



Food and Agriculture  
Organization of the  
United Nations

# Gap analysis to support due diligence in the tropical fruit sector

A training guide



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Food and Agriculture Organization of the United Nations  
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This guide was prepared by Jesper Karlsson and Michael Riggs, both from the Responsible Fruits Project team. The content in the annexes was prepared by Jesper Karlsson. The document benefited from the overall guidance and support of Pascal Liu, Senior Economist and Team Leader, Responsible Global Value Chains team, Markets and Trade Division.

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# 1. Overview

## Introduction

FAO's **gap analysis tool and associated resources** aim to strengthen the management of sustainability risks in tropical fruit value chains. The tool helps companies to compare their policies and the voluntary sustainability standards (VSS) they use with key recommendations of the **OECD-FAO Guidance for Responsible Agricultural Supply Chains**, the global benchmark for due diligence and responsible business conduct in the agricultural sector.

Voluntary sustainability standards are often used by tropical fruit companies seeking to manage risks and to comply with the requirements of international markets. However, the usefulness of voluntary sustainability standards in supporting due diligence also depends in part on how aligned they are with international expectations and regulations.

By completing a gap analysis, a company will obtain:

- an overview of the strengths and weaknesses of its internal policies and standards applied;
- guidance on prioritizing areas for improvement; and
- practical ideas on how it can carry out due diligence.

FAO may update this training guide from time to time based on experience, or as technology or knowledge evolves. Feedback and suggestions to improve these learning materials are welcome from any user at any time by writing to [responsible-fruits@fao.org](mailto:responsible-fruits@fao.org).

## Objective

The objective of **this training guide** is to support trainers and other users to identify and apply some of the different materials and tools available to develop capacities that will help individuals and organizations improve business sustainability and meet the due diligence requirements of markets. Documents and tools developed by FAO for the gap analysis are listed below along with instructions for trainers on how to guide users in the use of the gap analysis guide to strengthening due diligence processes.



## Target users

This training guide is a resource for trainers and others involved in organizing and delivering capacity development. Trainers on the gap analysis tool should have a good understanding of responsible business conduct and due diligence in general and understand how to use the gap analysis tool.

Gap analysis learning targets senior management of companies, as they are typically responsible for due diligence processes. Technical staff, including sustainability officers, are also likely to benefit from participating in this training. In addition to company employees, individuals from producer and trade associations, government officials and researchers who work with the tropical fruit sector may be included in tutorials. These additional stakeholders may be involved in sharing information about the gap analysis tool or supporting follow-up actions in response to the gap analysis results.

The gap analysis tool and materials were originally designed for avocado and pineapple producers and companies. However, trainers and facilitators can easily adapt the training guide and examples for use with stakeholders in other fruit value chains.

## 2. Documentation and tools

There are several resources available to support understanding and conducting a gap analysis.

### Training guide

The training guide (this document) is a companion to the technical guide and other related materials developed by FAO. It provides a starter kit for trainers and others who are developing capacities for better carbon and water footprint measurement. The guide includes links to documentation and tools available to achieve that goal. It is available in English and Spanish.

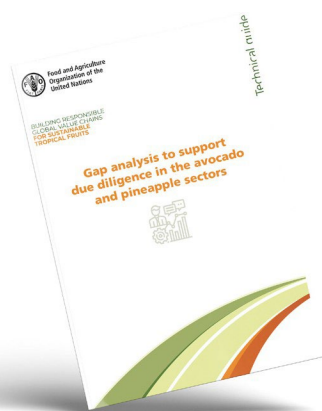
### Technical brief



The technical brief provides a quick overview of risk-based due diligence and why it is important to the tropical fruit sector. It also describes the gap analysis guide and tool. It can be used as an introduction for producers, companies and other organizations in avocado and pineapple value chains who would benefit from comparing their policies and the voluntary sustainability standards they use with the due diligence recommendations of the **OECD-FAO Guidance for Responsible Agricultural Supply Chains**.

The technical brief is available in **English**, **French** and **Spanish**.

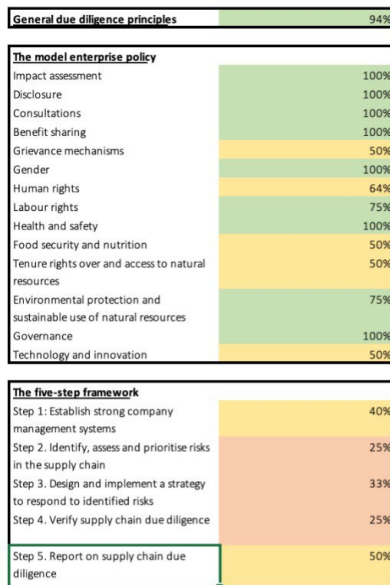
### Technical guide



The technical guide on gap analysis supports producers, companies and their organizations and others in tropical fruit value chains to develop risk-based due diligence systems to become more sustainable and resilient to shocks. It is a practical guide enabling users to make an initial analysis of the alignment of their policies and voluntary sustainability standards with international expectations and regulations on due diligence, and then to identify priority areas for action. It explains the use of the gap analysis tool (Excel).

The technical guide is available in **English**, **French** and **Spanish**.

## Tool (Excel)



The gap analysis tool is an Excel file that is free, easy and quick to use. Once downloaded, it works completely offline and does not require an internet connection. The results are available only to the company using the tool, which ensures total confidentiality. By completing the gap analysis, the company will obtain:

- an overview of the strengths and weaknesses of its internal policies and standards;
- guidance on prioritizing areas for improvement; and
- practical ideas on how the company can carry out due diligence.

The tool can be downloaded by clicking [here](#), or requested by sending an email to [responsible-fruits@fao.org](mailto:responsible-fruits@fao.org)

## Information for participants

**Annex 1** of this training guide presents a sample of the type of information that may be shared with participants prior to or during the training session. It reviews key learning points and provides resources for further information.

## Case study (of a hypothetical company)

A case study about a hypothetical (fictitious) company producing and selling tropical fruit has been designed so that trainers can apply the gap analysis tool to a “real world example”. It illustrates how users can apply the gap analysis tool in practice. Trainers may adapt the case study to meet the needs of their audience.

The case study can be found in **Annex 2** of this training guide.

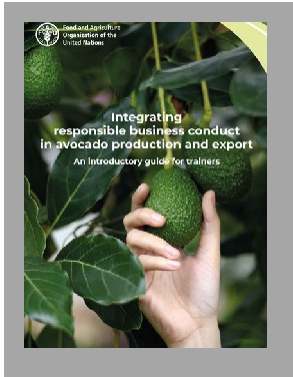
## Slide deck



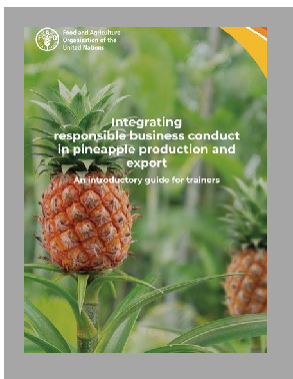
There is a slide deck available for trainers, facilitators and others to customize and use. The slide deck can be found in **Annex 3** of this training guide. To obtain an editable version of the slide deck, write to [responsible-fruits@fao.org](mailto:responsible-fruits@fao.org). The slide deck is available in English and Spanish.



