

Implementing Human Rights and Environmental Due Diligence (HREDD)

A Guide for Small- and Medium-sized “First-buyers”

– Companies who make direct purchases from farmer or
miner cooperatives, plantations or other primary producers



THIS IS A STARTER KIT TO HREDD FOR “FIRST BUYERS” – TRADING COMPANIES THAT MAKE DIRECT PURCHASES FROM PRIMARY PRODUCERS.

Fairtrade works with over 4100 trading and processing companies across the world. We hope this guide – the third in a series of Fairtrade’s HREDD guides for different supply chain actors – brings practical support for first buyers in understanding, adopting and collaborating in HREDD.

At Fairtrade, trading and processing companies are covered by the “Trader Standard”, which is being reviewed to strengthen human rights and environmental due diligence (HREDD) criteria. We hope this guide helps trading companies to participate in the standard review consultation on an informed basis.

Guidance on how different types of SMEs can perform HREDD is still limited. **Our guide is a practical tool for first buyers at the start of their HREDD journey, with a focus on small and medium-scale first buyers.**

First buyers' have a particular role in supply chains:

They are in direct contact with farmer cooperatives and other primary producers and have a responsibility to support the HREDD work of their suppliers.

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*This guide can
be found online on:
[www.fairtrade.net/
standard/trader](http://www.fairtrade.net/standard/trader)*

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FAIRTRADE

Introduction

Global supply chains are related to multiple environmental and social challenges such as deforestation, water pollution, gender discrimination and low wages and incomes. These problems cannot be fixed overnight. All companies in supply chains have a responsibility to take action and cooperate to address these challenges.



TO MAKE BUSINESS FAIRER, ALL COMPANIES IN SUPPLY CHAINS ARE EXPECTED TO PERFORM HREDD AND COOPERATE WITH ONE ANOTHER.

To make business fairer, all companies are expected to perform human rights and environmental due diligence (HREDD). Essentially, HREDD is a process of identifying and addressing risks and harm to people and the environment.

Fairtrade is committed to support supply chain actors on their HREDD-journey. Even if the overarching principles of HREDD apply to all companies, there are differences in how companies are expected to carry out their duties, depending for example on their size and role in the supply chain.

This guide is especially targeted at small- and medium-sized “first buyers” – trader companies who buy directly from primary producers – who are at the beginning of their HREDD-journey. We hope you find the guide practical and easy-to-read!

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What is Human Rights and Environmental Due Diligence?

Human Rights and Environmental Due Diligence (HREDD) is about managing the risks and adverse impacts that business may have on people and planet. The overall goal is to reduce negative impacts.

Human rights are rights that everyone has, simply for existing as a human being. They are universal, regardless of any status like gender, nationality, ethnicity or religion.

The idea that companies have a responsibility to perform due diligence on human rights was universally agreed at the United Nations Human Rights Council in 2008. This responsibility was clarified in the UN Guiding Principles on Business and Human Rights (UNGPs) in 2011.

Since then, several European countries, Australia and Canada have made all or some steps of HREDD mandatory for large companies – and several additional countries are in the process of doing so.



HREDD IS ABOUT MANAGING THE RISKS AND ADVERSE IMPACTS THAT BUSINESS MAY HAVE ON PEOPLE AND PLANET.

The HREDD process has five steps¹. A company is to

1. **commit** to respecting human rights and the environment and embed this commitment in all its operations.
2. **Identify** the salient human rights and environmental issues linked to its operations and value chains.
3. Take action to **address and remediate** those issues.
4. **Track** progress.
5. **Communicate** about this work to stakeholders.

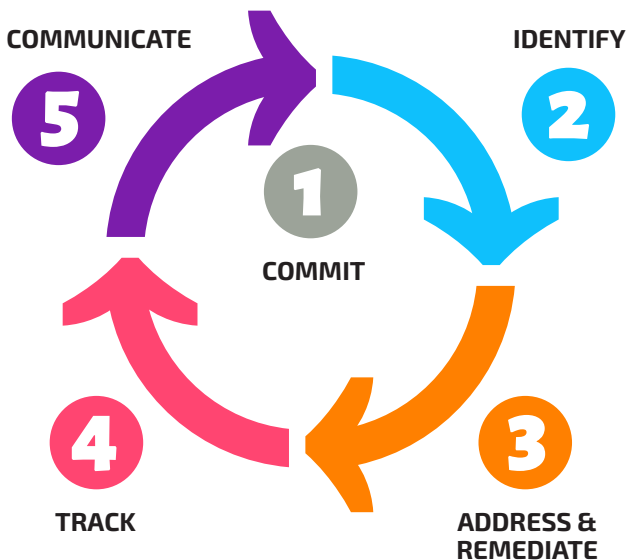
HREDD is an ongoing process. Typically, there are overlaps in the implementation of these steps.

All companies that produce, sell, or buy products or services are expected to develop an HREDD process. All supply chain actors, including small and medium-sized traders, need to do their part.

Your company is probably already taking some HREDD measures, even if you have not called it “due diligence”. For example:

- Assessing risks is related to HREDD step 2: Identify.
- A code of conduct is related to HREDD step 3: Address and Remediate.
- Measures to improve occupational health and safety can also be part of HREDD step 3.

Steps of the HREDD process



¹These five steps are based on the OECD Due Diligence Guidance for Responsible Business Conduct. While the OECD framework features 6 steps, we show 5 steps, because Fairtrade considers a grievance mechanism and remediation as integral parts of due diligence steps 2 and 3.



Meaningful Stakeholder Engagement

Meaningful stakeholder engagement is a central part of due diligence – and the most important stakeholder group are the people whose rights business may impact. These (potentially) affected stakeholders are also called “rightsholders”.



IT CAN MAKE YOUR HREDD
WORK MORE EFFECTIVE
AND EFFICIENT WHEN YOU
CONSULT THE PEOPLE,
WHO ARE AFFECTED BY
YOUR OPERATIONS.

Companies need to make efforts to hear rightsholder and stakeholder perspectives at every step of the HREDD process. In agricultural supply chains key stakeholders often include suppliers, farmers, farmer cooperatives, workers, trade unions, and communities living close to production facilities.

This does not mean that you have to engage with everyone at once. But you do need to explore your options for engagement.

Engagement is meaningful if it is based on open, two-way communication and good faith. It should also be ongoing (not one-time-off) and the stakeholder views then need to influence company decisions.

The Role of First-buyers

Companies that buy directly from farmer or miner cooperatives, plantations or other primary producers have a particular role in supply chains:

- 1) **Flow of information:** First buyers have a unique role in conveying primary producers' priorities, needs and expectations to downstream business partners – and market expectations and realities to producers.
- 2) **Concrete collaboration:** First-buyers are well placed to learn about and support local human rights and environmental initiatives at the origins of global supply chains – and to inform downstream actors about them.

This support and information sharing is invaluable, because human rights and environmental risks are often rooted in poverty, inequality and other systemic issues that primary producers cannot tackle alone.



TRADERS HAVE A RESPONSIBILITY
TO SUPPORT THEIR SUPPLIERS'
HUMAN RIGHTS AND
ENVIRONMENTAL WORK.

- 3) **Shared responsibility:** Companies have a responsibility to participate in remediating harms that they have contributed to, for example via low prices. This is the 22nd principle in the UN Guiding Principles on Business and Human Rights. So first-buyers often have an actual responsibility to support their suppliers' human rights and environmental work.



Why should First-buyers conduct HREDD?

