



# Implementing Human Rights and Environmental Due Diligence (HREDD)

**Guide for Fairtrade certified plantations and other producer organisations with hired labour**



## THIS IS A STARTER KIT TO HREDD FOR PLANTATIONS AND OTHER ORGANISATIONS WITH HIRED LABOUR OPERATING IN DIVERSE CONTEXTS IN AFRICA, ASIA AND LATIN AMERICA.

Fairtrade works with over 300 plantations and estates that produce bananas, other fruits, flowers, tea, herbs, vegetables or oilseeds as well as sports ball manufacturers. At Fairtrade, these organisations are sometimes called “Hired Labour Organisations” (HLOs).

The resources for HREDD work are scarce at many of these companies because value distribution is often unequal in global supply chains. Appropriately, international guidelines recognise that these companies’ HREDD work may be limited in scale and complexity, and should be supported by buyers (United Nations Guiding Principles on Business and Human Rights 14 and 22). This guide aims to offer advice and tools that are clear and feasible for any hired labour organisation at the start of the HREDD journey.

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This guide can be shared with companies. Fairtrade also has a Facilitation Guide, which can be used by trainers in Fairtrade-organised HREDD trainings.

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# Introduction

When your organisation engages in international trade, it opens up to the expectations of international buyers, regulators and consumers. Today, there is increasing expectation for every company to understand and reduce the adverse impacts its business has on people and nature.

People and nature are impacted by business activity in multiple ways. Business provides employment but may also entail challenges such as low wages or pollution. The steady degradation of the natural environment further heightens the risks faced by workers and populations.

To reduce these challenges, all companies are increasingly expected to perform human rights and environmental due diligence (HREDD) and cooperate with one another. Essentially, HREDD is a process to

manage risks and adverse impacts that business may cause to the people and nature.

Most plantations are already implementing some HREDD-related activities, such as:

- Risk assessments;
- Grievance mechanism;
- Training of staff and workers on environmental and social issues;
- Developing and implementing policies.

**This guide aims to show how plantations can build on their current work and develop full HREDD processes. The guide also presents and explains the HREDD requirements included in the Fairtrade Standard for plantations and other Hired Labour Organisations.**

## Table of Contents

Introduction	3
What is Human Rights and Environmental Due Diligence?	4
Questions and Answers	6
<b>STEP 1: Commit</b>	<b>8</b>
<b>STEP 2: Identify</b>	<b>12</b>
Risk Assessment	13
Grievance Mechanism	15
<b>STEP 3: Address and Remediate</b>	<b>18</b>
Policies and Procedures	19
Action Plan	20
Remediation	22
<b>STEP 4: Track Progress</b>	<b>24</b>
<b>STEP 5: Communicate</b>	<b>26</b>
Operational definitions	28
<b>APPENDICES</b>	<b>29</b>
Appendix 1: Human Rights and Environmental Risk Areas	29
Appendix 2: Risk Assessment Indicators and Matrix	33
Appendix 3: Grievance Mechanisms – UN Effectiveness Criteria	34
Appendix 4: Sample Non-discrimination/Anti-Harassment Policy	35
Appendix 5: Example of Action Plan	37
Additional Guidance on Implementing HREDD	38
Summary: Steps of the HREDD process	39

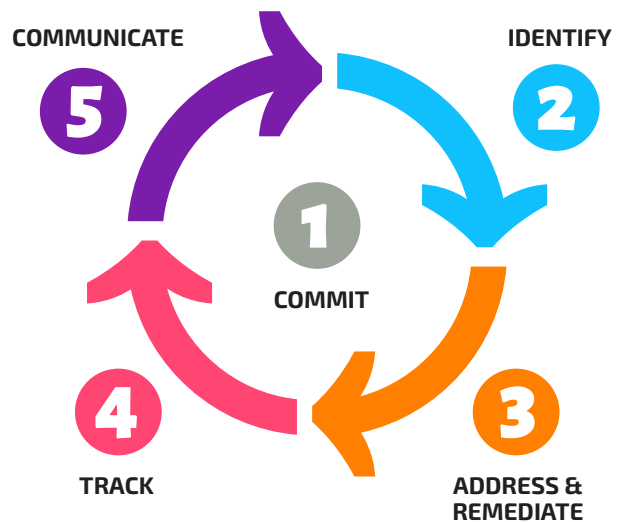


# What is Human Rights and Environmental Due Diligence?

HREDD is about managing the risks and adverse impacts that business may have on people and the planet. Child labour, gender-based violence, deforestation and water pollution are examples of problems that may be caused or deepened by business. To reduce such problems, the **HREDD process** entails five basic steps<sup>1</sup>. An organisation:

1. **Commits** to respecting human rights and the environment;
2. **Identifies** the biggest human rights and environmental problems linked to its own and its business partners' operations;
3. Takes action to **address and remediate** those problems;
4. **Tracks** progress on the actions taken; and
5. **Communicates** about this work to its stakeholders.

## Summary: Steps of the HREDD process



**HREDD IS ABOUT WORKING STEP-BY-STEP TO REDUCE HUMAN RIGHTS AND ENVIRONMENTAL PROBLEMS RELATED TO BUSINESS.**

At every step, the organisation is expected to consult people, who are or may be affected by its operations: workers, trade unions and people living close to their operations. So for companies with a sizable workforce, social dialogue with the workers and trade unions is central for due diligence.

To perform HREDD, companies need information and data about their suppliers' human rights and environmental risks, measures and progress.

See links to further guides and videos on [page 38](#).

## What are the origins of HREDD?

The idea that companies have a responsibility to perform HREDD was 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 countries have designed **laws on HREDD**, so some or all steps of HREDD are now compulsory for example in Germany, Switzerland, the UK, Australia and Canada. In the European Union, the HREDD regulation comes to effect in 2027.



**AT EVERY STEP OF HREDD, THE ORGANISATION IS EXPECTED TO CONSULT PEOPLE, WHO ARE AFFECTED BY ITS OPERATIONS.**

<sup>1</sup>These 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 we consider a grievance mechanism and remediation as integral parts of due diligence (steps 2 and 3).



## Why Should Your Organisation Conduct HREDD?

Your organisation may be reluctant to identify risks and problems, because it will then need to take action to reduce them. But performing HREDD also brings several benefits:

- **Advancing wellbeing.** HREDD is about advancing wellbeing among your workers and communities, and reducing the risk of social conflicts and environmental damage.
- **Better worker relations.** When a company performs HREDD, including social dialogue with workers, it becomes better at identifying relevant and feasible responses to workers' needs and expectations. This fosters trust, worker commitment and gender inclusion.
- **Market access.** HREDD laws increasingly require large retailers, brands, processors and traders to know and reduce the human rights and environmental challenges in their supply chains. As a result, suppliers with strong HREDD performance are more attractive partners for buyers.
- **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.
- **Building company reputation.** HREDD allows you to identify and correct problems before they grow bigger and are discovered by auditors, your buyers or journalists.