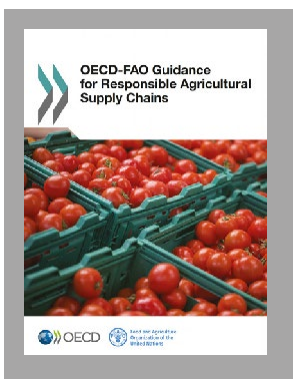
### 3. Related resources



**Integrating responsible business conduct in avocado production and export – An introductory guide for trainers.** This learning guide is designed to support those building capacity to understand and apply responsible business conduct in the avocado industry, particularly in identifying and prioritizing risks. It is a valuable tool for trainers and businesses, including small-scale producers, in avocado value chains as they work to meet growing demands for sustainability and transparency from international markets.



**Integrating responsible business conduct in pineapple production and export – An introductory guide for trainers.** This learning guide is designed to support those building capacity to understand and apply responsible business conduct in the pineapple industry, particularly in identifying and prioritizing risks. It is a valuable tool for trainers and businesses, including small-scale producers, in pineapple value chains as they work to meet growing demands for sustainability and transparency from international markets.



The **OECD-FAO Guidance for Responsible Agricultural Supply Chains**, the global standard for addressing risk and responsible business conduct in the agricultural sector. Several governments around the world have recognized the OECD-FAO Guidance as part of their policy frameworks linking investment, enterprise, agriculture and development. In May 2024, the Council of the European Union adopted the **Directive on Corporate Sustainability Due Diligence (CSDD)**, requiring certain companies in EU Member States to implement environmental and social due diligence in their business models. The OECD-FAO Guidance is referenced as the sector standard for due diligence in the Directive.

The OECD-FAO Guidance outlines how companies can better manage risks and development outcomes in their supply chains by establishing due diligence systems and encouraging multi-stakeholder cooperation. Sourcing responsibly involves a focused approach to tackling business and human rights, climate change and the environment, and understanding how impacts can occur along supply chains. The OECD-FAO Guidance illustrates how such challenges can be pronounced in developing economies and interlink with structural development challenges.

## 4. Developing a training plan

The objective of a capacity development (learning) event is to explain:

1. why due diligence is important;
2. how to use the gap analysis tool to help learners identify areas of convergence of the standards and policies their company uses in relation to international expectations on due diligence; and
3. how to use the results of the gap analysis to prioritize areas for improvement.

The tutorial consists of two parts, preparation and the live session. The instructions below should be used as a template for organizing learning sessions, but trainers should adapt it to the needs and context of their target audience. The content in the annexes may also be adapted to fit the context in which the capacity development exercise is carried out. While the Responsible Fruits Project focused on avocado and pineapple value chains, the gap analysis is widely relevant in the tropical fruit sector. Learning outcomes are more impactful if the slides and content are contextualized to an organization, business(es) or target audience.

### Training contexts

Learning sessions can be organized in-person (face-to-face), online (virtually) or by combining both in-person and online activities. The gap analysis learning materials are easily adaptable to either context.

There are different options for participation in training sessions. Two likely scenarios and what this means for the training are:

- a. Sessions with a **mixed group of participants from multiple organizations** will allow for exchange among different stakeholders and peer-learning on how to use the tool and prioritize areas of improvement. However, it is likely that participants will not be comfortable using their organization's own information or sharing results from using the tool due to confidentiality issues. In this case working with a realistic example, like the hypothetical case study, will be important.
- b. Sessions with **participants from only one company** or one organization will allow participants to utilize real information, share and discuss the real results of the gap analysis between colleagues, and have substantial discussions about opportunities to prioritize and improve their sustainability risk management processes. On the other hand, there may be less opportunity for peer-learning.

## Preparation (prior to the live session)

While it can be challenging for participants to find time to prepare in advance of a capacity development session, this is a technical subject. There is some essential information that should be understood before the session. The trainer/facilitator will need to determine the best approach, including what to share in advance and how much time will be needed to prepare. When sharing information in advance, it is recommended that an explanation of the importance of the preparation is provided, and that the trainer sends a reminder prior to the session!

- At minimum, participants should read the information for participants (Annex 1) and familiarize themselves with the Excel tool prior to the session.
- If there is sufficient time and motivation, the participants would benefit from reading the technical guide and the hypothetical case study prior to the session.
- The participants should try the Gap analysis tool by themselves before the training session, but it is not mandatory to complete it.
- Participants who have filled in the gap analysis tool can be invited to show the results during the live session. This is completely voluntary since the results of the survey may be confidential or sensitive.
- The participants should be encouraged to prepare questions based on their preparation. The questions may be asked prior to the session (e.g. in a group chat) or during the live session.

## Live session

As mentioned before, sessions can be tailored to different audiences including groups of companies, groups of mixed stakeholders, or participants from a single company or organization. Adjustments will also need to be made based on the amount of preparation achieved.

An outline for a three-part live session is presented below. This will need to be adapted to whether the session is held face-to-face or online. The time estimates below are for shorter online sessions. Face-to-face sessions can go into more depth if required and would therefore require more time. The suggested session does not include time to complete the tool in its entirety and analyse the results. The training is designed to enable companies to understand how to complete and use the tool, so that they can continue on their own. A second, potentially much longer session would be required to support filling in the tool completely and analysing the results.



### **Part 1: Introduction (30–45 minutes)**

- Welcome, housekeeping rules and opening remarks.
- Introduce the agenda and reiterate the objectives of the training session.
- Do a round of self-introductions (if needed).
- Ask if the participants have any initial questions.

### **Part 2: Presenting the tool (30–45 minutes)**

- Explain how to use the tool, including the meaning of individual tabs and how the questionnaire is to be completed (15–20 minutes).
- Q&A and discussion around the content, adaptation to local language, potential bugs identified, etc. (15–25 minutes).

### **Part 3: Use the results (60 minutes)**

- The trainer will give an overview of how the results of the tool can be used to prioritize areas for improvement of risk management (10 minutes).
- The trainer will present a hypothetical case study of a company with low to medium compatibility with the OECD-FAO Guidance (15 minutes).
- Q&A (10 minutes).
- The participants, working in groups of 2–3 people, fill in a small part of the tool. This exercise is simply to ensure that the participants understand how it works. If the training is only for an individual company, participants could be asked to share and discuss the results of their use of the tool. (15 minutes).
- Q&A and wrap up (10 minutes).

# Annex 1.

## Information for participants

### Training on the FAO gap analysis tool to support due diligence in the tropical fruit sector

This document is for participants in training sessions. The training will help you understand:

1. The importance of due diligence.
2. How to use the gap analysis tool to align your company's standards and policies with international expectations on due diligence.
3. How to use the results of the gap analysis to prioritize areas for improvement.