- **Advancing wellbeing.** HREDD is about advancing wellbeing among your employees, business partners and local communities. This fosters employee satisfaction and stable business relationships, and reduces the risk of criticism or conflicts with local communities and civil society actors.
- **Better employee relations.** When you perform HREDD, including social dialogue with your employees, you are better placed to recognise relevant and feasible ways of responding to your employees' needs and expectations.
- **Opportunity to prioritise.** HREDD offers a generally accepted way to define priorities for your work on social and environmental issues. So, you can first focus on the most serious issues and address other issues later.
- **Market access.** Large retailers, brands and processors increasingly need information about their suppliers' due diligence measures and results: To comply with HREDD laws, they need to know and reduce the human rights and environmental challenges in their supply chains.
- **Gaining support from buyers.** When you have identified the most serious human rights and environmental issues in your operations and supply

chains, your buyers should support you in addressing them. International due diligence guidance is very clear that HREDD is about collaboration.

- **Retaining Fairtrade certification.** In Fairtrade Standard reviews, HREDD related requirements are being gradually strengthened. This allows buyers, governments, and consumers to continue recognising Fairtrade as a sign of good practices.



**HREDD IS ABOUT
ADVANCING WELLBEING
AMONG YOUR EMPLOYEES,
BUSINESS PARTNERS AND
LOCAL COMMUNITIES
- AND ABOUT MAINTAINING
YOUR CUSTOMERS.**

How to start in practice

- Develop the HREDD process step by step: start simple and strengthen the process over the years.
- Start with what you already have. See where the gaps are and plan improvements.
- Keep it practical: a plan that is not implemented is not useful to a company or the affected people.



Step 1

Commit and Embed

The first step of HREDD is to publicly commit your company to respecting human rights and the environment and to conducting due diligence.

This commitment does not have to be extensive. A written commitment clarifies your goals and guides future work. Further, when your company shares this commitment with business partners and other stakeholders, they see that you actively seek to avoid harm to people or the environment.

To do this:

- Sensitise management and staff;
- Draft and sign a commitment;
- Assign responsibilities; and
- Raise awareness.



YOUR COMMITMENT NEED NOT BE LENGTHY OR COMPLICATED – BUT IT SHOULD INFLUENCE HOW YOU RUN YOUR BUSINESS.

Sensitise Management and Staff

Support from top management or the owner is important for HREDD work from the beginning. Employees working on environmental or social issues also need to gain an orientation to human rights and HREDD.

First, your company can reserve meeting time to discuss the above chapters (Introduction and What is HREDD) and this whole guide. Throughout this guide, you also find links to additional videos, tools, and guides on HREDD.

Draft and Sign a Commitment

Your commitment does not need to be lengthy or complicated. **Below you find an example of a commitment that you can adapt to your company.**

You can update your commitment after a few years and include more information about how you have organised your due diligence process.

A written commitment can be a standalone statement or part of your value statement, sustainability policy or an Environmental, Social and Governance (ESG) statement, if your company has one.

It is good practice to reference the commitment in your employee manual, sales terms, quality policy, codes of conducts for employees and business partners, and similar documents.

You should commit to:

- Respect all internationally recognised human rights. This includes the rights contained in the [International Bill of Human Rights](#) and the [ILO Declaration on Fundamental Principles and Rights at Work](#).
- Conduct due diligence and collaborate with your suppliers in addressing human rights and environmental challenges
- Conduct heightened due diligence, in case you operate in conflict areas
- Sustainable purchasing practices and favouring long-term business relationships, in order to work towards living incomes and living wages
- Provide for or cooperate in the remediation of harms you cause or contribute to
- Align your operational policies and procedures with the commitment and embed the commitment into your existing management systems

International guidance notes that this commitment should be informed by relevant internal and also some external expertise. In practice, the simplest ways to achieve this often are to invite internal experts to comment on a draft commitment and utilise guidance developed by some external experts. The commitment needs to be approved at the most senior level of your company.



Assign Responsibilities

How do you bring your commitment to life, so it does not end up being just a paper exercise?

By involving key managers and experts from the start, you advance a healthy embedding and integration of HREDD work into your other workstreams or functions.

At the same time, it's good to assign the key responsibilities clearly: Somebody from your senior management should have oversight, and a manager or expert should lead the development of your HREDD process. The relevant lead could be an operational manager or an expert in internal control, risk management, environmental or social sustainability or quality management.

Align your other policies and practices with your commitment, to ensure that human rights and environmental considerations are reflected where necessary. Consider for example your policies and practices on health and safety, human resources, legal compliance, procurement/contracting, risk management and project approval.

Raise Awareness

Awareness raising is about:

- **Informing and educating your board, management, employees, suppliers and other business partners** about their rights and responsibilities as well as your company's commitment to human rights, environmental sustainability and due diligence, and
- **Influencing attitudes and behaviours** towards protecting human rights and the environment.

Awareness raising is a process and not a one-time event: people's attitudes and beliefs are shaped by many factors and usually change slowly. You can raise awareness via presentations, discussions, training programmes, posters, leaflets, videos and infographics.

Internally, the aim is that your managers and employees know what lines of accountability exist, understand how the commitment to human rights and environment relates to their own work, and develop their practices accordingly.

Externally, to inform your business partners and other stakeholders, you should seek to make your commitment available online, and share the commitment with your largest suppliers and largest buyers. Remember to inform your service providers, such as cleaning, construction, security forces and canteen.

How to start in practice: Awareness raising

- Use any channels you already have: Induction, code of conduct trainings, and planning meetings can be good occasions.
- Make information easily accessible on your notice boards, intranet and other internal channels.
- Use existing material. There is an abundance of online material on human rights, from videos to pamphlets to guidance. Use widely-trusted sources, such as UN organisations.
- To prompt discussion, you can ask experienced colleagues to share their experiences or participate and share learnings from an external webinar or workshop.

Further guidance on developing the Commitment

- Global Business Initiative, Making a Policy Commitment – [here](#)
- UN Global Compact, 2015. How to Develop a Human Rights Policy: A Guide for Business – [here](#)
- Example: Fairtrade's Human Rights Commitment, 2020 – [here](#)



Example: Commitment to Human Rights and Environmental Sustainability

1. With this document, _____ [name of the company] commits to respecting the internationally recognised human rights and the environment.

This includes the rights contained in the International Bill of Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO).

2. **To demonstrate our commitment, we carry out human rights and environmental due diligence (HREDD)** in our business operations and relationships. This means that we actively seek to avoid causing or contributing to adverse human rights and environmental impacts. If such impacts occur, we participate in correcting them.

[If you operate in or source from conflict areas: We conduct more comprehensive due diligence in conflict areas.]

3. We will strengthen our due diligence process over time. This work is overseen by our _____ [title of the assigned director].

4. As a Fairtrade certified organisation, we already work to prevent, mitigate, cease and remediate several adverse impacts. For example, we implement policies and plans on [list any human rights and environmental topics you have policies on, for instance health and safety, workers' rights, climate adaptation or fair procurement]. We also run [or participate in] a grievance mechanism that allows anonymous complaints.

5. **We actively seek opportunities to collaborate with other supply chain actors** to strengthen

our due diligence work. This is crucial to tackle such complex, systemic problems as poverty and inequality, which lie at the root of many human rights and environmental risks.

In particular, we will initiate annual discussions with our largest suppliers to identify improvements in both our own and our suppliers' ways of working, to better prevent and mitigate human rights and environmental risks and harms. **We recognise that our purchasing practices can contribute to human rights and environmental challenges in our supply chains.** We also recognise that this collaboration benefits from long-term business relationships.

Further, we seek collaboration with multistakeholder initiatives and our buyers [and/or civil society experts and government agencies].

6. We recognise the importance of social dialogue with our employees, as well as dialogue with other people who may be affected by our and our business partners' operations. Meaningful dialogue can help in identifying, addressing and remediating the salient issues. We seek to pay particular attention to the perspectives of the most vulnerable groups of people.

7. We will raise awareness about human rights and environmental sustainability and this commitment among our employees and will communicate this commitment to our business partners and other stakeholders.

This Commitment has been approved by _____ [for example the Board] in _____ [city, country,] on _____ [date].

Step 2 Identify

The second step in an HREDD process is to identify the most serious and common – or “salient” – human rights and environmental risks and problems in your own company and your supply chains.