### PERFORMING HREDD CAN BRING MANY BENEFITS INCLUDING MARKET ACCESS AND REDUCED SOCIAL AND ENVIRONMENTAL PROBLEMS.

- **Influencing your buyers.** If you practice HREDD, you have a better chance to influence how your business partners conduct their due diligence – for example, which risks they focus on.
- **Gaining support from buyers.** When you have identified the most serious human rights and environmental issues, your buyers should support you in addressing them. International due diligence guidance is very clear that HREDD is about collaboration. Where buyers have contributed to challenges, for example by paying too low prices, they have the responsibility to co-invest in solving these challenges.
- **Retaining Fairtrade certification.** Fairtrade Standard requirements on HREDD are being strengthened step-by-step.

## Scope of HREDD

In HREDD work, organisations need to consider at least **all the human rights and environmental issues** recognised in the [International Bill of Human Rights](#) and [ILO Declaration on Fundamental Principles and Rights at Work](#). Further, in October 2021, the UN Human Rights Council adopted a resolution that a [right to a clean, healthy and sustainable environment](#) is also a human right.

In sectors where Fairtrade operates, 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 change and deforestation
11. Water and biodiversity
12. Freedom of speech, thought and public participation
13. Privacy

Please see [Appendix 1](#) for further information about the relevant declarations and how these 13 areas cover all internationally recognised human rights.



# Questions and Answers

What is HREDD?



**Q: "Why do I need to conduct HREDD if I comply with Fairtrade Standards? Do Fairtrade Standards not require all the necessary human rights and environmental measures?"**

**A:** Sustainability challenges are different for each organisation – they depend on the local context, labour market, government measures, buyers' business practices and many other factors. Therefore, no set of general Standards can detail all human rights and environmental measures that are sensible for each company. Risk-based HREDD is becoming an integral part of Fairtrade Standards and every certified organisation is expected to identify and address its own key risks and problems.

**Q: Would it not be more efficient for Fairtrade to assess the risks at, for example, the Kenyan horticulture industry, rather than each estate assessing their own risks?**

**A:** Fairtrade has identified common risks for each product group and country, and provides a [Risk Map](#) and a Risk Assessment Tool outlining these risks. However, the social, economic and environmental conditions also vary within countries, and each organisation manages these risks uniquely – so the actual risks of each organisation are different.

**Q: How can we finance HREDD work? We need to recruit more staff and obtain some external expert support.**

**A:** In general, companies are expected to finance HREDD work themselves and raise prices to cover the costs. But this is often difficult. In many industries, companies at the origin of global supply chains have little negotiating power and prices are largely set by large retailers, brands or processors.

The EU, many governments and development agencies are currently developing measures to support HREDD work.

Fairtrade provides ongoing producer support, including guidance, training and expert advice on HREDD. Further, leading international guidance on HREDD implores that "Companies need to provide adequate resources and training for suppliers ... to implement due diligence" (OECD, 2018, page 23).



**COMPANIES UPSTREAM AND DOWNSTREAM IN SUPPLY CHAINS NEED TO COLLABORATE TO ADDRESS THE BIGGEST HUMAN RIGHTS AND ENVIRONMENTAL CHALLENGES.**

**Q: Why is HREDD expected of plantations and other companies in Africa, Asia and Latin America, when most HREDD laws are in Europe? Is it not mainly the responsibility of large European and other downstream brands and retailers?**

**A:** Every company has a responsibility to respect human rights and the environment, as per the HREDD principles agreed at the United Nations. It is, however, true that in many supply chains, prices and other conditions are mainly decided by large downstream retailers, brands, or processors, who have the greatest responsibility for fixing the problems.

Companies at the origin of supply chains need to conduct HREDD and share their findings to influence what their buyers see as the biggest risks, their root causes, and the most suitable responses.

**Q: Plantations have a lot of administrative and sustainability work. Is the level of effort proposed in this guide really necessary?**

**A:** HREDD is expected of all companies, including plantations. This expectation comes from the United Nations and the OECD – and is strengthened by due diligence legislation in the EU and many countries around the world.

This guide seeks to offer pragmatic advice and tools for plantations with limited resources.



## EU Regulation

The European Union is a front-runner in making HREDD legally mandatory. Related EU laws include:

- **Corporate Sustainability Reporting Directive** (applicable from January 2024) requires detailed reporting on environmental, social and governance topics.
- **EU Deforestation Regulation** (December 2025) expects due diligence on deforestation from traders of specific products including coffee, cocoa, soy and wood.
- **Corporate Sustainability Due Diligence Directive** (July 2027) requires large companies to implement risk-based due diligence – and to expect the same from their suppliers.
- **Forced Labour Regulation** (December 2027) expects due diligence on forced labour and seeks to keep products made with forced labour out of the EU market.

## Cause, Contribute, Linked

In HREDD, you need to identify and address human rights and environmental risks and harms. Your company may be related to them in three different ways:

1. **You cause harm**, if your actions directly harm people or the environment. For example, there may be gender discrimination in your recruitment, your working conditions may cause health hazards, or your operations may pollute neighbouring waterways.
2. **You contribute to harm**, if you enable, facilitate, or incentivize another company's harmful actions. For example, if you utilise recruitment agencies that give workers false information, withhold identity documents or collect recruitment fees, you may contribute to forced labour.
3. **You can be linked to a harm** through your products, services, or business relationships. For example, you may be linked to water scarcity, if you operate in an area where water resources are over-exploited, even if your own water management system functions well.



**YOUR ORGANISATION ALREADY IMPLEMENTS MANY HREDD ACTIVITIES, EVEN IF YOU HAVE NOT CALLED IT “DUE DILIGENCE”.**

### Fairtrade Risk Map Helps you get started with Risk Assessment.

[Fairtrade Risk Map](#) helps companies and producer organisations to assess their human rights and environmental risks. You can use it to identify the risks that are most common in your products and operating areas.

The map allows you to explore current data and research findings on:

- the salient risks and root causes across coffee, cocoa, banana and many other industries.
- country-level risks in around 130 countries where Fairtrade operates.
- nine human rights and environmental issues that are salient across the products and geographies where Fairtrade works.
- Fairtrade's responses to these issues.

The map encourages collaboration between producers, buyers, governments, trade unions and other stakeholders to tackle these issues.

Visit [riskmap.fairtrade.net](https://riskmap.fairtrade.net)



# Step 1 Commit

The first step of the HREDD process is to publicly **commit your company** to respect human rights and environmental sustainability and to conduct HREDD. This written commitment clarifies your goal and guides your future work. Further, you need to review your other policies and weed out possible inconsistencies.

The steps are:

- Develop a commitment;
- Raise awareness;
- Align your other policies with the commitment.

## Develop a Commitment

When you start developing the written commitment, make sure that key people in your organisation are on board. Management awareness and support is vital for HREDD work. Worker representatives and staff members working on environmental or social issues also need to be oriented on human rights and HREDD.

One part of this orientation can be discussions on the first pages of this guide. On [page 38](#), you also find links to additional videos, tools and guides on HREDD.