### What is due diligence?

*Due diligence is the process through which companies can identify, assess, mitigate, prevent and account for how they address the negative impacts of their activities and those of their suppliers and business partners.*

#### Due diligence in the context of responsible business conduct

What is it?	A process
Who is responsible?	that companies should conduct to
What must be done?	identify, prevent, or mitigate and remediate, and report on how
What is the focus?	actual and potential negative impacts are addressed
Where is it applied?	in their own operations, supply chains and other business relationships.

## Why conduct due diligence?

*Due diligence helps companies to improve business performance by identifying and addressing risks of negative impacts of both their own activities and those of their business partners.*

Conducting due diligence allows companies to improve business performance by identifying and managing potential risks of negative impacts both from their own operations and those of their partners. Due diligence also increases the ability of companies to positively contribute to environmental protection and improved livelihoods. New or proposed laws in key markets increasingly require companies to perform due diligence, making it a prerequisite for market access.

## Can voluntary sustainability standards and certification support due diligence?

*Voluntary sustainability standards can support but not replace the responsibility of companies to avoid negative social and environmental impacts.*

While voluntary sustainability standards can support due diligence efforts, they do not replace a company's responsibility to carry out due diligence and prevent negative social and environmental impacts. Many companies in the tropical fruit sector rely on voluntary sustainability standards and certification, but companies may have to take extra steps in case the standards they use are not fully aligned with international laws and recommendations related to due diligence. Voluntary sustainability standards were not initially designed with a primary focus on due diligence, but many schemes now include due diligence principles.

## Common differences between due diligence and voluntary sustainability standards

Due diligence	Voluntary sustainability standards
Companies are responsible for managing risks	Risk management often outsourced to third-parties such as certification bodies
Continuous risk assessment by the company	Risks are sometimes predefined without consideration of the specifics of a certain company



Due diligence	Voluntary sustainability standards
Focus on both prevention of negative impacts before they occur and managing of negative impacts if they occur	There is sometimes a focus on management of negative impacts when they occur rather than prevention of negative impacts before they occur
Focus on all operations, products and services	There is often a focus on certification of a process for a specific product and a lack of consideration of all activities of the company
Consider the entire value chain	There is often a focus on specific segments of the value chain such as production or processing
Includes assessment of and management of the negative impacts caused by the company as well as its business partners such as suppliers	Often limited to managing negative impacts caused by the company directly without any regard to negative impacts caused by business partners such as suppliers

## What is the OECD-FAO Guidance for Responsible Agricultural Supply Chains?

*The OECD-FAO Guidance is the benchmark for due diligence and responsible business conduct in the agricultural sector.*

The OECD-FAO Guidance is an internationally endorsed framework for due diligence in agriculture. It provides guidelines for responsible business conduct and addresses a range of sustainability topics, including food security, labour rights, climate, and governance. Following its recommendations helps companies align with international due diligence expectations.

The OECD-FAO Guidance includes four important components:

*A model enterprise policy, outlining the standards that enterprises should observe to build responsible agricultural supply chains.*

*A 5-step framework for risk-based due diligence describing the practical steps that enterprises should follow to identify, assess, mitigate and report on work for addressing the adverse impacts of their activities.*

*A description of major risks faced by enterprises in the agricultural sector, highlighting measures for avoiding or mitigating these risks.*

*Examples on engaging with and addressing development vis-à-vis vulnerable groups, such as Indigenous Peoples.*

## How can a gap analysis strengthen your due diligence?

*A gap analysis can help to identify strengths and weaknesses of the sustainability standards and policies used by your company and prioritize areas for improvement.*

The gap analysis helps to compare voluntary sustainability standards and internal policies with recommendations of the **OECD-FAO Guidance for Responsible Agricultural Supply Chains**. The OECD-FAO Guidance can be read in parallel with the gap analysis.

The **spreadsheet-based gap analysis tool**, which is free and offline, provides a quick comparison of company standards with international requirements and helps identify strengths, weaknesses and areas for improvement. Results are confidential and can help companies prioritize actions to improve risk management.

The results are available only to your company, ensuring confidentiality. FAO will neither record any results, nor provide any certifications or other endorsement to companies that have completed their gap analysis.

The gap analysis tool is not a test, and it will not provide a complete analysis of your company's compliance with due diligence. The results are confidential, and you can use it internally to identify strengths, weaknesses and areas for improvement.

Please familiarize yourself with the tool after reading the provided document. You are not expected to complete the tool entirely before the session, and if you find it challenging, you will receive guidance during the tutorial session.

You can also save your questions for the session.

## How do we use the gap analysis tool?

*Fill in the simple questionnaire and get an overview of areas of high, partial, or low convergence.*

The senior management of a company is responsible for conducting due diligence. We therefore recommend that the senior management fill in the gap analysis tool together with technical managers and staff.

The gap analysis tool consists of four tabs:

- Instructions
- Questionnaire
- Report
- Definitions



Access the tool and navigate to the Questionnaire tab, assuming you have already read this tutorial. The questionnaire is straightforward and easy to complete. It consists of three parts:

**Part 1** – This section presents general principles that should guide the design and implementation of due diligence. These principles are commonly found in internationally endorsed documents on due diligence and responsible business conduct.

**Part 2** – Here, you will find thematic areas, associated risks, and impacts based on the model enterprise policy outlined in the OECD-FAO Guidance. Each thematic area includes specific requirements.

**Part 3** – This section outlines the 5-step framework for risk-based due diligence recommended by the OECD-FAO Guidance. It provides a practical, step-by-step approach to carrying out due diligence.

For each principle, requirement, or step listed in the questionnaire, indicate whether your company's standards or policies align by selecting "yes," "partially," or "no."

Answer
Yes
Partially
No
Partially
Yes

In the optional comment section, you can provide details on how and why your company complies with these principles and requirements.

When you have completed the questionnaire, proceed to the "Report" tab, where you will find a summary of your answers.

In the hypothetical example below, a company finds a few areas of high convergence and many areas of partial or low convergence.

<b>General due diligence principles</b>	63%
<b>The model enterprise policy</b>	
Impact assessment	50%
Disclosure	50%
Consultations	50%
Benefit sharing	0%
Grievance mechanisms	0%
Gender	50%
Human rights	64%
Labour rights	17%
Health and safety	100%
Food security and nutrition	50%
Tenure rights over and access to natural resources	80%
Environmental protection and sustainable use of natural resources	42%
Governance	88%
Technology and innovation	100%
<b>The five-step framework</b>	
Step 1: Establish strong company management systems	30%
Step 2: Identify, assess and prioritise risks in the supply chain	50%
Step 3: Design and implement a strategy to respond to identified risks	17%
Step 4: Verify supply chain due diligence	0%
Step 5: Report on supply chain due diligence	0%

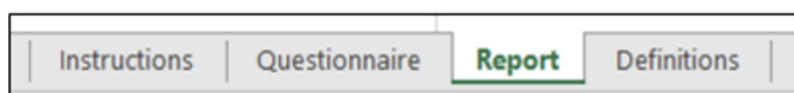
## How do we use the results?

*The results provide an overview of your company's strengths and weaknesses in managing sustainability risks. This can help you to prioritize areas for improvement.*

When you have filled in the answers, you can find a summary in the "Report" tab. This does not provide a full assessment of your company's alignment with the OECD-FAO Guidance. But it will help to identify and prioritize areas for improvement.