This risk assessment is about risks and harms to people and the environment, not about legal, reputational or commercial risks to your business. Some risks might be more prominent in your supply chain and others in your own operations.



IT IS MUCH EASIER TO ADDRESS PROBLEMS BEFORE THEY GROW, HARM MORE PEOPLE OR THE ENVIRONMENT AND ARE DISCOVERED BY AUDITORS, YOUR BUYERS OR JOURNALISTS.

You are not expected to work alone or to eliminate human rights or environmental risks and impacts in full. However, you are expected to make continuous efforts to reduce the risks and forge concrete collaboration with your suppliers and buyers to achieve progress.

It is crucial to show that you recognise and understand the salient risks in your operations and supply chains. Publicly available information and statistics show that problems such as child labour, forced labour, gender discrimination and deforestation are widespread, where they are present, and to what extent. If some problem is common in your industry, operating area or key sourcing area, your buyers and consumers increasingly expect you to acknowledge this and explain how you are managing that problem.

There are two key ways to identify and track human rights and environmental risks and problems:

1. Risk assessment
2. Grievance mechanisms

Dialogue is key in HREDD

Dialogue with your stakeholders can be invaluable to identify and understand the risks, existing harms and their root causes. In many cases, the risks and harms at farms and factories are rooted in poverty, unequal power relations in the supply chain and lack of economic alternatives.

However, your suppliers are unlikely to open up, if they worry that a better understanding of their risks and challenges could push you to discontinue the business relationship. So, to gain their information, **you need to build trust** by e.g., offering longer term contracts and engaging in joint project or advocacy work to change the root causes.



TO ESTABLISH MEANINGFUL DIALOGUE ABOUT RISKS, YOU MAY NEED TO OFFER LONGER TERM CONTRACT TO YOUR SUPPLIERS AND ENGAGE IN JOINT PROJECT OR ADVOCACY WORK TO CHANGE THE ROOT CAUSES.

Risk Assessment

As part of HREDD, risk assessment is a systematic process of identifying and analysing negative impacts to workers, farmers, other people and the environment,

that are connected to your operations, sourcing areas and field of production.

Your risk assessment can consist of four steps:



Consider adding human rights and environmental impacts into your existing risk assessment processes. You should update your assessment regularly and before major

changes in your operations. The latter can include, for example, expansion to new markets and products or major new business partnerships.

1. MAP THE COMMON RISKS

At first, map the human rights and environmental risks that are common in your largest operating and sourcing areas and your field of production. You can research the risks by looking into public statistics, indices and reports from trusted organisations, including [the Fairtrade Risk Map](#).

You need to consider **all** internationally recognised human rights and environmental issues. Even though some issues like child labour or deforestation may be discussed a lot, you should not limit your mapping only to these. Human rights are indivisible and strongly interdependent. In agriculture and other sectors where Fairtrade operates, it can be practical to group human rights into the following 13 areas:

1. Adequate standard of living (including living income, living wage, access to water and sanitation)
2. Working conditions
3. Health
4. Freedom of association and collective bargaining
5. Forced labour
6. Child protection and child rights
7. Gender rights
8. Non-discrimination
9. Self-determination
10. Climate change and deforestation
11. Water and biodiversity
12. Freedom of speech, thought and public participation
13. Privacy

Fairtrade Risk Map – helps to get you started

[Fairtrade Risk Map](#) is a tool that has been developed to help companies and producer organisations assess their risks. The map shows what external data and research find to be the salient risks in your countries and commodities.

The map highlights the root causes of these risks and encourages collaboration with farmers and workers.



**FAIRTRADE RISK MAP
CAN SUPPORT YOUR RISK
ASSESSMENT WORK. VISIT
RISKMAP.FAIRTRADE.NET**

2. MAP THE RISKS RELATED TO YOUR SPECIFIC OPERATIONS

Assess the risks related to your specific operations and supply chains. These are risks that your organisation or business partners are causing, contributing or are linked to, so you have some leverage to influence them.

The information you may utilise includes:

- audit results;
- findings of your internal audits;
- studies by external experts, performed with or without your organisation's involvement;
- any data related to your specific operating and sourcing areas that may be available from external sources;
- media reports;
- interviews with workers or other stakeholders and experts.

Cause, contribute, directly linked

Your company's activities may directly **cause** negative human rights impacts, for example if there is gender discrimination in your recruitment, your working conditions cause health hazards or your operations pollute neighbouring waterways.

Unfair purchasing practices can **contribute** to negative human rights impacts. For example, late changes in orders can contribute to overtime demands at suppliers' farms and factories, and low prices can contribute to low wages.

Through your business relationships, you may be **linked** to negative impacts. For example, the farms or shipping companies you work with may inadvertently use forced labour, if they utilize irresponsible recruitment agencies.

3. IDENTIFY AND FURTHER ASSESS THE MOST SALIENT CHALLENGES

Identify and further assess at least three risks or challenges that are most common and serious – or "salient". To identify the most salient issues, you need to consider:

- **Scope:** How many people are affected? For example, how many workers need to work around-the-clock, seven days a week, or otherwise too much? Or how many workers have no written contracts?
- **Scale:** How seriously does the problem affect people or the environment in your area? Can or has anyone lost their life because of the risk?
- **Remediability:** How difficult is it to correct the problem? Is it possible to restore the affected people to their situation before the harm?

Then assess your salient issues somewhat further, to ensure that you have identified the key factors involved. This will help you after the risk assessment, when it is time to address the issue. You can continue to utilise the same sources of information, but also search for new sources, including for instance:

- Observations and visits. This could include visits with your suppliers.
- Surveys and individual or group interviews with staff, suppliers, other business partners and rightsholders.
- External engagement with relevant business partners, NGOs, trader unions, local authorities, researchers or community members.

4. IDENTIFY THE MOST VULNERABLE GROUPS OF PEOPLE

Identify which groups of people are most affected by the risks and harms you identified. This helps to address the risks and harms more effectively. Groups that are often vulnerable include:

- Migrant workers, who may not speak the local language or know local laws, customs or support channels
- Indigenous people and minority groups – for example national, ethnic or religious minority groups
- Unskilled and low educated people, who may not be aware of their rights
- Temporary workers and people living in abject poverty, who may not be in a position to defend all their own rights
- Women, girls and youth may not be in a socially accepted position to bring up issues
- Children
- Persons with disabilities
- Trade union representatives and other human rights defenders, who defend the rights of specific groups of people

How to start in practice: Risk assessments

- To map risks for your industry and country, use public information and indices such as those in the Fairtrade Risk Map.
- Involve stakeholders and experts who have information and experience of different social and environmental issues. CSOs may be able to advise both on risks and stakeholder consultation.
- Your suppliers can be a great source of information – if you commit to support prevention, mitigation and remediation, and not to disengage, when you learn more about their challenges.

- Nobody can do a perfect HREDD risk assessment the first time. Just complete the steps as well as you can, note down the learnings, and try to improve next time.

Further guidance on risk assessment

- Shift, 2014. Business and Human Rights Impacts: Identifying and Prioritizing Human Rights Risks. Workshop Report – [here](#)
- Institute for Human Rights and Business. Assessing human rights impacts – [here](#)

Grievance Mechanisms

A grievance mechanism is a formal process for receiving and responding to concerns from staff, local community members and other individuals, groups and partners.

Enabling people to voice their grievances is valuable because it:

- **allows you to respond to concerns and incidents early**, before the problem grows bigger, is more difficult to manage, and might be discovered by auditors, buyers, NGOs, or journalists;
- **brings you information about emerging risks and problems**, so that you can consider strengthening your related policies and practices.

Thus, the grievance mechanism can be an early warning system that supports your risk assessment.

The nature of grievances can be diverse, including:

- adequacy of health and safety equipment in your premises;
- sexual harassment in a company event;
- labour practices by your subcontractors or job brokers;
- fairness of quality claims;
- use of water resources, which causes challenges for the local community;
- observed breaches of Fairtrade standards.



