the United Nations (UN FAO), the ILO, UN Environment, the UN Development Programme, and the Intergovernmental Panel on Climate Change (IPCC); international financial institutions such as the International Finance Corporation (IFC); civil society organizations such as the World Resources Institute; and academic institutions such as the Stockholm Resilience Centre.⁴

¹ Cotton occupies less than 3% of the world's agricultural land, [United States Department of Agriculture](#), 2018; tobacco is grown on less than one percent of the world's agricultural land, [WHO](#), 2016.

² Broadly based on the FAO definition, [Integrating fisheries and agriculture to enhance fish production and food security](#), 1998. Here and below fishing includes aquaculture, the term 'fishing' is used as proxy further in the text.

³ ITC, [International Trade in goods – Exports 2001-2017](#).

⁴ OECD/FAO, [The OECD-FAO Guidance for Responsible Agricultural Supply Chains](#), 2016; FAO, [Sustainable Food and Agriculture](#); ILO [website](#); IPCC, [Global Warming of 1.5 C](#), 2018; [IFC Industry Sector Guidelines](#); World Resource Institute in partnership with the World Bank, UN Environment, UN Development Programme, and French agricultural research

30 Improving the productivity of sector has been identified as an essential to achieving SDG 2: Zero
31 Hunger.⁵

32 Below is a sample of economic, environmental and social impacts that have been documented for the
33 agriculture and fishing sector. These are provided to give a first indication of the scope of issues
34 covered by the proposed project. However, as the issues recommended for inclusion within a
35 Standards for the agriculture and fishing sector will be determined by a multi-stakeholder process in
36 accordance with the [Due Process Protocol](#), the issues may diverge from those contained within this
37 project proposal.

38 **Economic Impacts.** According to the UN FAO, over 2.5 billion people living in rural areas derive
39 their livelihoods from this sector, and many are below the poverty line.⁶ Additionally, the World Bank
40 stated that, in 2017, agriculture accounted for 68 % of employment in low-income economies.⁷
41 Therefore, local employment, local procurement, training and capacity building, and living wages are
42 relevant issues for the sector. In addition, farmer livelihoods may be negatively affected by government
43 subsidies, market protections, or tariffs.⁸

44 **Environmental Impacts.** Agriculture and fishing are resource intensive, with large land and water
45 requirements (representing an estimated 70% of freshwater withdrawals globally in 2014).⁹
46 Additionally, the sector is the second-largest greenhouse gas emitter after the energy sector,
47 according to ClimateWatch data.¹⁰ The sector's role in deforestation, land and soil degradation,
48 overfishing, impacts of pesticide use, are also significant environmental concerns. According to the
49 International Institute of Sustainable Development (IISD), the sector is responsible for 70 % of
50 projected losses in biodiversity.¹¹ The agriculture and fishing sector is also expected to be significantly
51 affected by climate change, which may affect yields and jeopardize food security.¹²

52 **Social Impacts.** Agriculture and fishing provide global nutrition to the human population, which is
53 key to eradicate hunger and maintain health. Hunger and malnutrition are contributing factors to
54 poverty, and can also lead to social conflict.¹³ The social impacts of agriculture and fishing activities
55 include forced and child labor, community displacement, and occupational hazards and illnesses.¹⁴
56 Additionally, access to nutrition, food safety, the implications of antibiotic resistance from overuse of
57 antibiotics in livestock, and health impacts from pesticide use are social issues that have been identified
58 as relevant to the sector.¹⁵

59 **Sector-relevant reporting initiatives.** The agriculture and fishing sector is subject to diverse
60 voluntary reporting initiatives, principles and certification schemes, including but not limited to the
61 OECD-FAO *Guidance for Responsible Agricultural Supply Chains*, the Committee on World Food
62 Security's *Principles for Responsible Investment in Agriculture and Food Systems* (the CFS-RAI Principles),

agencies CIRAD and INRA, [Creating a sustainable food future](#), 2018; Stockholm Resilience Centre website, "[Is feeding nine billion people possible?](#)".

⁵ United Nations Development Programme, [Goal 2: Zero Hunger](#).

⁶ See [Statistical Yearbook of the Food and Agriculture Organization of the United Nations and Increasing the Resilience of Agriculture Livelihoods](#), and "[Sustainability Pathways: Smallholders and Family Farmers](#)".

⁷ World Bank Group, [The Changing Nature of Work](#), 2019, p. 99.

⁸ WTO website, "[Agriculture: fairer markets for farmers](#)".

⁹ See World Bank Group, the [Data Blog](#), March 2017, with data based on [World Bank Indicators](#).

¹⁰ [Climatewatch Data](#).

¹¹ SSI Policy Brief, [Biodiversity: Understanding the potential of agricultural standards for biodiversity protection](#), IISD, December 2018.

¹² See IPCC, [ARI: Impacts Assessment of Climate Change. Ch2: Agriculture and forestry](#), 2010.

¹³ See FAO website, [Poverty, Agriculture and Rural Development](#).