For gaps, you should consider the severity and likelihood of negative impacts that may arise if those gaps are not addressed.





**Parts 1 and 2** of the results highlight alignment with key areas of the OECD-FAO Guidance, including principles, thematic areas and risk categories.

**Part 3** lists alignment with due diligence procedures based on the OECD-FAO Guidance 5-step framework.

Due diligence requirements are often based on a company's size and influence. For larger companies bound by due diligence laws, prioritizing and addressing most or all gaps is advisable. Smaller companies with limited capacity may focus on the most critical gaps based on the likelihood and severity of negative impacts. While smaller companies may not be legally required to perform full due diligence, larger buyers (such as processors, exporters and retailers) may still expect information on sustainability impacts and mitigation efforts from their smaller suppliers.

The 5-step framework is a practical step-by-step framework that can guide the process of carrying out due diligence. If your company is in the early stage of designing and implementing due diligence, you may find many gaps in this section. You can implement the requirements of each step to ensure that your due diligence process is comprehensive. If your company already has an advanced internal due diligence system, it may still be useful to compare it with the 5-step framework. You do not have to follow the steps in chronological order but may consider incorporating the requirements of all steps in your due diligence process.

# Annex 2.

## Hypothetical case study of the Green Fruit Export company

### Introduction

This hypothetical case study is designed to aid users who are new to FAO's gap analysis tool. This story, in combination with a sample completed gap analysis tool, illustrate how companies can use the gap analysis tool in practice. It is particularly useful when participants do not have or cannot share information about their own organization. Trainers can adjust the case study to meet the needs of their audience.

### Characteristics of the fictional company

*Green Fruit Export* is a medium-sized company that exports fresh avocados and pineapples from one producer country and sells them within the European Union.

The company employs fewer than 50 people and has an annual turnover of under USD 5 million. It operates two packing houses, one for pineapples from a big plantation and one for avocados from a cooperative of small and medium-scale farmers. *Green Fruit Export* itself does not produce fruit.

The company is committed to social and environmental sustainability and views these as a competitive advantage. Both the company and its suppliers are certified by voluntary sustainability standards. This approach helps strengthen market access in the context of new regulations.

*Green Fruit Export* has a small field team that works in the producing country with the cooperative, plantation and local authorities to improve production and ensure compliance with administrative procedures and voluntary sustainability standards. The CEO has delegated monitoring of specific economic vulnerabilities to different staff members in the headquarters and in the field.

### Current context

#### Challenges related to supply and demand

In recent years, *Green Fruit Export* has experienced uncertainties related to price and demand fluctuations, changing supermarket requirements and logistical challenges for refrigerated freight of fruits during the COVID-19 pandemic. Unpredictable weather in producing areas has also limited supply of quality fruits.

## Changes in international regulations

A new law on due diligence requires companies with 250 or more employees or USD 40 million in annual turnover to carry out due diligence. The law specifies that the degree to which companies should carry out due diligence depends on the company's size, economic power and the likelihood and severity of unaddressed negative sustainability impacts.

## Reports on negative sustainability impacts

Recently, media and civil society organizations reported that the company that owns the pineapple plantation has violated environmental laws and labour rights. Reports indicate excessive use of pesticides, lack of safety equipment for workers, contamination of water resources and harm to surrounding ecosystems. Despite these reported violations, the plantation company has not been investigated by the certification schemes that issue the voluntary sustainability standards. This raises doubts about the reliability of these standards.

*Green Fruit Export's* field team has observed that men dominate both the pineapple plantation and the avocado cooperative. There are no women in leading positions and most of the producers and workers are men. In the company's own packing houses, most of the workers are women, but the managers are all men. This indicates that gender inequality is a problem both in the production and packing stages of the company's value chain.

Community members have complained that some avocado orchards use too much water, which has affected local water supplies.

*Green Fruit Export* has the following concerns:

- Negative social and environmental impacts can hinder its ability to source fruits.
- Discontent among workers and communities can reduce productivity and even stall production.
- Negative environmental impacts can harm the natural resource base that fruit production depends on.
- Supermarkets may stop buying fruits from *Green Fruit Export* if they cannot prove that they source fruits sustainably.
- Negative publicity may harm its reputation.

## Does the new law on due diligence apply to *Green Fruit Export*?

As a medium-sized company, *Green Fruit Export* falls under the threshold required by the new due diligence law. However, supermarkets that buy fruits from the company are subject to this law. The supermarkets are therefore increasing their requirements for suppliers like *Green Fruit Export*.

## What can *Green Fruit Export* do to comply with sustainability requirements?

*Green Fruit Export* does not have a formal due diligence process. The company and its suppliers have relied on voluntary sustainability standards to reduce sustainability risks, comply with regulations and to improve their reputation.

The field team and staff involved in exporting fruits have received training and the certification schemes have provided risk maps that identify locations where specific sustainability risks are heightened.

Third party auditors used by the certification schemes regularly audit both *Green Fruit Export* and the suppliers. However, *Green Fruit Export* lack complete information about sustainability risks of its suppliers.

*Green Fruit Export* has contacted the plantation owner, the cooperative and the certification schemes to get more clarity on recent negative reports. *Green Fruit Export* wants to work together with them to address problems.

## Using the gap analysis tool as a first step to establish a due diligence process

While *Green Fruit Export* was previously satisfied with the voluntary sustainability standards, the company now intends to increase its own capacity to monitor and address risks. The company has therefore decided to develop a due diligence policy. As a starting point, they have completed FAO's gap analysis.

**Please follow along with the sample gap analysis tool completed by *Green Fruit Export* to see the results.**

The results indicate several areas where the company fails to meet the requirement for due diligence as laid out by the OECD-FAO Guidance. At the same time, the gap analysis tool helps to identify the areas that need attention. To have identified sustainability challenges through a gap analysis is an important first step in *Green Fruit Export's* due diligence process. Now, further work is needed to prioritize and address these challenges.

In reviewing their results and preparing to prioritize risks, the company has made comments on reasons for compliance or non-compliance with different requirements. Following is a selection of the comments organized by each section of the gap analysis tool.

## Part 1. General due diligence principles results

- Fulfilled: 3
- Partially fulfilled: 3
- Failed: 2

### *Comments from the company*

👉 *Green Fruit Export* has just started designing a due diligence strategy but will aim to improve it over time.

👉 Until now, we have mainly relied on certification schemes to address risks.

👉 One of the certification schemes has a risk map that shows in which geographical areas there is a high likelihood of different types of risks.

👉 Until now, contact with certification schemes has been delegated to staff members. From now on, the CEO will ultimately be responsible for due diligence. Relevant staff members will report directly to the CEO on progress and challenges to our due diligence.

👉 We used to think that being part of certification schemes was sufficient for managing risks but have recently started to develop our own capacity to do due diligence.

👉 Our field team have contacted our suppliers (the avocado cooperative and pineapple plantation) and certification schemes to discuss how to manage risks.

👉 The field team is also regularly in contact with avocado farmers and workers at our packing houses. The field team suggests that we discuss sustainability issues with these stakeholders and use their feedback as input to our due diligence strategy.