Your first written human rights and environmental commitment need not be lengthy or complicated. It can be a stand-alone statement or embedded in other policies like your mission statement or sustainability policy. You can find a sample process on [page 10](#) and a sample commitment, which you can adapt for your organisation, on [page 11](#). However, it is important to refer to all internationally recognised human rights, including labour rights and environmental rights (see page 5 for Scope of HREDD).

It's best practice that this commitment is approved by the top management: your leadership team or board, depending on your company's own rules for decision-making. This commitment is public, establishes an ongoing corporate risk management process, and may cause changes in the company's other operational policies and procedures.

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



**DEVELOP YOUR HREDD PROCESS OVER TIME: START WITH A SIMPLE PROCESS AND STRENGTHEN IT OVER THE YEARS.**

### Fairtrade Standards Requirements for Hired Labour Organisations

#### Written commitment to respecting human rights and the environment

*Core requirement, Year 0<sup>2</sup>*

You have a written commitment to respect human rights and environmental sustainability and to conduct due diligence. Your written commitment refers to internationally recognised human rights, including labour rights and environmental rights.

#### Awareness raising

*Core requirement, Year 1*

You raise the awareness of your board, management, staff members and workers about your commitment to respecting human rights and the environment, and its implications for your operations.

#### Internal alignment with human rights and environmental sustainability

*Core requirement, Year 3*

You align your operational policies and procedures with your commitment to respecting human rights and environmental sustainability.

[www.fairtrade.net/standard/hl](http://www.fairtrade.net/standard/hl)

<sup>2</sup>Year 0, 1 or 3 refer to the number of years a company has until it is audited against the requirement. In other words, companies seeking Fairtrade certification need to comply with year 0 requirements. In the following three years, companies also need to comply with year 1 and year 3 requirements.





**AWARENESS RAISING IS A LONG-TERM PROCESS: PEOPLE'S ATTITUDES AND BELIEFS USUALLY CHANGE SLOWLY.**

### Raise Awareness

Awareness-raising is about:

- Informing and educating your board, management, staff and workers about your organisation's commitment to human rights, environmental sustainability and due diligence, and its implications for your operations;
- Influencing attitudes and behaviours towards respecting human rights and the environment.

Awareness raising is a long-term process: people's attitudes and beliefs are shaped by traditions and the environment and usually change slowly. Ways to raise awareness include:

- **Meetings and training** events held by own staff or external experts;
- Producing educational resources such as studies, **infographics and videos**;
- Establishing **focal points** who support other staff or workers by answering questions and searching for expert support when needed;
- Holding or participating in **events** such as roundtables, seminars, workshops and demonstrations;
- **Engaging trade unions** or other worker representatives to raise awareness among workers;
- Posting the commitment, infographics etc. on a **noticeboard** that workers can access
- Utilising online groups and **social media** such as Facebook/WhatsApp/Signal;
- Utilising **community radio**, press releases, opinion articles, or arts like street theatre

It may be useful to develop a simple awareness-raising plan to decide your priorities and how to achieve them with your available resources. The plan can just show your objectives, target groups, key messages and activities.

You can request awareness-raising materials or training from your contact person at your Fairtrade Producer Network. Workshops and materials are also often available from local government agencies, civil society organisations, trade unions and trading companies.

### Align Other Policies

In order that your company operates efficiently, your human rights and environmental commitment and other policies and procedures need to be aligned and complementary.

For example, if you have committed to prevent discrimination against women, it is good to include some concrete steps towards gender equity in your human resource, health and safety or other relevant policies or plans. Similarly, if you have committed to solicit stakeholder opinions on strategic choices, you need clear procedures for stakeholder consultation.

Relevant policies could include those on health and safety, human resources, environmental management, legal compliance, procurement/contracting, risk management and project approval. This includes the codes of conduct for staff and business partners.

Revise the policies and procedures to clear out inconsistencies and to strengthen complementarity.

#### What's New

Fairtrade has for long expected Hired Labour Organisations to adopt a mission statement, committing to continuous improvement of social and sustainable production practices, and the aims and values of Fairtrade.

You can fulfil the new requirement on written commitment by **updating your mission statement.**



## Developing and implementing a Commitment

To develop your commitment, you can, for example, follow these typical steps of policy setting:



1. **Prepare.** Appoint a staff member and a manager to develop and supervise policy development. The appointed persons can gather information by discussing with worker committees and unions, other internal and external experts, checking buyers' codes of conduct and identifying relevant national or international regulations.
2. **Draft** the commitment or policy.
3. **Gather feedback** from stakeholders. It will help the implementation, if you gather stakeholder feedback already at the drafting stage and manage to make the text more understandable and acceptable. You can consider discussing with:
  - a. Internal stakeholders, including your worker representatives, Premium Committee members, and managers who work on human rights and environmental issues.
  - b. External stakeholders, including Fairtrade Producer Networks, trade unions, business partners, non- governmental organisations and local officials.
4. **Finalise** the commitment or policy.
5. **Sign-off and publish.** Obtain approval from appropriate governance body. The commitment needs to be approved at your leadership team or board.  
  
Communicate the commitment or policy to workers, people living in the vicinity of your production unit, business partners, and other stakeholders, for instance, by:
  - Presenting it in events.
  - Presenting it in meetings with your business partners.
  - Rewarding people engaged in good practices.
  - Posting it on noticeboards, your website and other communication platforms, if possible.
6. **Implement and monitor** impacts.
  - Train relevant staff and workers.
  - Assign responsibilities. Somebody from senior management should have oversight, and a staff member or committee should implement. The relevant staff member could be an operational manager, Fairtrade officer, internal control officer or an expert in risk, environmental or social management.
  - Sensitise stakeholders to the topic
  - Align your other policies to ensure that human rights and environmental considerations are reflected where necessary. Relevant policies could include those on health and safety, human resources, environmental management, legal compliance, procurement/contracting, risk management and project approval.
  - Monitor implementation, reward good practices and address breaches.
7. **Revise.** It is usually smart to update a commitment every 3–6 years.



## Example of Commitment

### Preamble

1. \_\_\_\_\_[Company Name]\_\_\_\_\_ commits to undertake its business activities in a manner which respects human rights and the environment, in line with the
  - a. laws that apply to our operations
  - b. United Nations' International Bill of Human Rights and the Resolution on the right to a clean, healthy and sustainable environment
  - c. United Nations Guiding Principles on Business and Human Rights
  - d. International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, and the
  - e. Fairtrade Standard for Hired Labour Organisations
2. We seek continuous improvements in our production practices to advance sustainability and wellbeing and to avoid causing or contributing to adverse human rights and environmental impacts. If such impacts occur, we will seek to provide for or cooperate in correcting them. As a Fairtrade certified organisation, we already work to address and remediate adverse impacts.
3. We will strengthen our human rights and environmental due diligence process over time. This work is overseen by our XX [title of the assigned manager or director].

### Company Policies

4. Our policies and practices are developed to prevent exposure of our workers, other stakeholders and the environment to avoidable human rights and environmental harms.
5. We revise these policies and practices periodically to ensure that they meet contemporary standards of responsible business conduct and train our workers on the changes.