¹⁴ See ILO website, "[Child Labor in Agriculture](#)"; ILO and Walk Free Foundation, [Global Estimates of Modern Slavery](#), 2017; and [IFC Industry Sector Guidelines](#), Agribusiness/Food Production.

¹⁵ FAO website, [Codex Alimentarius](#) and [Antimicrobial Resistance](#).

63 the FAO's *Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the*
64 *Context of National Food Security (VGGT)*, the ILO's *Safety and Health in Agriculture Convention C184* and
65 *Work in Fishing Convention C188*, as well as a broad range of certification schemes affecting individual
66 commodities such as bananas, beef, cocoa, coffee, cotton, palm oil, soybeans, sugar, tea and etc.¹⁶ The
67 work of these organizations as well as others provides a broad foundation for building a common
68 understanding of the sector's impacts.

69 **GRI G4 Reports data.** Data retrieved from the GRI Reports database on 4 January 2019 indicates
70 that 151 G4 reports were registered between 2014 and 2017 from the agriculture sector. GRI's
71 sector program can support these reporting organizations and help encourage new reporters by
72 providing a user-friendly point of entry for agriculture and fishing companies to report on their
73 impacts.

74 Project objectives and scope

75 **Objectives.** The primary objectives of this project are to:

- 76 • identify and describe the agriculture and fishing sector's significant impacts and stakeholder
77 expectations, from a sustainable development perspective;
- 78 • provide evidence and authoritative references for these.

79 The resulting Sector Standard will provide context and clarity to agriculture and fishing companies on
80 issues that are considered material for their sector.

81 It is anticipated that this project will generate insight during the process itself on the feasibility of
82 developing reporting requirements, recommendations, and/or guidance for the sector. Any additional
83 content on management approaches is to be compatible for organizations to use together with *GRI*
84 *103: Management Approach*.

85 Issues identified within this project for which no corresponding GRI Standard exists are to be assessed
86 and prioritized by the GSSB for future GRI Standards development.

87 **Responsibilities.** A multi-stakeholder Project Working Group will be formed to contribute to the
88 identification and description of significant impacts for the agriculture and fishing sector, in accordance
89 with the [Due Process Protocol](#). The Project Working Group will be responsible for developing
90 recommendations for the Sector Standard, the GRI Standards Division will draft the text, and the
91 GSSB will have oversight and final approval over the Sector Standard before its release.

92 **Sector scope.** The Standards Division recommends that this sector project include crop production,
93 livestock production, fishing and aquaculture, and that the project title is 'Agriculture and Fishing'.

94 Hunting and forestry activities are excluded from the scope of Sector Standard.

¹⁶ OECD/FAO, [The OECD-FAO Guidance for Responsible Agricultural Supply Chains](#), 2016; the Committee on World Food Security's [Principles for Responsible Investment in Agriculture and Food Systems](#), 2014; [FAO's Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security](#), 2012; FAO and WHO, [International Code of Conduct on Pesticide Management](#), 2016; ILO, [Safety and Health in Agriculture Convention C184](#), 2001 and [Work in Fishing Convention](#), C188, 2007. For information on certifications schemes, see International Trade Centre, FiBL and International Institute for Sustainable Development, [The State of Sustainable Markets 2017](#), 2017 and the [Ecolabel Index](#).

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96 The following is a summary of the scope of the sector project:

- 97 • the sector scope is contained to the upstream portion of the value chain and includes
- 98 primarily production and aggregation of agriculture and fishing products;
- 99 • includes commercial agriculture - crop production and the raising of livestock, fishing and
- 100 aquaculture activities;
- 101 • includes food-related and non-food related products, such as cotton, tobacco and etc.;
- 102 • excludes hunting and forestry.

103 The Sector Standard will be primarily relevant for agriculture and fishing companies, with activities
 104 focused on the production and aggregation of food and non-food related products. In line with the
 105 sector description, the business activities within the scope of this Sector Standard are cross-
 106 referenced against external classifications systems GICS, ICB, and ISIC in Table I below.

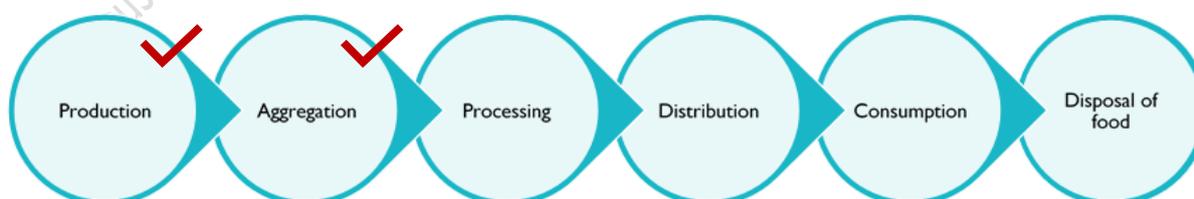
107 Table I: Proposed sector key for the agriculture and fishing sector project

Classification Standard	Classification No.	Classification Name
GICS	30202010	Agricultural Products
ICB	3573	Farming, Fishing & Plantations
ISIC	A1	Crop and animal production (excluding hunting)
	A3	Fishing and aquaculture

108 The Sector Standard may also be relevant for companies within the broader food value chain,
 109 including companies in manufacturing of food products and beverages, wholesale and retail sale of
 110 agricultural raw materials and live animals; wholesale and retail sale of food and beverages; food and
 111 beverage service activities.