👉 The field team also suggests that we engage with a local NGO that has credibility among communities in the area.

## Part 2. The model enterprise policy results

### *Cross-cutting RBC standards results*

- Fulfilled: 0
- Partially fulfilled: 2
- Failed: 4

### *Comments from the company*

👉 Impact assessment, Disclosure and Consultation: We are just beginning to learn about this. We plan to hire sustainability consultants that can help with these issues and train our staff members. We also plan to contact a local NGO to discuss how consultations with communities may be carried out.

- 👉 Benefit sharing: Our packing houses employ people in an area with high unemployment.
- 👉 The pineapple plantation that we buy pineapples from creates local jobs, but we do not have full information about the quality of those jobs.
- 👉 The cooperative we source avocados from contributes to creation of livelihoods for the producers, as well as training on, for example, good agricultural practices.
- 👉 Grievance mechanisms: We do not have a grievance mechanism in place. We may discuss possibilities for establishment of a grievance mechanism with the sustainability consultants and NGO mentioned above.
- 👉 Gender: The certification schemes have requirements on gender equality and elimination of discrimination, but we have not worked actively on these issues.
- 👉 Our headquarters, field team and packing houses consist of both women and men.
- 👉 There are both women and men in leading positions in our company.
- 👉 We do not have full information about gender issues from our suppliers. More men than women are in leading positions at both the plantation and the cooperative.

### **Human rights results**

- Fulfilled: 0
- Partially fulfilled: 2
- Failed: 5

### **Comments from the company**

- 👉 Human rights are respected in the operations of our direct control. We are committed to increase our capacity to address possible human rights issues.
- 👉 We need to increase our knowledge about possible human rights violations in our supply chain.
- 👉 We have not started to address possible violations against human rights outside of our own operations.

### **Labour rights results**

- Fulfilled: 0
- Partially fulfilled: 2
- Failed: 4



### *Comments from the company*

- 👉 The certification schemes we participate in have requirements on occupational health and safety (OHS).
- 👉 During the COVID-19 pandemic, we strengthened the OHS protocol in our packing houses in cooperation with a certification scheme.
- 👉 The employees at our packing houses earn decent wages.
- 👉 We need more information about employment conditions at the pineapple plantation.
- 👉 We are convinced that the farmers that are part of the cooperative we source avocados from earn a decent livelihood from avocado production. However, we need more information about employment conditions of workers employed by the farmers.

### **Health and safety results**

- Fulfilled: 0
- Partially fulfilled: 1
- Failed: 1

### *Comments from the company*

- 👉 As mentioned above, we have a strong OHS protocol in place. We comply with food safety standards to ensure that the avocados and pineapples we sell are safe.
- 👉 We lack knowledge on the issue of protection of the health and safety of affected communities.

### **Food security and nutrition results**

- Failed

### *Comments from the company*

- 👉 We lack knowledge on this issue. However, we help to strengthen the availability of healthy food to consumers. The jobs generated by our operations also help employees buy food and other necessities.

### ***Tenure rights over and access to natural resources results***

- Fulfilled: 2
- Partially fulfilled: 2
- Unfulfilled: 1

#### *Comments from the company*

- 👉 Respect of land rights is a requirement in our voluntary sustainability standards, but we lack in-depth knowledge on this issue.
- 👉 Our packing houses are located in an industrial zone. We bought those sites from the former owner in accordance with national regulations.
- 👉 All avocado producers own the land that they produce on. However, there have been rumours that some avocado producers use too much water, which has allegedly led to dried streams and water wells that are used by other people in the area.
- 👉 The plantation that we source pineapples from used to be a state-owned cattle ranch for over fifty years so there are no legacy tenure conflicts as far as we know.
- 👉 We do not plan to buy or rent any land. We will stay informed of plans to acquire land by the plantation owner and cooperative members.
- 👉 We will not make any investments that would lead to displacement.
- 👉 We will not make any investment in land that has been expropriated by the state from people that use that land.
- 👉 Since our operations and those of our suppliers do not contribute to violations of land rights, compensation to landowners and land-users is not applicable for us.

### ***Environmental protection and sustainable use of natural resources results***

- Fulfilled: 0
- Partially fulfilled: 14
- Failed: 1

#### *Comments from the company*

- 👉 We do not cooperate with the government on environmental issues, and we lack knowledge of mechanisms for this. However, we are regularly in contact with the ministry of agriculture in our district and we are open to exploring ways to cooperate on environmental issues.

☞ The certification schemes have strong environmental requirements. The operations under our control (i.e., the packing houses) are adhering to these requirements. Our suppliers use the same certification schemes, but we need more information on whether our suppliers comply with their requirements.

### **Governance results**

- Fulfilled: 3
- Partially fulfilled: 0
- Unfulfilled: 1

#### *Comments from the company*

☞ Since our company is relatively small, we believe that the risks that we would contribute to governance risks are low and we will therefore not prioritize these risks at the moment.

☞ We adhere to laws related to anti-corruption and taxes.

☞ As a medium enterprise, we do not see a risk that we would be able to engage in anti-competitive practices.

☞ We lack knowledge of the OECD Recommendation of the Council on Principles of Corporate Governance.

### **Technology and innovation results**

- Partially fulfilled

#### *Comments from the company*

☞ We lack knowledge of how we could contribute to this along our supply chain.

☞ However, cooperation with the avocado cooperative and certification schemes contributes to diffusion of knowledge and technologies for good agricultural practices.

☞ We will not prioritize this topic at the moment.

## **Part 3. The 5-step framework results**

- All areas unfulfilled except “We have structured internal management to support supply chain due diligence” that is partially fulfilled.

### *Comments from the company*

👉 We see the gap analysis as a first step for us to develop processes in accordance with the 5-step framework. The sustainability consultants we plan to hire will help us with this.

## **Step 1: Establish strong company management systems**

### *Comments from the company*

- 👉 We will develop a due diligence and responsible business conduct policy in accordance with the OECD-FAO Guidance, including its model enterprise policy and 5-step framework.
- 👉 Previously we have mainly responded to economic risks in reaction to problems as they have arisen. Staff members have also reported on social and environmental sustainability issues and suggested ways to address them. However, this has been done in an irregular manner.
- 👉 We are now in the process of formalizing responsibilities and strengthening ways to communicate on and take actions on different issues.
- 👉 We lack knowledge of how to strengthen controls and transparency along supply chains.
- 👉 We have just contacted our suppliers to get clarity on rumours of violations against sustainability standards. We aim to develop cooperation with them on this issue.
- 👉 We also aim to engage with communities via an NGO that works in our region.

## **Step 2. Identify, assess and prioritize risks in the supply chain**

### *Comments from the company*

- 👉 We lack the knowledge on how to identify, assess and prioritize risks along the value chain. The gap analysis tool is a first step.

## **Step 3. Design and implement a strategy to respond to identified risks**

### *Comments from the company*

- 👉 We lack the knowledge on this and will work to increase our understanding.

#### Step 4. Verify supply chain due diligence

##### *Comments from the company*

👉 We lack the knowledge on this and will work to increase our understanding.