### Our sphere of influence

6. We strive to reflect this commitment in our everyday activities, procedures, business relationships and corporate philosophy, and encourage our partners to commit to responsible business conduct.
7. Our company seeks to protect the environment where we operate, provide safe and rewarding work environments and take steps to prevent forced labour, any form of discrimination at workplace and other human rights harms.
8. We commit to social dialogue with workers and trade unions, as it helps us to identify risks, existing challenges and effective measures to address and remediate them. We seek continuous improvement in our structures and processes of social dialogue.
9. We also commit to seek dialogue with other stakeholders, including local communities, to reduce risks and harms to people and nature.

### Governance

10. We will inform our Board/owners, management, staff and workers about this commitment and keep them updated about our steps in improving our human rights and environmental performance.
11. We seek to build synergies and collaboration with various stakeholders including industry players, government agencies, trade unions, non-governmental organisations and community members, in order to keep our commitment responsive to the rights, interests and well-being of our stakeholders and the environment.

### Conclusion

This Commitment has been approved by \_\_\_\_ [for example the Board of Directors] \_\_\_\_ in \_\_\_\_ [city and country] \_\_\_\_ on \_\_\_\_ [day, month, year] \_\_\_\_

# Step 2 Identify

The second step in HREDD is to identify the biggest risks and problems related to your business. Note that **this risk assessment focuses on risks and problems to people and the environment – not risks to your business.**

These biggest risks and problems are often not caused by you – the root causes can include poverty, unfair division of value in global supply chains, limited public services, discrimination, and environmental calamities. But you can only manage the risks and problems if you first recognise and document them.

Your organisation may be reluctant to identify risks because you then need to take action to reduce them, which requires work and resources. However, it is much easier to address risks early. The costs rise if risks turn to problems and cause social conflicts, environmental damage, reputational or commercial losses or a court case against your organisations.

**You are not expected to work alone in addressing human rights or environmental issues.** Governments and other supply chain actors are expected to make significant contributions, and everybody understands that reducing these risks and problems takes time.

When you acknowledge your risks and challenges, it builds your credibility among business partners and other stakeholders. If some issues are common in your country or field of production, buyers increasingly expect you to explain how you are managing them.

There are two key tools for identifying and monitoring human rights and environmental risks and problems:

1. Risk Assessment
2. Grievance Mechanism



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

## Fairtrade Standards Requirements for Hired Labour Organisations

### Risk Assessment

*Core requirement, Year 1*

You conduct a human rights and environmental risk assessment at least every three years that:

1. Maps the risks and challenges that are common in your country and commodity or commodities produced, and considers external data and research.
2. Engages worker representatives in assessing the risks and challenges that are specifically related to your organisation, and identifies the three most salient issues.
3. Assesses the three most salient issues and their root causes.
4. Identifies vulnerable groups of people who are or could be impacted more than others.

You strengthen your assessment methods over time.

# Risk Assessment

As part of HREDD, risk assessment involves identifying the biggest risks and problems for workers, other stakeholders, and the environment that are connected to your organisation's activities and those of your business partners.

Remember to consider all internationally recognised human rights (see page 5 for Scope of HREDD) and assess risks on an on-going basis or at least every three years.

Fairtrade has developed two tools to support your risk assessment:

1. **The Fairtrade Risk Map** (<https://riskmap.fairtrade.net/>) and
2. **"Fairtrade Risk Assessment Tool for Hired Labour Organisations"** (available on [www.fairtrade.net/standard/hl](http://www.fairtrade.net/standard/hl)).

These tools offer data and research findings that help you identify the risks common to your key product(s) and

operating countries (step 1 below). Further, the Tool can guide your organisation through a basic HREDD risk assessment process. However, if you prefer, you can use other tools instead or in addition.

Also, you need not create duplicative procedures. If you already assess risks related to, for example, the environment, health and safety, or child labour, you can just broaden that assessment to cover all human rights and environmental issues.

No one can do a perfect HREDD risk assessment on their first attempt. **Just complete the steps as well as you can** and note down the learnings.

Next time, you should strengthen your assessment by engaging a more varied or larger group of stakeholders; considering more external data and research; making deeper assessment of the root causes, vulnerable groups or your practices; or publishing your findings more comprehensively.

## A basic risk assessment can include the following four steps



### 1. MAP THE COMMON RISKS

Map the human rights and environmental **risks that are common in your country and field of production**, taking into account external data and research about the labour market dynamics in your sector and the socio-economic and civil conditions in your country. The information you may utilise includes reports and data by governmental, non-governmental and international organisations.

It is best practice to also map risks in your supply chains, considering the business partners who provide you goods and services.

If you use the **Fairtrade Risk Assessment Tool** and select your country and main products, the tool helps you by showing the risks highlighted in relevant external statistics and research, based on **Fairtrade Risk Map** ([riskmap.fairtrade.net](http://riskmap.fairtrade.net)).

#### What's New

Fairtrade has previously required Hired Labour Organisations to assess the risks of discrimination, water pollution and use of genetically modified organisms, and recommended the assessment of child labour, health and safety, and soil erosion risks.

**The new risk assessment requirement is more general.** It asks you to assess risks related to all human rights and environmental issues and identify your top issues. This overall assessment can be followed by more in-depth, issue-specific risk assessments.

## 2. IDENTIFY YOUR SPECIFIC RISKS

Assess the **risks related to your specific operations**. You can do this by asking yourself the following questions:

1. Are the common risks, which we identified in step one, also present in our operations? Do we have additional risks?
2. How serious and common/likely are each of them?
3. How are we and our business partners connected to each risk – are we causing, contributing or just linked (see [page 7](#) for the definitions)?

If you use the Fairtrade Risk Assessment Tool, it suggests some key issues – or “mapping indicators” – for each human rights and environmental area. These can help you assess how serious and common these problems are in your operations and supply chains.

The information you may utilise to assess the risks include:

- Findings or independent and internal audits
- Studies performed with or without your organisation's involvement;

- Any data related to your district or town;
- Media reports;
- Issues raised through your grievance mechanism.
- Interviews with workers, other stakeholders and experts.

**This assessment is not meant to be done by just one person:** you need to engage at least your worker representatives. To create a comfortable space for workers and women to share their perspectives, engage them separately from the management and men.

When you become more skilled in HREDD risk assessment, you should aim to utilise more varied information and consult further stakeholders, such as community members, trade union representatives, buyers, local authorities, recruitment agencies, other suppliers, extension officers, government officials, civil society experts, researchers, neighbouring companies, local teachers, and societal opinion leaders.

## 3. IDENTIFY AND ASSESS MOST SALIENT ISSUES FURTHER

Identify at least **three challenges that are most common and serious – or “salient”**. You may find it useful to collect all the issues into a risk matrix featured in [Appendix 2](#).

Include child labour, forced labour and deforestation loss in your salient issues if [Fairtrade Risk Map](#) or other reliable sources have identified these as a high risk in your country and field of production.

Then assess your salient challenges and their root causes further, and consider how your organisation can have or develop leverage to prevent, mitigate or remediate these challenges. This will help you after the risk assessment, when it's time to address these challenges. If you use the Fairtrade Risk Assessment Tool, it suggests some “additional indicators” for this step.