COMPLAINTS ARE VALUABLE. THEY ALLOW YOU TO RESPOND TO CONCERNS AND INCIDENTS EARLY, BEFORE THE PROBLEM GROWS BIGGER.

Two points are essential, to handle grievances:

- Allow anonymous or at least confidential complaints in written and verbal form.
- Make sure that persons who make complaints face no retaliation or harm.

When developing your grievance mechanism, consider how you can ensure fair and speedy treatment of different types of grievances. Develop a procedure that will be followed once a grievance is received. This makes the mechanism more predictable – people lodging a grievance will know what to expect.

If you already have a procedure for handling some complaints, such as allegations of general misconduct, you can integrate it into a broader grievance mechanism.

No grievance mechanism is perfect. It takes time for your stakeholders to hear about the mechanism and learn how to lodge grievances. You can start simple and improve the mechanism over time.

As your work progresses, try to gain feedback from grievants, your employees and business partners, to strengthen you mechanism further and make it better known. Constructive relations and collective bargaining with employee representatives often provide a good basis for effective remedy in cases involving staff.

Complaints that a certified entity has not complied with Fairtrade Standards can also be submitted to FLOCERT, the auditing company, via WhatsApp on +49 (0)228 2493230 or an online form available [here](#).

Typical steps of a grievance procedure

1. Receive grievance. Allow grievances to be made anonymously or non-anonymously, in multiple ways: for instance in person, in a suggestion box, over the phone, via whatsapp, via email or an online form. You need to collect enough information to assess the grievance.

- 2. Screen.** Screen each grievance to see how serious it is. Severe grievances should be addressed quickly. If the grievance does not relate to your company or suppliers, report the case to a relevant authority or organisation, while making sure that confidentiality or security of the impacted person are not affected.
- 3. Acknowledge.** Acknowledge each non-anonymous grievance within a specific period, for example 3 days.
- 4. Investigate** to establish what has happened. Seek to investigate cases quickly. Train the investigators, maintain confidentiality and observe all parties' right to privacy. If a case is not found legitimate, close and document it.
- 5. Communicate** findings to the grievant and affected parties. When relevant, report to relevant authority, in collaboration with the affected parties.
- 6. Remediate.** Agree and implement a remediation plan that resolves the grievance. You may need your business partners, government agencies or some civil society partners to achieve meaningful remediation. Communicate progress to affected parties.
- 7. Follow up and close out.** Give the complainant an opportunity to appeal. Monitor the action plan implementation to ensure it is effective. Conduct an annual analysis of the received grievances, and utilise the findings in strengthening your policies, processes and the grievance mechanism itself.



**How to start in practice:
Grievance mechanism**

- Allow and encourage all individuals and groups to file grievances.
- Accept grievances of any concern, injustice, harm or fraud linked to your company.
- If you have a committee that handles grievances, strive for a diverse group in terms of personal backgrounds and characteristics, professional expertise and corporate functions. This can make the grievance mechanism more approachable, legitimate and adept.
- Take into account the local legislation and involve local authorities as appropriate.

Step 3 Address and Remediate

The third step of a HREDD process is to take action to address the most salient issues you have identified through your risk assessment. More specifically, these actions can aim to prevent, mitigate, cease, or remediate adverse impacts.

What activities are most effective depends on many things: the exact problem, its root causes, the operating environment, the capacities of your company, and other actors' related activities. Very often, it is much more effective to act in collaboration with suppliers, industry peers, multistakeholder initiatives or civil society organisations.

There are three general activities that you can take:

1. **Develop and implement policies** for each of the salient issues.
2. **Develop and implement an action plan** that sets out the concrete activities to implement these policies.
3. **Take measures to remediate** serious human rights and environmental harms.



IT IS OFTEN NOT POSSIBLE TO ADDRESS ALL PROBLEMS AT ONCE, SO YOU CAN PRIORITISE A FEW MOST SERIOUS HUMAN RIGHTS AND ENVIRONMENTAL ISSUES.

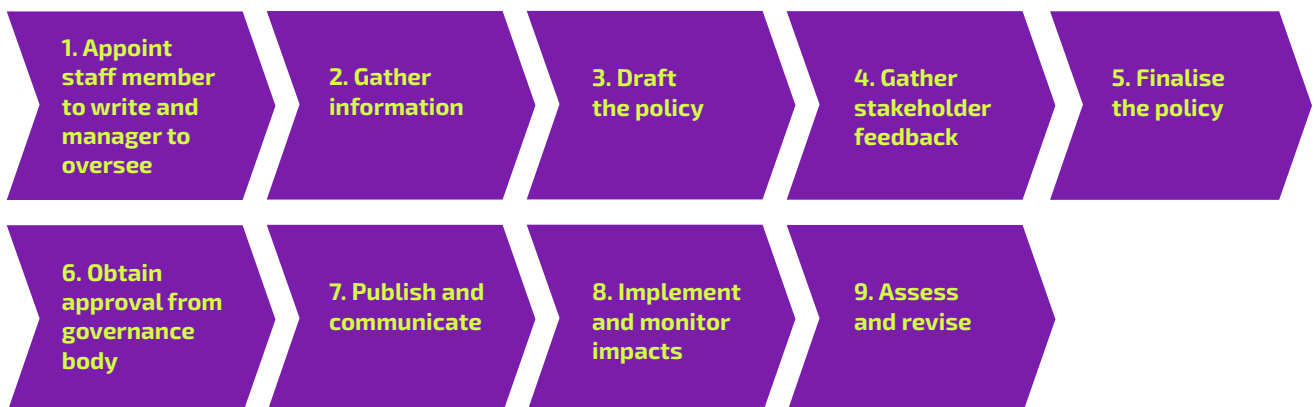
Policies

A policy is a text where the company agrees on its goals, general principles and procedures related to a specific topic. Policies are helpful, because they guide later decisions and activities.

There is no strict template for a policy, but the following elements are commonly included:

- The purpose of the policy – Example: *A policy against forced labour could have the purpose of agreeing measures to prevent the use of forced labour and remediate any incidences of forced labour that are identified.*
- Definitions of key terms – Example: *Definitions of forced labour based on ILO indicators of forced labour: Abuse of vulnerability; Restriction of movement; Isolation; Withholding of wages; Debt bondage; Abusive working and living conditions; Excessive overtime.*
- General principles guiding the policy – Example: *[The company] accepts ILO Conventions, national legislation of [country] and Fairtrade Standards in regards to forced labour. [The company] also accepts its responsibility to respect human rights, in line with the UN Guiding Principles on Business and Human Rights.*
- Responsibilities – Example: *The board and senior management of [the company] are responsible for preventing forced labour in the operations of [the company]. The Protection Focal Persons are responsible for coordinating the implementation of this policy.*
- Procedures or step-by-step instructions of e.g. monitoring, reporting and remediation

There are nine typical steps to developing and implementing a policy:





Action Plan

To implement the policies, develop an action plan that sets out the concrete actions you will take. It can be a simple table of tasks with a deadline, budget, responsible person, and an indicator to measure the success of each task. See [Annex 2](#) for an example of an action plan.

Action plan development will be easy if you have analysed the issue, its root causes and possible solutions well during your risk assessment and policy development. Still, it is best practice to consult some experts and stakeholders, especially your staff and largest suppliers, to identify effective activities.

Keep your plan realistic. It is better to have a less ambitious plan that can be achieved, than setting high goals that remain on paper. Define the tasks as specifically and concretely as possible – this will make them easier to implement and achieve. You should update your action plan annually.

Definitions

- **Prevention** means that some problems are avoided.
- **Ceasing** means stopping your contribution to a human rights or environmental problem.
- **Mitigation** means reducing the risk or frequency of a problem, the number of people suffering from it, or the impact on those people.
- **Remediation** is about correcting a harm that an individual victim or a group of victims has experienced. In short: making the wrong right again.