112 For example, in the following food value chain, the scope of the Sector Standard will focus on
 113 production and aggregation activities, however, the impacts described may also be relevant to
 114 reporting organizations located further down the value chain, in food processing and distribution.

115 Figure I. Example - food value chain



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118 The Sector Standard is expected to also be of relevance to companies in other sectors, including
 119 those in manufacturing, retail and wholesale of tobacco products, textiles and wearing apparel, leather

120 and related products, and financial activities related to agricultural commodity trading, investment in
121 agriculture and fishing companies, and other activities.

122 The Standards Division will seek to recruit Project Working Group members with the appropriate
123 expertise to make recommendations on content for these business activities.

124 If during content development the Project Working Group determines that the sector key needs
125 revision (e.g. it becomes clear that some subgroup of the sector is not covered within content
126 development as expected), the Project Working Group can recommend changes to this sector key for
127 the GSSB's consideration.

128 Next Steps

129 Table 2 below summarizes anticipated dates for project milestones. Table 3, which follows, shows the
130 anticipated project timeline. However, scheduling changes may occur over the course of the project,
131 due to approval processes or other circumstances, which may extend the timeline of this sector
132 project.

133 Table 2: Agriculture and fishing sector project milestones

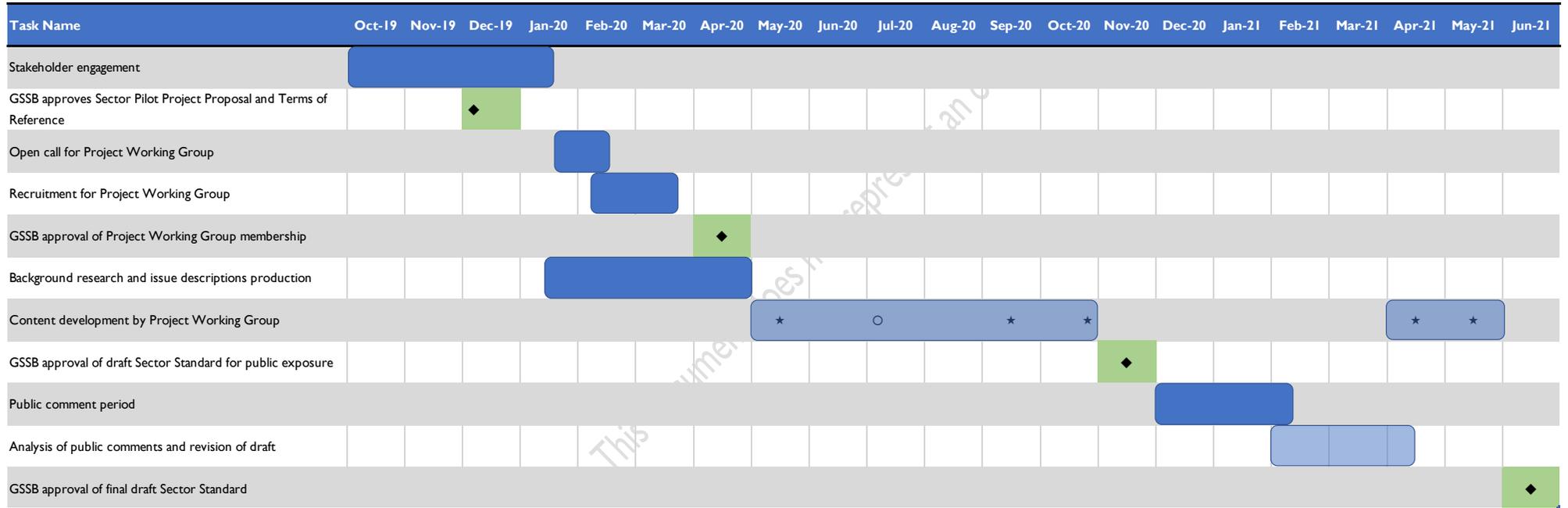
Summary Milestones	Due Date
GSSB approval of sector project proposal	10 December 2019
Appointment of project working group: call for nominations	January 2020 – February 2020
GSSB approves project working group membership	April 2020
Content development by project working group	May 2020 – October 2020
GSSB approves draft sector standard for public exposure (pilot project)	November 2020
Public comment period	December 2020 – February 2021
Analysis of public comments and revision of draft with the project working group	March 2021 – May 2021
GSSB approves final draft of sector standard (pilot project)	June 2021

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135 **Table 3: Estimated timeline for the agriculture and fishing sector project**

Key:

- GSSB Approvals ◆
- Project Working Group Meetings (Virtual) ★
- Project Working Group Meetings (In-person) ○



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