## 4. IDENTIFY THE MOST VULNERABLE PEOPLE

**In any organisation or society, some groups of people are disadvantaged.** 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.

While all your workers may have some level of vulnerability to poverty, the aim here is to identify more specific groups. Groups that are often vulnerable include:

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

## Grievance Mechanism

A grievance mechanism is a formal process for receiving and responding to complaints from workers, local community members and other individuals and groups. Enabling people to voice their grievances is valuable because it:

- Allows you to respond to concerns and incidents early before the problem grows bigger;
- Brings you information about emerging risks and problems, so that you can consider strengthening your related policies and practices.

Thus, a grievance mechanism serves as **an early warning system** that supports your risk assessment.

The nature of complaints related to corporate operations or supply chains can be diverse. For example, subjects may include:

- Discrimination;
- Poor working conditions or problems in wage/salary payments;
- Poor practices by recruitment agencies or suppliers utilised by the organisation;
- Excessive use of water resources or pesticides, which causes problems for the local community;
- Unfair or fraudulent utilisation of Fairtrade premiums;
- Other breach of Fairtrade standards.

If there's a shared grievance mechanism for your sector or country, which fulfils Fairtrade Standard requirements, you can participate in that mechanism instead of operating your own.

### Developing a grievance mechanism

When developing your grievance procedure, it's practical to engage workers, trade unions and other key stakeholders in defining or refining how complaints can be made, handled and communicated to all parties.

The best practice is to appoint a committee to develop the grievance procedure and then handle the complaints received. To ensure that complaints are handled fairly, the committee membership should be diverse, including management, staff, women and men, among others. The committee can consider the following questions:

- *What can be done to ensure that no one is scared to make a complaint?*
- *What would be a fair way to handle complaints?*
- *How quickly should cases be handled?*
- *How can the organisation communicate progress and decisions to relevant people including complainants that wish to remain anonymous?*



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

### What's New

Fairtrade has expected a grievance mechanism from Hired Labour Organisations since 2015. The new requirements build on the previous ones but expect **some additional measures on accessibility and transparency**.

Hence, organisations can fulfil the new requirement by strengthening their existing grievance mechanism.

The additions mirror the United Nations effectiveness criteria for operational level grievance mechanisms (see further information in Appendix 3).



## Fairtrade Standards Requirements for Hired Labour Organisations

### Human rights-based grievance mechanism

#### Core requirement, Year 0

You have a grievance mechanism which allows workers, community members and other individuals and groups to anonymously raise complaints of injustice, harm or fraud linked to your organisation, including environmental harms. The grievance mechanism:

- Is accessible in your national language(s) and the language(s) spoken by workers.
- Supports both written and verbal complaints.
- Respects the anonymity of the complainants and protects them from retaliation, threats or harm.
- Ensures resolutions are decided and remediation implemented in a timely manner.
- Ensures that all parties are kept informed about progress while respecting confidentiality.
- Allows for an appeals process.
- Ensures confidential handling of sensitive grievances.
- Aligns with internationally recognised human rights and national laws.
- Includes a procedure for cases of sexual harassment (see 3.1.6).

Grievances regarding gender-based violence are reported to and addressed by specially appointed women or gender committees, which are linked to a female senior manager where possible and have direct access to the Chief Executive. The same principles apply in cases of sexual harassment of groups other than women. If applicable, you report human rights violations to any relevant national agencies.

### Raising awareness about grievance mechanism

#### Core requirement, Year 1

You inform all your workers about the grievance mechanism, in the language(s) spoken by workers.

You take annual measures to make the mechanism known and accessible to workers, community members and other individuals and groups.

You conduct regular analysis of grievance cases and have dialogue with key stakeholders, including trade unions or, where no trade union is active, other organisations representing the interests of workers. The results of the analysis are used to improve your grievance mechanism and your operations.

The grievance procedure could contain the following steps:

- 1. Receive grievance.** Allow grievances to be made anonymously and non-anonymously, in multiple ways: for instance in person, in a suggestion box, over the phone, via email or an online form. You need to collect enough information to assess the grievance.
- 2. Screen and acknowledge.** Screen each grievance to see how serious they are and who is best placed to resolve it. Severe grievances should be addressed quickly. Acknowledge each grievance within a specific period, for example 3 days, through a message directly to the complainant or, in the case of an anonymous grievance, on a noticeboard, in work briefing or to worker representatives.
- 3. Investigate.** Seek to investigate cases quickly, avoiding all unnecessary delays. If the investigation becomes prolonged, remember to keep all parties informed about progress. Maintain confidentiality and observe all parties' right to privacy. If a case is not found legitimate, close and document it.
- 4. Communicate findings** to the grievant and affected parties, observing all parties' privacy. When relevant, report to police or other relevant authority, in collaboration with the affected parties.
- 5. Act.** Create and approve an action plan that resolves the grievance. Update the complainant and other parties involved on the progress.
- 6. Follow up and close out.** Provide the complainant with an opportunity to appeal if they are unsatisfied with the outcome. Monitor the implementation of the action plan to ensure its effectiveness.





## Raising Awareness about Grievance Mechanism

**Awareness raising and ongoing dialogue with workers and other rightsholders are core elements in operating a grievance mechanism:** They are crucial to enable and encourage people to voice their grievances.

When you have set up or made changes to your grievance mechanism, you need to inform your workers about it and train worker and trade union representatives on it. Further, you need to take regular measures to raise awareness about your mechanism among workers, people in local communities and other stakeholders. See [page 9](#) for practical tips on awareness raising.

It is best practice to make the grievance mechanism publicly available online.



**IT IS A GOOD SIGN WHEN YOUR ORGANISATION IS RECEIVING GRIEVANCES. IT MEANS THAT PEOPLE ARE AWARE AND TRUST THE SYSTEM.**

### **Essential elements to ensure trust in your grievance mechanism include:**

- Welcome written, verbal, anonymous and non-anonymous grievances.
- Operate in national language(s) and languages spoken by workers.
- Take proactive measures to prevent retaliation or harm against persons who make complaints.
- Train the people who investigate and handle grievances. It's important to hear all involved parties and aim at unbiased and human rights-based decisions.
- Decide and implement remedies in a timely manner. Where a reported injustice is clear, you may aim to decide remedies within a month. But in other cases, it can take several weeks to establish what has and has not happened. Some remedial measures also take longer to implement than others.
- Set timeframes and procedural steps in your written grievance procedure.
- Do not disclose information without the express permission of the person to whom the information relates.
- Maintain a separate, sensitive process for handling grievances regarding gender-based violence and sexual harassment.
- To improve your grievance mechanism – and your operations – conduct an annual analysis of the grievance cases. Repeated grievances on some topic may indicate a persistent problem and a need to update your related policies, practices or resourcing.
- Ask your key stakeholders to suggest improvements to your grievance mechanism. Include trade unions or, where no trade union is active, other organisations representing the interests of workers.

Claims that a certified entity has not complied with Fairtrade Standards can be submitted to the global grievance mechanism of FLOCERT auditing company via WhatsApp on +49 (0)228 2493230 or an [online form](#).