#### Step 5. Report on supply chain due diligence

##### *Comments from the company*

👉 We lack the knowledge on this and will work to increase our understanding.

### How can *Green Fruit Export* prioritize which gaps to address first?

Companies will need to prioritize differently depending on how far they have come in establishing a gap analysis process. Some companies may not have a formal risk management process at all while others may have an advanced risk management strategy in place.

To help prioritize risks, companies can consider the following.

**1. Consider the severity and likelihood of negative impacts if gaps are not addressed.** This should lead companies to think about what would happen if the identified risks turned into negative impacts. Try to answer the following questions:

- What would the severity of identified potential negative social, environmental and economic impacts be?
- What is the likelihood of those negative impacts to happen in the short- and long-term?
- What are the implications for you and your company? For example, litigation, conflicts, loss of markets, loss of certification, reputational damage, etc.

**2. Reflect on gaps in relation to the company's context.** Companies should reflect on the gaps in relation to the circumstances of the company. This will include the environmental conditions and political context of the geographic areas in which it operates or sources fruits from, the fruits it produces or trades, and which segments of the value chain it is involved in. Try to answer the following questions:

- Which are the specificities of the crop/product? (conventional, organic production, low carbon, etc.)
- What are the agricultural and climatic conditions?

- What is the political context?
- Are there “red flag” risks such as human rights violations, irreparable environmental damage, etc., associated with the above?
- Do you have risk maps issued by certification schemes, NGOs, governments, etc.?

## How can *Green Fruit Export* prevent or mitigate risks?

### Own risks

*Green Fruit Export* considers the inadequate fulfilment of different requirements to be problematic, but it does not have the capacity to address all gaps simultaneously. Companies have different capacities, including knowledge, skills and resources to do so. As a medium enterprise, *Green Fruit Export* can start by addressing the most serious risks.

Many of the gaps identified by *Green Fruit Export* are related to lack of knowledge of possible problems in their packing houses and problems of their suppliers.

The company believes that it **fulfils many requirements of the OECD-FAO Guidance in the packing houses**, which is the part of the value chain that they control themselves. However, it will update its OHS protocol and put greater emphasis on possible gender issues such as inequality between women and men.

Strengthening the knowledge of field staff and hiring sustainability consultants will help to prioritize and address gaps.

### Partners' risks

The **company will not address possible issues at the transport stage** at this time since transportation is mainly carried out by bigger freight companies that have their own responsibility to carry out due diligence.

**The company has decided that gaps related to the plantation and cooperative are most urgent.** The company prefers to continue to work with them. However, the company will consider alternative sources of fruit if the suppliers lack genuine interest in addressing sustainability risks.

As the due diligence capacity of the plantation and cooperative is different, *Green Fruit Export* will use two approaches:

1. The **pineapple plantation** is owned by a large plantation company and has a high financial capacity to address gaps. Therefore, *Green Fruit Export* aims to put pressure on the plantation to fulfil its obligations. It will engage in dialogue and hopes to work together with the plantation on sustainability issues.



2. The **cooperative** consists of small and medium farmers with a limited capacity to address all gaps immediately. In cooperation with the certification schemes, *Green Fruit Export* aims to support the producer associations to identify the main risks. Following that, they can agree with the cooperative on a few high-impact areas first, depending on the likelihood and severity of negative impacts.

## The company's plan to strengthen due diligence based on the results of the gap analysis tool

### Cross-cutting RBC standards

The company will gradually increase its knowledge and capacity to address these issues through the involvement of sustainability consultants. The company believes addressing some of these issues may be met with scepticism from the plantation company and the cooperative but aims to do its best or begin to source fruit from other suppliers.

### Human rights

The company believes that gaps in this area are mainly related to knowledge gaps, and it intends to increase its understanding of possible human rights violations at the plantation and the orchards.

### Labour rights

*Green Fruit Export* believes that labour rights requirements are fulfilled in the packing houses. Given recent allegations of violations of labour rights at the plantation, *Green Fruit Export* will put pressure on the plantation company to address labour rights issues immediately and provide proof on how it addresses these issues.

The company will engage in dialogue with the cooperative and gradually increase its knowledge on possible labour rights problems on the avocado orchards.

### Health and safety

*Green Fruit Export* will upgrade its OHS protocol and put greater emphasis on gender issues and possible health impacts on surrounding communities. The company believes that good agricultural practices and efficient natural resource use will decrease the likelihood of negative health impacts on community members.

### Food security and nutrition

While the company's activities contribute to incomes of farmers and workers and access to nutritious food in import countries, there may be risks of negative impacts on food security. For example,

reported environmental problems related to pesticides and overuse of water may impede the capacity of communities to produce food for local consumption. Negative health impacts on plantation workers from misuse of pesticides is also a threat to food security as health issues can reduce peoples' ability to utilize food even when it is available. *Green Fruit Export* will prioritize measures that reduce the possible negative impacts on food security, such as promotion of good agricultural practices, sustainable resource use and enforcement of OHS protocols. Decent wages among workers at all stages of the supply chain are also important to ensure that they have the purchasing power to buy food and other necessities.

## **Environmental protection and sustainable use of natural resources**

The company will require that the plantation company addresses environmental issues immediately. The company also intends to work closely with the cooperative and the certification schemes to prioritize two areas at the orchards: 1) Promoting good agricultural practices, including to maintain or improve soil fertility and avoid soil erosion; and 2) Increasing the efficiency of resource use and energy.

*Green Fruit Export* believes that they have the capacity to promote good agricultural practices and that prioritizing this will have positive spillovers on other issues including environmental issues, food security and the health of farmers and workers. The company also believes that these are all issues of interest for the cooperative members.

Furthermore, the company believes that there are potential synergies between good agricultural practices and efficient natural resource use. Efficient natural resource use is also important due to the allegations of too much water use at some orchards.

## **Tenure rights over access to natural resources**

As described above, the company does not see any urgent risks to land rights. It will therefore not take any measures at this time.

However, there may be risks to water rights' issues due to possible overuse and water pollution. This will mainly be addressed through a focus on good agricultural practices and sustainable natural resource use.

## **Governance**

The company does not see any immediate risks in this area and will not take any direct measures beyond its current compliance with laws and good practices.

## **Technology and innovation**

The company does not see this topic as a major risk and will not prioritize it. However, it believes that promotion of good practices such as sustainable production methods and sustainable natural resource use will indirectly contribute to this requirement.

## **The 5-step framework**

*Green Fruit Export* will use the 5-step framework to guide the development and implementation of its due diligence policy. The company will begin with steps 1 and 2 and plans to complete them within a year, using the framework flexibly to meet its specific needs.

## Annex 3.

# Training slide deck

Please contact the Responsible Fruits Project team at [responsible-fruits@fao.org](mailto:responsible-fruits@fao.org) to receive an editable version of the slide deck.