From Commitment to Policy to Action plan





Remediation

If you identify cases where a person's human rights have not been respected, you need to take remediating measures. Remediation means correcting a mistake or, in the context of HREDD, correcting a harm on someone's human rights.

The key steps are:

1. **Seek to end the violation**, for example by reversing the situation or safely withdrawing the impacted person from the situation.
2. **Support the impacted person(s)**, for example, by reimbursing costs, finding alternative employment, providing schooling/skills development, giving financial or non-financial compensation or through other activities the victim(s) find appropriate.
The aim here is to rehabilitate the victim, which means returning him/her to a good, healthy life. Companies can rarely provide all the necessary support on their own, so remember to report to and support the work of relevant government agencies.
3. **Take actions to prevent the violation from happening again**. This can entail any of the preventive or mitigating activities as listed above.
4. When appropriate, **consider applying disciplinary measures** against the offender(s). This can include giving the offender a formal warning or, for a serious violation, suspending the offender from work.

It is important that possible disciplinary measures are outlined and communicated clearly in policies, contracts or elsewhere, as they should not come as a surprise to anyone. Where the violation may break local laws, your company is not a competent body for judging it, so it should follow legal procedures.

Remediation is only meaningful when the victim(s) find it meaningful.



WHERE BUYERS HAVE CONTRIBUTED TO HUMAN RIGHTS OR ENVIRONMENTAL HARMS IN AGRICULTURAL PRODUCTION, FOR INSTANCE VIA LOW PRODUCER PRICES, THEY ALSO HAVE A RESPONSIBILITY TO PARTICIPATE IN REMEDIATION.

Who is responsible for remediation?

Where you have caused or contributed to a human rights violation, you have a responsibility to participate in remediation.

Participation is, however, also expected from other actors. State agencies have a duty to protect human rights and participate in remediation. Where other companies have also contributed to the violation, for instance via low prices, they also have a responsibility to participate in remediation.

If state agencies and business partners do not provide support, you would rarely be able to fulfil all four remediation steps.

How to start in practice: Address and Remediate

- Engage with your suppliers and buyers to discuss how you can support each other: Many human rights and environmental risks are rooted in poverty and inequality and can only be mitigated through concrete collaboration and co-investment.
- Collaboration with civil society organisations, trade unions, government agencies or development agencies can be a useful source of know-how and resources.
- In remediation, prioritise the interests of the impacted person, including privacy, and be responsive to his/her needs and wishes.



How to prevent and mitigate human rights and environmental risks and harms?

Here are seven important measures for your company to consider – from less to more demanding:

1. STRENGTHEN YOUR POLICIES

Brainstorm possible improvements in your ways of working and capture them in new policies or procedures. You could, for example, develop a procedure for anonymous recruitment, a policy on sustainable purchasing practices or a mutual code of conduct.

2. BUILD INTERNAL EXPERTISE

Raise awareness and train your management and employees on your salient human rights issues and related solutions, the vulnerability of a specific group of people, or human rights principles in general. Support other companies in your value chains to do the same.

3. USE CREDIBLE CERTIFICATIONS

Certification schemes have established transparent standards for all participating companies, regular auditing, and monitoring that corrective measures get implemented. This can support your due diligence work with your suppliers.

The strongest certification schemes also utilize many other tools to strengthen human rights and environmental practices. For example Fairtrade maintains minimum prices and premiums, offers ongoing support to farmer cooperatives and plantations, operates a complaints mechanism and runs programme, advocacy and awareness raising work.

To find out more about Fairtrade's work on its salient issues, please visit the Fairtrade Risk Map on riskmap.fairtrade.net

But note: The use of certification cannot substitute for due diligence. You still need to take all the five steps – and if the human rights or environmental harms are very serious, you also need to do some other measures proposed on this spread, to prevent contributing to those harms.

4. JOIN FURTHER SUSTAINABILITY INITIATIVES

Complex issues can't be solved alone. There are many sustainability initiatives, roundtables and working groups that companies can join to contribute to different sustainability causes, from strategic to very specific issues. Many initiatives focus on a single product and single country.

5. SUPPORT YOUR SUPPLIERS

When risks are high in your supply chains, it's essential to assess why your suppliers are not addressing them better: Is it for lack of interest, incentives, knowhow or resources? In many global supply chains, very little value accrues to the first actors, which stifles their investments in more responsible business conduct.

Many smallholder farmer cooperatives, for example, would need higher prices for their crop and longer business relationships to have the means to invest in stronger due diligence measures.

When it's resources or know-how that is lacking, stronger requirements in supplier contracts or code of conduct are ineffective. They can even aggravate the problems if they cut suppliers' incomes.

6. LAUNCH OR JOIN A PROJECT

Targeted and tailored projects may be needed to support the affected people and tackle deeply embedded issues like climate change, migrant workers' vulnerability, or child labour, to just name a few examples.

7. RETHINKING YOUR BUSINESS MODEL

Due diligence thinking knows no "blacklist" of industries – but some ways of doing business may be pretty difficult to align with the due diligence approach. This is the case for example if your business depends on constantly revolving short-term business relationships, or if it causes health hazards, oppression or overconsumption, or uses an excessive amount of natural resources.

You may need to rethink your ways of doing business, product or service design, materials, type of clients or some other part of your business model.



Mutual Code of Conduct

Mutual code of conduct refers to an agreement between a company and its business partner, where both parties commit to responsible business practices.

Dialogue between the parties is the best way to draft a mutual code of conduct. Once the code has been agreed, annual discussions between parties can also be a good way to monitor the implementation and revise the code when needed.

Each code between a buyer and producer is unique, tailored to the challenges and objectives of these organisations and relationship. The goal is to start moving towards collaboration and shared responsibility.

A mutual code of conduct could include the following elements:

- 1. Buyer responsibilities:** The buyer commits to
 - communicate the mutual code of conduct and provide related training to all staff
 - assess any negative human rights impacts it may cause or contribute to through its business model, operations, purchasing practices, or other measures
 - assess and engage in dialogue about its purchasing practices, including pricing; long-term contracts; lead time; clarity of terms; sharing of financial, market and productive risks; transparent sourcing plans et cetera.
 - co-invest in joint projects and advocacy work, to participate in tackling the salient human rights and environmental issues and their root causes
 - initiate annual discussions between parties to monitor the implementation of the code

- 2. Supplier responsibilities:** The supplier commits to
 - communicate the mutual code of conduct and provide related training to all staff
 - continuously strengthen its HREDD measures, social dialogue with workers, and dialogue with other potentially impacted people
 - share information about its salient human rights and environmental issues, measures to prevent, mitigate and remediate those issues, and production capacity
 - participate in annual discussions between parties to monitor the implementation of the code

Further guidance and sample codes:

- Social Accountability International – [here](#)
- Responsible Contracting Project – [here](#)

Purchasing practices

It is possible that your purchasing practices contribute to human rights and environmental risks or harms in your supply chains.

In many supply chains, producer prices do not cover the costs of sustainable production, so primary producers cut corners on their workers' wages, their environmental practices or other social or environmental measures.

Other practices to avoid include frequent changes in orders, short lead times, unclear quality criteria, terms that leave producers to shoulder all financial or productive risks, and short-term purchasing commitments.

For example, a connection has been found between the low prices in coffee and sugar and increased debt bondage, forced overtime and illegal wage deductions.



COMPANIES NEED TO PROVIDE ADEQUATE RESOURCES AND TRAINING FOR SUPPLIERS ... TO IMPLEMENT DUE DILIGENCE.

OECD, 2018, DUE DILIGENCE GUIDANCE, PAGE 23.

Step 4 Track Progress

The fourth step of HREDD is tracking. This means checking whether your activities have been effective.

Were your prevention and remediation actions completed? Did these actions have some effect on the human rights or environmental problem you sought to address?