**You can find support for setting up and operating your grievance mechanism from the Fairtrade Producer Network in your region.**

# Step 3 Address and Remediate

**The third step is the crux of HREDD:** taking action to address and remediate the most salient human rights and environmental issues linked to your organisation. More specifically, these actions can aim to prevent, mitigate, or remediate the harms, or to cease your association with them.

The effectiveness of different activities depends on several factors: the exact problem, its root causes, the operating environment, the capacities of your organisation, and support from other actors.

There are three general actions you can take:

1. Develop and implement **policies and procedures** on the salient issues. For example, many plantations have policies for forced labour and non-discrimination.
2. Develop and implement an **action plan** that sets out the concrete activities to implement these policies.
3. Take measures to **remediate** serious harms that have already occurred.

It is advisable to consult various groups of people when drafting a policy or action plan, to ensure their relevance and support from key actors. These groups can include

your workers, youth, women, public officials, and other external experts such as protection agencies.

In particular, remember to consult the vulnerable groups of people whose working conditions and lives you seek to improve. To raise women's earnings, for example, it is imperative to ask what women workers see as their biggest obstacles and possible solutions.



**IT IS OFTEN NOT POSSIBLE TO ADDRESS ALL PROBLEMS AT ONCE, SO YOU SHOULD PRIORITISE THREE OR FOUR MOST SERIOUS HUMAN RIGHTS AND ENVIRONMENTAL ISSUES.**

## From Commitment to Policy to Action plan





## Policies and Procedures

A policy is a text where an organisation outlines its goals, general principles and procedures related to a specific issue. The following elements are commonly included:

- Purpose and scope of the policy;
- Definitions of key terms;
- General principles that guide the policy, often drawn from international agreements;
- Roles and responsibilities within the organisation;
- Procedures for e.g. monitoring, reporting and remediation.

In [Appendix 4](#), you find a sample policy on non-discrimination and anti-harassment. To develop a policy, you can follow the same seven steps laid out above, on [page 10](#).

Fairtrade Standards expect you to develop and implement policies to prevent, mitigate and remediate at least three of your most salient issues. This can be one overarching policy or three separate ones. You need to communicate these policies to your management, staff and workers, and it's best practice to also inform your subcontractors.

Every three years, you should review whether your policies are up to date, and revise any outdated ones.

## Fairtrade Standards Requirements for Hired Labour Organisations

### Human rights and environmental policies

*Core requirement, Year 1*

You develop and implement policies to prevent, mitigate and remediate at least three of the most salient issues identified through your risk assessment.

You communicate the policies to your management, staff and workers.

You revise the policies at least every three years.

### Action Plan

*Core requirement, Year 3*

You develop and implement an action plan to prevent and mitigate the salient issues in your policies and to remediate where cases are found.

As part of your action plan, you:

- Raise awareness of your board, management, staff, trade union/elected worker representatives, and workers about the salient human rights and environmental issues
- Support workers with special focus on vulnerable groups of people that you have identified
- Have dialogue and collaboration with your largest buyers

You consult in an inclusive and meaningful way with your workers, worker representatives, trade union representatives and vulnerable groups in order to identify appropriate activities.

The action plan is presented to and approved by worker representatives and the GA and shared with trade unions representing workers in the company.

The action plan is revised annually to keep it up to date.

### Dialogue on HREDD collaboration

*Core requirement, Year 3*

You share information about your prevention, mitigation and remediation activities with at least one of your Fairtrade buyers to facilitate support for your activities and to reach a common agreement on collaboration and support.

## Action Plan

To implement the policies, develop an action plan that sets out the concrete actions you will take. It is useful to recognise the differences in these aims:

- **Prevention** means taking action to avoid a problem.
- **Ceasing** means stopping your contribution to a problem.
- **Mitigation** means reducing the risk or the frequency of a problem, the number of people suffering from it, or the impact on those people or the environment.
- **Remediation** means correcting a harm that a person or a group has experienced. In short: making the wrong right again.

Your action plan can be a simple table of tasks with a deadline, budget, responsible person, and an indicator to measure the success of each task. See [Appendix 5](#) for an example.

**Keep your plan realistic.** It is better to have a less ambitious plan that can be achieved, than setting overly ambitious goals that remain on paper.

The action plan needs to be presented to and approved by worker representatives and the General Assembly and shared with trade unions that represent workers in the company. The plan should be revised annually.

### Examples of Possible Actions

Here are six important measures for your company to consider:

- 1. Awareness raising and training:** Raise awareness and train your board, management, staff, worker/ trade union representatives and workers on your salient issues, related solutions, and the vulnerability of specific groups of people.  
Sometimes it's central to clarify the rules and guidelines you already have, or just to inform your workers about services provided by other actors. See [page 9](#) for practical tips on awareness raising.
- 2. Facilities, tools and procedures:** Concerns on working conditions or health can often be mitigated through relatedly minor changes at the workplace.  
For example, it may be relevant to offer more personal protective equipment, refine your hiring or induction processes, or update warning signs, drinking facilities, lighting or first aid equipment.
- 3. Strengthening good practices:** You can run specific pilot projects to test new practices or offer training and peer support to encourage your staff or workers to adopt new practices.
- 4. Support workers,** with a focus on vulnerable workers, for example through training, encouraging workers to get organised, and supporting alternative sources of income.
- 5. Social dialogue** – see discussion on the next page.

- 6. Dialogue and collaboration** with your buyers and other actors. Since many human rights and environmental problems are complex and systemic, collaboration between producers and traders is needed to address these problems.  
Fairtrade Standards require traders to initiate this dialogue: Large, certified traders need to share information about their prevention, mitigation, and remediation activities with at least one Fairtrade producer and invite that producer to share theirs. The Standards also expect you to respond and share information about your prevention, mitigation and remediation activities with at least one Fairtrade buyer.  
This dialogue is intended to inform your buyers' risk assessment, policies and action plans and facilitate a negotiation where the buyer agrees to support your HREDD activities. Where a buyer provides such support, you should report back to the buyer on its implementation.
- 7. Partnerships and negotiations:** In addition to traders, mitigation of complex problems can require negotiations and advocacy work with local authorities or other public agencies, partnerships with civil society organisations, and collaboration with other stakeholders



**There are five typical steps that organisations may take to develop an HREDD Action Plan:**

- 1. Set your goal(s)**, informed by your risk assessment, policies and assessment of your current situation and opportunities for change. Good goals are SMART (S – Specific, M – Measurable, A – Attainable, R – Relevant, T – Timely or time-based).
- 2. Plan activities.** To identify relevant and appropriate activities that take you closer to the goal, you should consult potentially affected people including your workers, worker and trade union representatives, and any particularly vulnerable groups of people. Define the tasks as specifically and concretely as possible – this will make implementation easier.
- 3. Allocate resources.** Aim to assign people with the right skills, allocate sufficient staff time and budget, and identify any external partners or support needed.
- 4. Set timelines.** Set start and end dates for activities, prioritising tasks based on urgency and importance.
- 5. Define** suitable indicators, that demonstrate when each activity is successfully completed. See [pages 24](#) for tips on tracking due diligence activities.