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## Contents

1. Objectives of this session
2. Introduction and resources
3. Due diligence – the basics
4. Gap analysis and the OECD-FAO Guidance
5. Applying the gap analysis tool
6. Prioritizing risks: which ones should you address first?
7. Conducting a gap analysis – a case study



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## 1. Objectives of this session

In this session you will learn:



Why due diligence is  
important



How to use the gap  
analysis tool



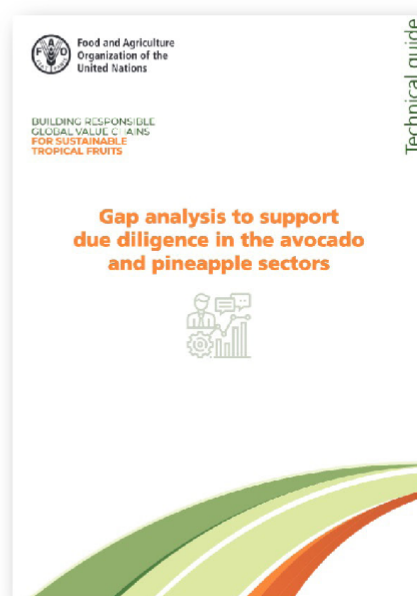
How to use the results  
to prioritize areas for  
improvement



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## 2. Introduction and resources

FAO has developed a **gap analysis guide** that helps companies compare the standards and certifications they use with the recommendations of the *OECD-FAO Guidance for Responsible Agricultural Supply Chains*



Technical guide

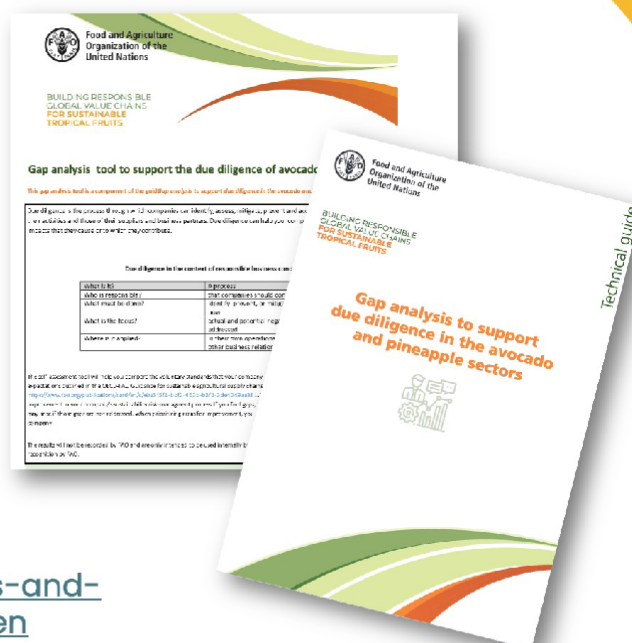


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## 2. Introduction and resources (continued)

- A **technical guide**
- An **Excel spreadsheet**-based tool:
  - easy and quick to use
  - once downloaded, it works offline
  - results are confidential and only available to the user

Find the for free at: [www.fao.org/markets-and-trade/responsible-fruits/due-diligence/en](http://www.fao.org/markets-and-trade/responsible-fruits/due-diligence/en)



Technical guide





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### 3. Due diligence – the basics

#### What is due diligence?

##### Due diligence in the context of responsible business conduct

What is it?	A <b>process</b>
Who is responsible?	that <b>companies</b> should conduct to
What must be done?	<b>identify, prevent, or mitigate and remediate, and report</b> on how
What is the focus?	actual and potential <b>negative impacts</b> are addressed
Where is it applied?	in their <b>own operations, supply chains and other business relationships.</b>



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### 3. Due diligence – the basics (continued)

#### Why should companies care about due diligence?

Because it helps companies:



**Identify and address  
sustainability risks.**



**Reduce costs.**



**Improve business  
performance.**



**Maintain access to  
markets.**



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### 3. Due diligence – the basics (continued)

Can voluntary sustainability standards be used instead of due diligence?

Voluntary sustainability standards (VSS) used in the tropical fruit sector can support the efforts of carrying out due diligence.

But **they cannot replace** the core **responsibility of companies** to identify, address and report on how they address risks of negative impacts.



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### 3. Due diligence – the basics (continued)

What's the difference between due diligence and VSS?

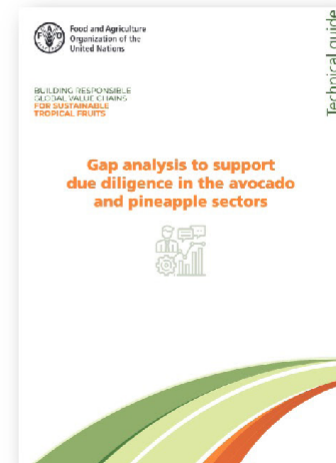
Due diligence	Voluntary sustainability standards
Companies are responsible for managing risks	Risk management often outsourced to third-parties such as certification bodies
Continuous risk assessment by the company	Risks are sometimes predefined without consideration of the specifics of a certain company
Focus on both prevention of negative impacts before they occur and managing of negative impacts if they occur	There is sometimes a focus on management of negative impacts when they occur rather than prevention of negative impacts before they occur
Focus on all operations, products and services	There is often a focus on certification of a process for a specific product and a lack of consideration of all activities of the company
Consider the entire value chain	There is often a focus on specific segments of the value chain such as production or processing
Includes assessment and management of negative impacts caused by the company as well as by its business partners such as suppliers	Often limited to managing negative impacts caused by the company directly without any regard to negative impacts caused by business partners such as suppliers



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## 4. Gap analysis and the OECD-FAO Guidance

FAO's gap analysis guide helps companies and other organizations to **compare VSS and internal policies with the recommendations of the OECD-FAO Guidance** for Responsible Agricultural Supply Chains.



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## 4. Gap analysis and the OECD-FAO Guidance (continued)

The OECD-FAO Guidance is the international benchmark for risk-based due diligence in the agricultural sector.

Companies that follow the recommendations of the OECD-FAO Guidance can be confident that **they will be able to comply with new due diligence laws in high-value markets.**





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## 4. Gap analysis and the OECD-FAO Guidance (continued)

The OECD-FAO Guidance includes four important components:

- ✓ **A model enterprise policy**, outlining the risks and issue areas that companies should observe.
- ✓ **A 5-step framework for risk-based due diligence** describing the practical steps that companies should follow.
- ✓ **A description of major risks** faced by agribusinesses.
- ✓ **Examples of engaging with vulnerable groups**, such as Indigenous Peoples.



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## 5. Applying the gap analysis tool

**The gap analysis focuses on assessing alignment with:**

- the issue areas and risks included in the model enterprise policy; and
- the 5-step framework for risk-based due diligence.

Cross-cutting RBC standards	Answer	Optional comments
<b>Impact assessment</b> We continuously assess and address the actual and potential impacts of our operations, processes, goods and services over their full life-cycle in order to avoid or, when unavoidable, mitigate any negative impacts.  <i>Impact assessments involve all relevant stakeholder groups.</i>  <b>Why is this important?</b> Companies can avoid or mitigate negative impacts by assessing the risks of such impacts on an ongoing basis. More detailed information can be found on page 52 in the OECD-Disclosure. <b>Disclosure</b> We disclose timely and accurate information related to foreseeable risk factors and our response to particular environmental, social and human rights impacts to potentially affected communities. We also provide accurate, verifiable and clear information that is sufficient to enable consumers to make informed decisions.  <b>Why is this important?</b> Dissemination of relevant information adapted to affected stakeholders including non-literate people through, for example, regular consultation meetings with communities, workers and the media, can help build trust between companies and society. See more on page 49 in <b>Consultations</b> We hold good-faith, effective and meaningful consultations with communities through their own representative institutions before initiating any operations that may affect them and we will continue to hold consultations with them during and at the end of operations.		