You should do tracking in order to:

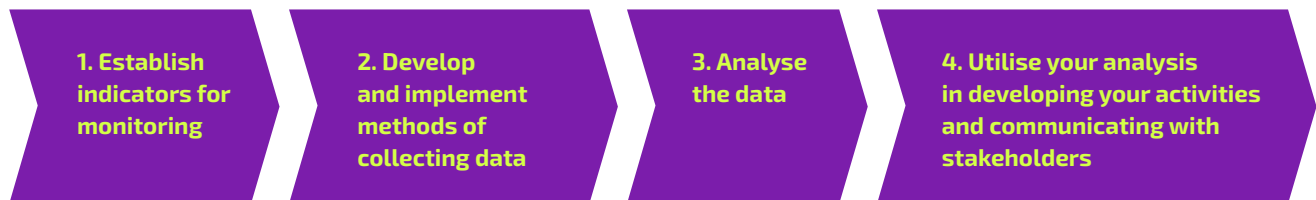
- Learn whether your HREDD activities are actually working and effective.
- Identify and continue best practices.
- Change ineffective activities.



**FIRST AND FOREMOST,
TRACKING SERVES YOUR
COMPANY: IT HELPS YOU TO
IMPROVE YOUR OPERATIONS.**

You do not need to report all tracking data to anybody else, so it makes sense to do tracking earnestly.

It takes four steps to set up and run a tracking system



In HREDD work, you need to track: (a) your own activities, and (b) changes in your biggest challenges during the past year.

To track (a) your progress in HREDD activities, key indicators can be:

- Number and topics covered in awareness raising activities; number of attendees, disaggregated by gender and age groups;
- Salient risks and most vulnerable groups of people identified through risk assessment;
- Number and type of grievances received, solved and still open;
- Policies and activities implemented to tackle the most salient risks identified;
- Number and type of serious human rights violations identified and victims supported (without mentioning names);
- Type and amount of support received from external partners.

Try to collect this data as part of your ongoing work: the awareness raising activities, grievance procedure, monitoring and remediation system, and implementation of policies and the action plan.

To track (b) changes in the biggest human rights and environmental challenges, you need to regularly:

- Check whether the biggest challenges are becoming more or less common and serious by utilising the same indicators and methods as in risk assessment, including discussions with stakeholders.
- Analyse the information you have gained via your grievance mechanism.

How to start in practice: Tracking Progress

- Consider whether your tracking work can build on some tools and indicators you already use, like workplace health and safety assessments or staff surveys.
- You can use both quantitative indicators, which can be measured, and qualitative indicators that reveal peoples' views and experiences.
- It can be enlightening to engage with internal and external stakeholders and hear their feedback. Directly affected individuals may be able to provide particularly useful feedback.



Step 5 Communicate

The last step of the HREDD process is about showing what you do to respect human rights and the environment.

In practice, you should share key information about what your salient issues are, how you have conducted your due diligence, and what effect your activities have had.

As a first-buyer, you are strategically positioned in your supply chains and active communication can make you a valuable partner to both your buyers and your suppliers: You can promote collaboration and shared responsibility among supply chain actors by conveying information about market expectations to your suppliers – and information about your suppliers’ expectations, salient issues and support needs to your buyers.

Naturally, your suppliers may not always be keen to share information about their risks and challenges – transparency does not automatically bring benefits to all responsible actors.

Many suppliers worry that some buyers will disengage, if they communicate about their human rights or environmental risks, even where these risks are systemic and the same for all suppliers in the region.

You can build trust by offering longer term contracts and co-investing or facilitating funding for your suppliers’ human rights and environmental work.

Communicating to rightsholders, suppliers and buyers

Your communication can be formal or informal. Formal communication can take place via publicly available reporting: You can include HREDD information in your annual reports, or sustainability reports if you publish them.

Less formally, you can share updates on your HREDD work in meetings and discussions with rightsholders, suppliers, staff or customers. As your HREDD work develops, consider discussions with your suppliers and rightsholders as a core element in this work.

Try to adapt your information to different stakeholders.

Retailers and brands are increasingly interested in how traders manage their greatest risks. Partially, this interest stems from the increasing legal obligation for large retailers and brands to produce annual due diligence or sustainability reports, particularly if they operate in Europe. Remember to call on your buyers to support you and your suppliers!

Rightsholders have a right to know about your plans and priorities. Both the UN and OECD due diligence guidance confirms that where rightsholders raise concerns, companies need to disclose information on their due diligence work. You can and should still protect sensitive private and commercial information, of course.



AS YOUR HREDD WORK DEVELOPS, CONSIDER DISCUSSIONS WITH YOUR SUPPLIERS AND AFFECTED STAKEHOLDERS AS A CORE ELEMENT IN THIS WORK.

How to start in practice: Communication

- When you respond to acute environmental or human rights problems, note down these activities so that you remember to communicate about them to your stakeholders.
- You should communicate about your human rights and environmental work annually, just as on your financial accounts. One person should be responsible for this.
- Using the same format every year can help in collecting the information and comparing it from one year to another.
- Try to communicate every year around the same time of year, so members and partners can expect your communication.

Key terms, Abbreviations and Acronyms

Civil Society Organisations	CSOs
DIHR	Danish Institute for Human Rights
ESG	Environmental, Social and Governance
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
First-buyer (trader company)	A company that makes direct purchases from farmer or miner cooperatives, plantations or other primary producers
HREDD	Human rights and environmental due diligence: process of identifying and addressing risks and harm to people and to environment.
ILO	International Labour Organisation
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Co-operation and Development
Rightsholders	The people whose rights business may impact.
Small and medium-sized companies	<ul style="list-style-type: none"> • A medium-sized company has up to 250 employees, and either a turnover of up to €50 million and a balance sheet total of up to €43 million; • A small company has up to 50 employees and a turnover or balance sheet total of up to €10 million;²
UN	United Nations
UNGPs	United Nations Guiding Principles on Business and Human Rights

² Definition by EU Commission Recommendation 2003/361
<https://eur-lex.europa.eu/EN/legal-content/glossary/small-and-medium-sized-enterprises.html>.

Annex 1

Human Rights and Environmental Risk Areas

In human rights and environmental due diligence (HREDD) work, organizations need to consider all internationally recognized human rights and environmental issues, understood, at a minimum, as those expressed in the International Bill of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work.

In sectors where Fairtrade operates, we propose that human rights can be grouped into the following 13 areas:

1. Living income, living wage
2. Working conditions (for farmers and workers)
3. Health
4. Freedom of association and collective bargaining

5. Forced labour
6. Child protection and child rights
7. Gender rights
8. Non-discrimination
9. Self-determination
10. Climate resilience
11. Water and biodiversity
12. Freedom of speech, thought and public participation
13. Privacy

Please see the table below for further information about how these 13 areas cover all internationally recognized human rights

Human rights and environmental area	The covered human rights	Related requirements in Fairtrade Standards	Risk (potential violation of right)
<p>1. Living income, living wage</p> <p>Every person has a right to a decent standard of living, including adequate food, safe drinking water, sanitation and decent housing. The income/wage that allows for decent living is called a living income/wage.</p>	<p>Right to enjoy just and favourable conditions of work (ICESCR 7) includes rights to income/wage that provides a decent living for the person and her/his family, and equal remuneration for work of equal value. Right to an adequate standard of living, including adequate food, safe drinking water, sanitation, housing and prohibition of forced evictions (ICESCR 11).</p>	<ul style="list-style-type: none"> • Wage levels and increases • Pay for production, quote or piece-based work. • In-kind payments • Housing provided to workers • Pension schemes 	<p>Inadequate standard of living, discrimination in wages</p>
<p>2. Working conditions (for farmers and workers)</p> <p>Every person has a right to just conditions of work and social security.</p>	<p>Right to work, just conditions of work, social security, including social insurance and a family life (ICESCR 6, 7, 9 and 10). Right to marry (ICCPR 23).</p>	<ul style="list-style-type: none"> • Working hours • Availability of drinking water and toilets during work days • Written contracts • Benefits including lunch breaks and days of rest • Sick leave • Payment schedules 	<p>Unsafe or unjust working conditions</p>