### Social Dialogue – a Key Pillar of Due Diligence

Social dialogue between companies and workers plays a key role in effective HREDD. It helps companies identify adverse impacts and effective measures to address and remediate those impacts.

Social dialogue refers to any type of negotiation, consultation, or information exchange between employers and workers, at company, regional or national level. Sometimes government authorities participate as well.

Fairtrade Standards require plantations and other hired labour organisations to engage in social dialogue. For example, they are to hold quarterly meetings between senior management and trade union/elected worker representatives, adhere to a

Collective Bargaining Agreement (CBA) or, where no CBA exists, negotiate one with a trade union or worker representatives.

In social dialogue, a mindset of open listening and willingness to learn are crucial. Two-way exchange is key to building mutual trust. Participants need to feel secure in voicing their concerns without fear of reprisal. You should pay particular attention to the inclusion of vulnerable groups and ensure their safety throughout the process.

Successful social dialogue structures and processes can resolve economic and social challenges, promote industrial and social stability and boost business performance.



## Remediation

If you identify cases where a person's human rights have not been respected, you need to take remediating measures. The key elements of remediation are:

1. Seek to **end the violation**, for example, by reversing the situation (inappropriate termination of work etc.) or safely withdrawing the impacted person from the situation (forced labour, etc.).
2. **Ensure the safety** of the affected persons
3. **Restore or rehabilitate** the effected persons or environment for example, by reimbursing costs, finding alternative employment, providing schooling/ skills development, or giving financial or non-financial compensation. 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.
4. **Enable compensation.** This can be financial or non-financial compensation that corresponds to the significance and scale of the violation.
5. Take actions to **prevent further violations** from happening again. This can entail any of the preventive or mitigating activities as listed above.
6. Applying **disciplinary measures** against the offender(s), for example, by giving the offender a formal warning; or suspending him/her from work for a serious violation.

Note that you need to outline possible disciplinary measures in a relevant policy as they should not come as a surprise to anyone. Where the violation may break local laws, the company is not a competent body for judging it, so it should report the incident to relevant authorities.

When determining the remedy, the affected person(s) and their representatives need to be consulted, unless this puts their safety or security in jeopardy.

### Fairtrade Standards Requirements for Hired Labour Organisations

#### Remediation procedure

*Core requirement, Year 1*

You have a written procedure that guides your remediation work.

If you have identified cases of human rights or environmental harms caused by or contributed to by your company, you take measures to remediate the harms and/or collaborate in the remediation with others.

#### Monitoring and remediation system

*Development requirement, Year 3*

You implement a monitoring and remediation system to check for and respond to cases of human rights or environmental violations.

You focus on selected types of violations, which you have identified as salient for your organisation.

Your system contains the elements described in [the monitoring and remediation system guidelines](#).

You document the type of cases identified and responded to.

#### What's New

Fairtrade has always expected some policies and remediation measures from Hired Labour Organisations. Policies have been expected to prevent sexual harassment, child labour and inappropriate disciplinary measures, and encouraged to prevent discrimination and spread of contagious diseases.

Remediation measures have been required where child labour has been identified.

Where an organisation already has up-to-date policies on its salient issues, it already fulfils the policy requirement.



## Monitoring and Remediation System

If the risk of human rights violations or environmental damage is high, consider setting up a Monitoring and Remediation System (MRS) to check for and respond to harms systematically.

MRS often focuses on one or a few salient issues, such as gender-based violence or indications of forced labour.

You may establish and operate this system by yourself or in partnership with others, including relevant government agencies, expert non-governmental organisations, traders or others.

To establish or join an MRS, it's practical to first clarify which Director or committee has the responsibility for managing the system. This body ensures that five key elements of the system are set up and functioning together:

1. **Awareness raising and training** about the topic and the resulting harm amongst workers, their families, and the wider community.
2. **Identification and monitoring:** Assess which people or natural resources are most at risk and monitor their wellbeing and condition via regular visits and other efforts.
3. **Remediation** of the identified victims and families or identified environmental damage. Remember to also document the actions taken.
4. **Follow-up** with the identified victims or resources on a regular basis to ensure that violations or damage are not repeated.
5. **Partnerships:** Wherever possible, partner with other companies or development agencies/organisations to prevent duplication of efforts and access support.



**KEEP YOUR POLICIES AND ACTION PLANS REALISTIC. A SIMPLE PLAN THAT IS ACHIEVED IS BETTER THAN A GREAT VISION THAT REMAINS ON PAPER.**

## Who is Responsible for Remediation?

Where an organisation has caused or contributed to a human rights violation, it has a responsibility to participate in remediation. This is expected by the HREDD norms agreed at the UN and the OECD.

However, state agencies are also expected to participate in remediation – they have a duty to protect people. Further, where buyers or other business partners have contributed to the violation, for instance via low producer prices, they also have a responsibility to support remediation.

If state agencies and business partners do not provide support, the company may be unable to offer all six elements of remediation (as presented on the previous page).

Therefore, Fairtrade Standards do not expect your organisation to fully remediate all harms you are related to. Rather, the Standards expect you to establish a written procedure that guides your remediation work and, where you have contributed to or caused harm, to take measures to collaborate in remediation.

Further, you need to inform state agencies where relevant: report to public authorities in line with national legislation, and refer cases to protection agencies when you need expert support. Non-governmental organisations may also have supportive expertise and resources.

It's also best practice to engage your buyers, who may have a responsibility to co-operate in remediation.

**The Fairtrade Producer Network in your region can support you with the remediation of identified violations, avoiding further harm and acting in the best interests of the affected person(s).**



# Step 4

## Track Progress

The fourth step of HREDD is tracking, which means **checking the implementation and effectiveness of your activities**. You should track progress to:

- Learn whether your due diligence activities are actually working and effective;
- Identify and continue good practices;
- Change ineffective activities.

First and foremost, tracking serves your organisation and helps you improve your operations before problems show in audits or your buyers or other stakeholders complain. You do not need to report all monitoring data to anybody else, but sincere tracking is crucial for the effectiveness of your HREDD efforts.

If your organisation already has a monitoring and evaluation system, it makes sense to incorporate HREDD tracking into it. Basically, tracking takes three steps:

- Select indicators;
- Collect data;
- Analyse the data and use the findings.



**FIRST AND FOREMOST,  
TRACKING SERVES YOUR  
ORGANISATION AND  
HELPS YOU IMPROVE  
YOUR OPERATIONS.**

## Select indicators

You can track (a) the implementation and (b) effectiveness of your due diligence activities.

**Examples of indicators for tracking (a) your progress in due diligence activities:**

### 1. Awareness raising

- a. Number, type and topics of human rights and environment related awareness raising activities for management and staff, workers, and other partners.
- b. Per activity, the number of people reached, disaggregating for women, youth, workers, and family members.

### 2. Risk Assessment

- a. List of the salient human rights and environmental risks identified.
- b. Most vulnerable groups identified.
- c. Types of stakeholders consulted in risk assessment.