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## 5. Applying the gap analysis tool (continued)



The results from using the gap analysis tool give a quick overview of the strengths and limitations of your company's sustainability risk-management process



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## 5. Applying the gap analysis tool (continued)

Gap analysis results help companies identify priority areas for improvement

<b>The five-step framework</b>	
Step 1: Establish strong company management systems	20%
Step 2: Identify, assess and prioritise risks in the supply chain	25%
Step 3: Design and implement a strategy to respond to identified risks	17%
Step 4: Verify supply chain due diligence	0%
Step 5: Report on supply chain due diligence	0%

<b>General due diligence principles</b>	
	40%
<b>The model enterprise policy</b>	
Impact assessment	50%
Disclosure	100%
Consultations	0%
Benefit sharing	0%
Grievance mechanisms	0%
Gender	50%
Human rights	86%
Labour rights	25%
Health and safety	75%
Food security and nutrition	0%
Tenure rights over and access to natural resources	30%
Environmental protection and sustainable use of natural resources	93%
Governance	63%
Technology and innovation	0%



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## 5. Applying the gap analysis tool (continued)

Once strengths and limitations are identified with the gap analysis tool, **how should companies prioritize addressing the limitations?**

- ✓ Companies should consider the **likelihood and severity of risks** of negative impacts if the identified risks are not addressed.
- ✓ **Small businesses:** may begin to focus on risks with the highest likelihood of severe negative impacts.
- ✓ **Large companies:** should aim to address all identified risks promptly.



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## 6. Prioritizing risks: which ones should you address first?

Your company will need to **evaluate and prioritize risks** based on the:

- **Likelihood** → how common or likely it is that the risk will occur.
- **Severity** → how serious the problem or impact would be if the risk occurs.



But your company should **always address risks with potential impacts on human rights first**, even if they are not likely to occur!



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*Let's take a moment to think...*



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1. Which risks do you consider the **most likely** to occur in the next 3 years?
2. If they do happen, which ones do you think would have the **most severe impacts** on people and/or the environment?

1  
2  
3  
4  
5  
6  
7



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## 7. Conducting a gap analysis – a case study





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## What is “Green Fruit Export”?







It’s a fictitious company that:

- ✓ Buys avocados and pineapples from a Latin American country and exports them fresh.
- ✓ Is medium-sized.
- ✓ Does not own or manage any plantations or orchards directly but rather buys from producers.
- ✓ Sees sustainability as a competitive advantage and a way to strengthen market access in the context of new regulations.



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## Challenges that “Green Fruit Export” faces

- |   |  |
|---|--|
|  Price and demand fluctuations           |  Reports that suppliers have violated environmental laws and labour rights            |
|  Changing requirements from supermarkets |  Gender inequalities at production and packing sites                                  |
|  Unpredictable weather patterns          |  New law in import market specifies that large companies must carry out due diligence |

## What's the current risk management system at "Green Fruit Export"?



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- ✓ No due diligence system
- ✓ Comply with voluntary sustainability standards
- ✓ The company's suppliers comply with the same standards

## Following the exercise ...

### "Green Fruit Export" notices that:

- Despite the suppliers' use of voluntary sustainability standards, reports of violations have emerged.
- The certification schemes operating the standards have not taken action.

### Thus, it decides to:

- **Develop a due diligence policy and assess and prioritize risks.**

→ As a starting point, the company has completed the gap analysis.

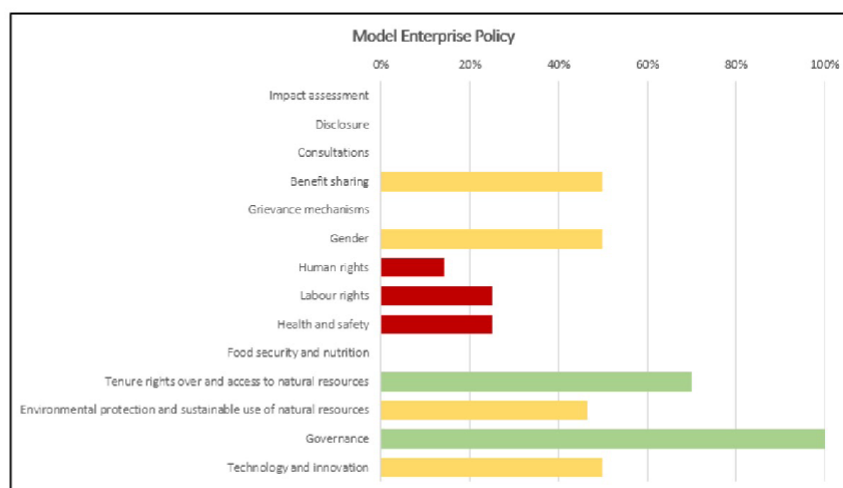


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## What are the results of “Green Fruit Export” gap analysis?

Many gaps are identified in the results, including:

- Human rights
- Labour rights
- Occupational health and safety



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## What are the results of “Green Fruit Export” gap analysis? (continued)

- The company considers the inadequate fulfilment of requirements to be problematic, but it does not have the capacity to address all gaps simultaneously.
- The company decides to address the ones highlighted in red, as they are related to **human rights** and, if unattended, could result in severe negative impact.
- Other gaps will be addressed once progress has been made on the high priority areas.





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## What actions does the company take to address the identified gaps?

- ✓ The company develops a human rights policy to ensure that all persons working in the company are respected and are free from discrimination of any kind..
- ✓ The company decides to put in place a health and safety protocol and provide training to workers, especially in packing houses where most concerns are observed.
- ✓ The company organizes a consultation with the Division of Human Resources and the workers' union to revise current contractual arrangements and working conditions.



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## How will “Green Fruit Export” work its suppliers?

The company will work with them depending on the size of the suppliers as follows:

### Small-scale suppliers

- Green Fruit Export can engage in dialogue with small-scale suppliers and offer its support.
- Together, they will work on identifying the main hazards in plantations and packing houses and start working on addressing them.

### Large-scale suppliers

- The company can encourage large-scale suppliers to fulfil all their due diligence obligations promptly.
- It can also engage in dialogue with the large suppliers and increase overall cooperation on human rights and labour-related issues.



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The “Green Fruit Export” company used the gap analysis as a first step to understand due diligence requirements and take a step-by-step approach to address risks.

**We hope that the gap analysis will be useful for your organization too!**



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Thank you!



<https://bit.ly/responsible-fruits>



[Responsible-Fruits@fao.org](mailto:Responsible-Fruits@fao.org)





# BUILDING RESPONSIBLE GLOBAL VALUE CHAINS FOR SUSTAINABLE TROPICAL FRUITS

## GET IN TOUCH

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