Human rights and environmental area	The covered human rights	Related requirements in Fairtrade Standards	Risk (potential violation of right)
<p>3. Health</p> <p>Every person has a right to health, security of the person and life.</p>	<p>Right to health and life (ICESCR 12, ICCPR 6) include right to have control over one's health and body. Rights to security of the person, liberty, and not being subjected to torture or to cruel, inhuman or degrading treatment or punishment, even when detained (ICCPR 9, 7, 10)</p>	<ul style="list-style-type: none"> • Safe work processes • Hazardous work and chemicals • Hazardous waste • Harassment and bullying • First aid • Health and safety representative, officer, committee, Medical officer • Medical check-ups 	<p>Work-related injuries and illness, degrading treatment</p>
<p>4. Freedom of association and collective bargaining</p> <p>Every person has a right to freedom of association and assembly, to form and join trade unions and to bargain collectively.</p>	<p>Freedom of association and assembly, right to form and join trade unions (ICESCR 8; ICCPR 21, 22; ILO 87 and 98) includes rights to bargain collectively, hold peaceful demonstrations and strike.</p>	<ul style="list-style-type: none"> • Freedom to join workers' organisations • Encouragement of workers' organisation • Respecting CBAs • Meetings between worker representatives and senior management • Records of terminated work contracts • Workers' rights training • FoA protocol and Right to Unionise Guarantee 	<p>Restrictions on freedom of association and collective bargaining</p>
<p>5. Forced labour</p> <p>Every person has a right not to be subjected to slavery, forced labour or trafficking.</p>	<p>Right not to be subjected to slavery, servitude or forced labour (ICCPR 8, ILO 29 and 105) Includes freedom from trafficking and debt bondage.</p>	<ul style="list-style-type: none"> • Use, prevention and remediation of forced labour • Dependence spouses' employment • Recruitment fees and travel costs • Disciplinary deductions from salaries 	<p>Forced labour, human trafficking</p>
<p>6. Child protection and child rights</p> <p>Every child has a right to education, protection and freedom from child labour.</p>	<p>Freedom from child labour, Rights of education and protection for the child (ILO 138, 182; ICESCR 13, 14; ICCPR 24; UN Convention on the Rights of the Child, CRC; Children's Rights and Business Principles (childrenandbusiness.org))</p>	<ul style="list-style-type: none"> • Employing children under the age of 15, or children under 18 for hazardous work. • Preventing worse forms of labour • Policy and procedures to prevent child labour • Remediation policy and program • School attendance 	<p>Child labour, child trafficking, health hazards, lacking access to education</p>

Human rights and environmental area	The covered human rights	Related requirements in Fairtrade Standards	Risk (potential violation of right)
<p>7. Gender rights</p> <p>Every person has a right to equality between men and women.</p>	<p>Right to equality between men and women (ICESCR 3; ICCPR 3; ILO 100; Convention on the Elimination of All Forms of Discrimination Against Women, CEDAW)</p>	<ul style="list-style-type: none"> • Intimidating or abusive behaviour at workplace • Sexual exploitation etc • Maternity leave • Breaks and shorter days for nursing mothers • Policies on gender and sexual harassment • Grievances on sexual harassment 	<p>Discrimination based on gender, gender-based violence or harassment at work</p>
<p>8. Non-discrimination</p> <p>Every person has a right to equal dignity, respect and protection, including non-discrimination of minorities, migrants, indigenous people and persons with disabilities.</p>	<p>Right to equal protection, including non-discrimination in employment, and freedom from racial discrimination (ICESCR 2; ICCPR 2, 26; ILO 111; Convention on the Elimination of All Forms of Racial Discrimination, ICERD). Non-discrimination of Migrants (ICRMW), Indigenous people (UNDRIP), Minorities (Declaration on Minorities) and Persons with Disabilities (CRPD). Rights to a fair trial, equality before the law, and due process when facing expulsion (ICCPR 11, 16, 13).</p>	<ul style="list-style-type: none"> • Equal pay and opportunities • Non-discriminatory membership rules • Vulnerable groups and Hazardous work • Identification of minority and disadvantaged groups • Policy and programmes on equal treatment • Vulnerable groups in FPC • Unfair distribution of Premium 	<p>Discrimination based on race, origin, ethnicity, disability, etc.</p>
<p>9. Self-determination</p> <p>All peoples have a right to self-determination – a freedom to choose one’s own acts without external compulsion – and freedom to pursue development. Indigenous people have a right to preserve and develop their culture, lands etc.</p>	<p>Right to self-determination, freedom to pursue development, movement, not being imprisoned for inability to fulfil a contract, and freedom from retroactive criminal law (ICESCR 1; ICCPR 1, 12, 15, 14). Indigenous people’s rights to preserve, protect and develop their culture, lands, distinct institutions, etc. (UNDRIP).</p>	<ul style="list-style-type: none"> • Land and water conflicts • Freedom to choose one’s housing 	<p>Repression, land grabbing, neglect of indigenous people’s rights such as free, prior and informed consent (FPIC)</p>
<p>10. Climate resilience</p> <p>Every person has a right to a safe and predictable environment that is not destroyed by climate change or deforestation.</p>	<p>Right to a safe and predictable environment (Human Rights Council resolution 48/13).</p>	<ul style="list-style-type: none"> • Soil erosion and soil fertility • Deforestation and protected areas • Energy use • Emissions • Adaptation to climate change • Environmental awareness 	<p>Inadequate standard of living, unstable natural environment</p>

Human rights and environmental area	The covered human rights	Related requirements in Fairtrade Standards	Risk (potential violation of right)
<p>11. Water and biodiversity</p> <p>Every person has a right to sufficient biodiversity and safe water for personal and domestic use.</p>	<p>Right to sufficient, safe and affordable water for personal and domestic use; Right to a clean, healthy and sustainable environment (Human Rights Council resolution 48/13).</p>	<ul style="list-style-type: none"> • Hazardous chemicals, fertiliser use and buffer zones • Pest management • Water use • Waste and waste water management • GMOs • Biodiversity plan and agro-forestry • Wild harvesting and sustainability of plant and animal species • Threatened and alien invasive species 	<p>Poor health, lack of water, unstable natural environment</p>
<p>12. Freedom of speech, thought and public participation</p> <p>Every person has a right to freedom of speech, thought and religion, and to take part in public affairs and cultural life.</p>	<p>Rights to freedom of thought, conscience and religion; Rights to freedom of opinion and expression; Rights of minorities (ICCPR 27); Freedom from war propaganda, and incitement to racial, religious or national hatred; (ICCPR 18, 19, 20), Right to take part in public affairs, cultural life and benefit from scientific progress and of the material and moral rights of authors and inventors (ICPR 25; ICESCR 15).</p>	<ul style="list-style-type: none"> • Workers participation in General Assembly 	<p>Suppression of free speech, thought or association</p>
<p>13. Privacy</p> <p>Every person has a right to privacy, which means a right to keep one's personal matters and relationships secret.</p>	<p>Right to privacy (ICCPR 17)</p>	<ul style="list-style-type: none"> • Use of pregnancy or health tests during recruitment • Confidentiality of health records 	<p>Invasion/ denial of privacy</p>

CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CRPD	Convention of the Rights of Persons with Disabilities
ICCPR	International Covenant on Civil and Political Rights
ICERD	International Convention on the Elimination of All Forms of Racial Discrimination
ICESCR	International Covenant on Economic, Social and Cultural Rights
ICRMW	International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families
ILO	International Labour Organization
UDHR	Universal Declaration of Human Rights
UNCRC	United Nations Convention on the Rights of the Child
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
UNGP	UN Guiding Principles on Business and Human Rights
WFCL	Worst Forms of Child Labour

Annex 2

Example of Action Plan

The below action plan template contains ideas and is not meant to be used as such.

