Agriculture and Fishing Sector Standard

Project Proposal

Approved by the Global Sustainability Standards Board (GSSB) on 10 December 2019.
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

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

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

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

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

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

**Sector-relevant reporting initiatives.** The agriculture and fishing sector is subject to diverse voluntary reporting initiatives, principles and certification schemes, including but not limited to the OECD-FAO Guidance for Responsible Agricultural Supply Chains, the Committee on World Food Security’s Principles for Responsible Investment in Agriculture and Food Systems (the CFS-RAI Principles), in partnership with the World Bank, UN Environment, UN Development Programme, and French agricultural research agencies CIRAD and INRA. Creating a sustainable food future, 2018; Stockholm Resilience Centre website, “Is feeding nine billion people possible?”,

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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”.
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.
12 See IPCC, AR1: Impacts Assessment of Climate Change, Ch2: Agriculture and forestry, 2010.
13 See FAO website, Poverty, Agriculture and Rural Development.
15 FAO website, Codex Alimentarius and Antimicrobial Resistance.
the FAO’s Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT), the ILO’s Safety and Health in Agriculture Convention C184 and Work in Fishing Convention C188, as well as a broad range of certification schemes affecting individual commodities such as bananas, beef, cocoa, coffee, cotton, palm oil, soybeans, sugar, tea and etc.\textsuperscript{16} The work of these organizations as well as others provides a broad foundation for building a common understanding of the sector’s impacts.

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

Project objectives and scope

Objectives. The primary objectives of this project are to:

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

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

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

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

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

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

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

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

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

The Sector Standard will be primarily relevant for agriculture and fishing companies, with activities focused on the production and aggregation of food and non-food related products. In line with the sector description, the business activities within the scope of this Sector Standard are cross-referenced against external classifications systems GICS, ICB, and ISIC in Table 1 below.

Table 1: Proposed sector key for the agriculture and fishing sector project

<table>
<thead>
<tr>
<th>Classification Standard</th>
<th>Classification No.</th>
<th>Classification Name</th>
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<tbody>
<tr>
<td>GICS</td>
<td>30202010</td>
<td>Agricultural Products</td>
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<td>ICB</td>
<td>3573</td>
<td>Farming, Fishing &amp; Plantations</td>
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<td>ISIC</td>
<td>A1</td>
<td>Crop and animal production (excluding hunting)</td>
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<td>A3</td>
<td>Fishing and aquaculture</td>
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</table>

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

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

Figure 1. Example - food value chain

The Sector Standard is expected to also be of relevance to companies in other sectors, including those in manufacturing, retail and wholesale of tobacco products, textiles and wearing apparel, leather
and related products, and financial activities related to agricultural commodity trading, investment in agriculture and fishing companies, and other activities.

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

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

**Next Steps**

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

Table 2: Agriculture and fishing sector project milestones

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