To assess your progress, include clear indicators for each activity. Best practice is to have indicators both for how well the activity has been completed (output) and how well its aim has been reached (outcome).

Problem: Goal	Activities	Person(s) responsible	Time frame	Resources needed	Indicators
Ask: What is the problem and the solution sought?	Ask: What measures can reduce the problem?	Ask: Who is responsible for carrying out the activities?	Ask: When is the activity to start and end?	Ask: What resources are needed to undertake the activity?	Ask: What indicates that the activity is completed or has its intended impact?
Examples	Examples	Examples	Examples	Examples	Examples
Discrimination at workplace: Reduce the risk of gender discrimination at workplace	<ul style="list-style-type: none"> • Training for people responsible for recruitment • Awareness raising for all employees • Trainings for women to raise capacity and confidence • Disaggregate wage records by gender 	Human resources manager Gender Committee Senior management	Q2 2023–Q4 2023	Staff time Budget Expertise Other	<ul style="list-style-type: none"> • Number of people trained on gender equity • Ratio of basic salary, women to men • Share of women in permanent, supervisory, managerial and leadership positions.
Excessive overtime among suppliers' workers: Ensure that our practices do not require or encourage overtime	<ul style="list-style-type: none"> • Draft or strengthen a mutual code of conduct • Draft or strengthen your purchasing policy to ensure sufficient lead times, reasonable production targets for suppliers, and fair price negotiations • Train own staff on fair purchasing practices • Regular meetings with largest suppliers' to monitor the implementation of the mutual code of conduct 	HR team Senior management Supplier management team			<ul style="list-style-type: none"> • Updated code of conduct • Updated purchasing policy • Number of staff members trained • Number of meetings with suppliers • Reduction of overtime
Poor workplace safety: Prevent safety hazards among own employees	<ul style="list-style-type: none"> • Implement safety training for staff • Perform maintenance operations (add how often) • Update safety policy and procedures • Develop/strengthen a system for workers to report safety hazards and hazardous situations 	Safety committee Senior management	Ongoing		<ul style="list-style-type: none"> • Number of employees trained • % of employees consulted when drafting the safety policy • % of employees informed about the safety policy • Reduction in accidents reported and investigated

Additional Guidance on Implementing HREDD

Step 1 – Commit:

- OECD-FAO “Model Enterprise Policy for Responsible Agriculture Supply Chains” on p.25–29 [here](#).
- Fairtrade’s own Human Rights Commitment can be found [here](#).
- How to Develop a Human Rights Policy Guide by Global Compact. [here](#)
- Fairtrade Organisation Code includes e.g. a principle that Fairtrade respects, protects and champions human rights. [here](#)

Step 2 – Identify:

- OECD DD Guidance outlines the key steps of HR risk and impact assessment, p.25–28 and 61–73. [here](#)
- Guidance from Institute for Human Rights and Business [here](#)
- Shift, 2014. Business and Human Rights Impacts: Identifying and Prioritising Human Rights Risks. Workshop Report – [here](#)
- Criteria of commonness and seriousness – scope, scale and irremediability – [here](#)

All HREDD steps

- German government’s Helpdesk on Business & Human Rights, 2021: Due Diligence Compass for small and medium-scale companies – [here](#)
- Shift, Oxfam and Global Compact Network Netherlands, 2016. Doing business with Respect for Human Rights: A Guidance Tool for Companies (2016). [here](#)
- Swiss Confederation and Global Compact Network Switzerland, 2019, Making success sustainable through Responsible Business Conduct [here](#)
- Belgian Federal Institute for Sustainable Development, 2023, Due Diligence for SMEs [here](#)

Stakeholder engagement

- twentyfifty and Global Compact Germany, 2014. Stakeholder engagement in human rights due diligence: A business guide – [here](#)
- Global Compact Network Germany, 2022. What makes stakeholder engagement meaningful? [here](#)

The foundational documents

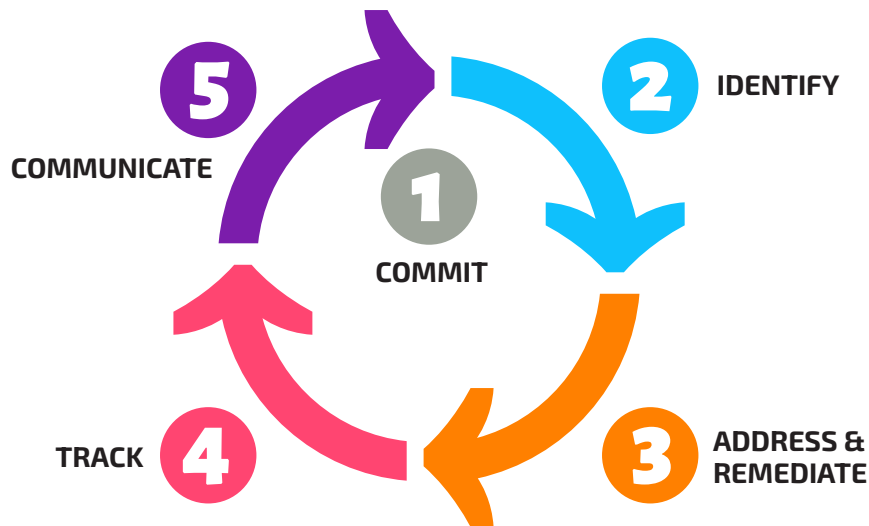
- The UN Guiding Principles on Business and Human Rights (UNGPs) [here](#)
- OECD Due Diligence Guidance for Responsible Business Conduct [here](#)
- OECD-FAO Guidance for Responsible Agricultural Supply Chains [here](#)
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy [here](#)

Videos

- Why should your company care about human rights (by Econsense) [here](#)
- Introduction to UNGPs (by Shift) [here](#)
- Due diligence (by Danish Institute on Human Rights) [here](#)

NOTE: If you have received this Guide on paper, please find the Guide online at www.fairtrade.net/standard/trader so that you can click on the above links.

Summary: Steps of the HREDD process



Step 1: Commit

Commit to human rights and environmental sustainability

- Foster buy-in
- Develop and operationalise a commitment to respect human rights and environmental sustainability
- Raise awareness about human rights and environmental sustainability among workers, staff and management



Step 2: Identify

Identify the most serious and common human rights and environmental problems

Conduct a risk assessment every three years

- Map the human rights and environmental risks that are common in your country and field of production;
- Assess the risks related to your specific operations and supply chains;
- Identify and further assess at least three issues that are most salient;
- Identify the most vulnerable groups of people.

Set up a grievance mechanism

- Assign the development and running of the grievance mechanism to a diverse committee.
- Develop, implement and keep improving a grievance procedure.
- Raise awareness about your grievance procedure among all stakeholders.



Step 3: Address and Remediate

Take action to prevent, mitigate, cease and remediate the salient problems

- Develop and implement policies and procedures on at least three problems that are most salient for your organization, consulting groups of people affected by and knowledgeable of those problems.
- Develop, implement and keep updating an annual action plan.
- Take measures to remediate serious human rights harms.



Step 4: Track progress

Set up a tracking system

- Track progress in your HREDD activities, including adherence to policies and implementation of action plans.
- Track changes in the biggest human rights and environmental problems.



Step 5: Communicate

Communicate your findings and efforts to stakeholders

- Share the salient problems identified and progress made in addressing them

IMPLEMENTING HUMAN RIGHTS AND ENVIRONMENTAL DUE DILIGENCE (HREDD) AT A SMALL OR MEDIUM-SCALE "FIRST BUYER" ORGANISATION

Essentially, HREDD is a process where an organisation reduces the human rights and environmental problems linked to its operations and value chains. All actors in supply chains are nowadays expected to perform HREDD.

Trader, processor, brand and retail companies have a responsibility to support their suppliers' human rights and environmental work.