### 3. Grievance Mechanism

- a. Number and type of grievances reported during the past year and open/closed.
- b. Percentage of grievances addressed within a specific time period.
- c. Types of recurring grievances.

### 4. Addressing and Remediating

- a. List of human rights and environmental policies your organisation is implementing.
- b. The indicators set in your action plan.
- c. Types of stakeholders consulted in developing the action plan.
- d. Number and type of human rights violations identified.
- e. Number of victims and share of victims who have been withdrawn and supported so that the violation does not continue (without mentioning any names).
- f. Types of support gained from partners.

### 5. Communication and partnerships

- a. Type of stakeholders to whom information about HREDD work has been disseminated.
- b. Organisations that support your HREDD work (if any).



**To track (b) effectiveness of your activities, you can:**

- Check whether your salient issues are becoming more or less common and serious by utilising the same indicators and methods as in risk assessment;
- Analyse the information you have gained via your grievance mechanism.

## Collect data

You need to collect and analyse tracking data annually. To track progress in your due diligence activities, you need to integrate the data collection to your HREDD activities.

It is best practice to draw on feedback from workers and other internal and external sources, and to pay particular attention to the impacts on vulnerable groups of people.

After some years of developing your due diligence system, it may also make sense to contract an external expert to evaluate your system and share advice on next steps.

## Analyse the data and use the findings

Once you have data, it's time to analyse it and develop recommendations to improve your organisations' due diligence activities. Report the trends, analysis and recommendations to your senior management, board and/or shareholders and workers' General Assembly.

### Good practices on tracking

Many plantations use sophisticated methods for monitoring their human rights or environmental issues. Here are a few examples:

- conducting True Cost Accounting to monitor the impact of company operations on the environment;
- regular carbon footprint calculations to monitor the climate impact of the company;
- monthly reporting of sickness and accident rates;
- monitoring and remediation systems on such serious human rights violations as child labour, forced labour or gender-based violence;
- internal control system.

To utilise these methods for monitoring, it is important to conduct checks, calculations or reporting regularly and compare and analyse the results to see whether the issue is becoming more or less serious.

### Fairtrade Standards Requirements for Hired Labour Organisations

#### Tracking due diligence activities

*Core requirement, Year 3*

You define and implement annual measures to track the implementation and effectiveness of your due diligence activities.

You document and use the lessons learned to improve these activities.

You report key lessons learned to your workers' General Assembly and to your management and/or board and/or shareholders.



# Step 5 Communicate

The final step of the HREDD process is to communicate to your stakeholders what your salient issues are, how you have conducted due diligence, and the impact of your activities.

It's good to note that **if you don't discuss these issues with your buyers, you cannot fully reap the benefits of HREDD work**: improve your market access, influence your business partners' risk assessments, and gain support and co-investments for your human rights and environmental work. However, you need to always respect your workers' and other people's privacy, for example by presenting data in aggregated form.

Further, it is advisable to assess your buyers commitment, before sharing your risks. Does the buyer recognise its responsibility to participate in remediation? Is there a risk that the buyer just ends purchases, if they hear about severe human rights and environmental challenges? Could the buyer commit to remediation and continued purchases?

You should **adapt your organisation's information to different audiences**. Your workers have a right to know about your activities and buyers want to see that you admit and address the greatest risks.

## Communication Plan

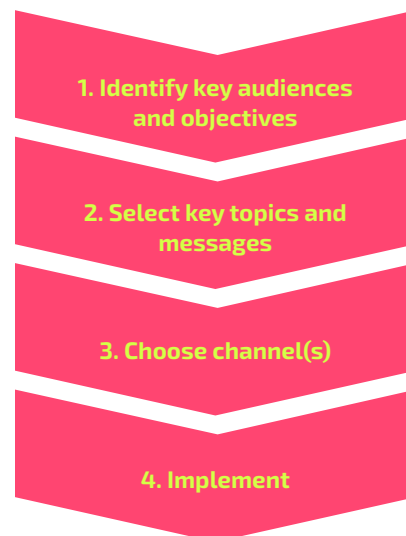
To communicate your HREDD efforts effectively with the resources you have, it can be useful to develop a communication plan. This plan can be simple or more elaborate – in any case, it helps you to develop and deliver tailored messages to different audiences.

To develop the plan, you can take the following steps:

- 1. Identify key audiences and objectives:** Who do you wish to communicate to? What do you want to achieve through this communication? Your key audiences could be for instance workers, buyers and Fairtrade. Examples of communication objectives include:
  - To promote your Grievance Mechanism among workers;
  - To inform local authorities about your progress in reducing water pollution;
  - To inform key buyers about your recent activities in preventing discrimination within your organisation.



**YOUR BUYERS WANT TO SEE THAT YOU ADMIT AND ADDRESS THE GREATEST RISKS.**



- 2. Select key topics and messages:** What and when to communicate to each audience? What kind of language and tone to use? What would serve the needs and interests of your audiences? If your communications resources are very limited, start small. It's usually better to communicate proactively about two topics than poorly about 15 topics. In future years, you can add more topics.



**3. Choose channel(s):** How can you convey your message to each audience so that they'll notice it? Is it via posters on your noticeboard, emails, printed materials, meetings or somehow else? Some channels are listed under the section on Awareness raising.

When your tracking system is developed, and you have annual data about your performance and changes in salient issues, you can consider compiling annual reports. These reports could be shared with your own management, board and all stakeholders.

**4. Implement**

## Internal Communication

It is good practice to share with your workers:

- The names and titles of the persons responsible for the development, implementation, and oversight of due diligence measures;
- Your annual action plan and progress (using your tracking indicators);
- The commitment and policies related to human rights and the environmental;
- Your grievance procedure.

You can also present summaries verbally during staff meetings and workers' General Assemblies.

## Communicating to Buyers and Other Partners

To show that you are a good business partner, influence your buyers due diligence work, and seek funding for your own work, consider sharing your commitment and annual action plans with your largest buyers.

It also makes sense to give updates to your buyers and partners on your progress, achievements and key challenges in HREDD work. Some Fairtrade certified organisations develop annual presentations, annual sustainability reports or maintain websites for this purpose.

## Communicating to Fairtrade International

To demonstrate to buyers, consumers, and governments that Fairtrade certified hired labour organisations work hard to be responsible and sustainable – and that they need support from their business partners and governments – Fairtrade needs information about your work on HREDD. Fairtrade only shares information onwards in an aggregated form.

Fairtrade International is currently developing a reporting channel and asks hired labour organisations to start documenting information on their due diligence measures.

### Fairtrade Standards Requirements for Hired Labour Organisations

The Standard doesn't yet include a separate requirement for organisations to communicate about their HREDD work.

However, several requirements expect communication with external stakeholders. For example, organisations must:

- Include dialogue and collaboration with largest buyers into their action plan.
- Discuss grievances and their action plan with trade unions.
- Inform local communities about their grievance mechanism.
- Also, it's best practice to publish the commitment online.

# Operational Definitions

Hired Labour Organisation	Producing companies that are not membership-based (plantations, factories, manufacturing industries, etc.) and where the main share of the work is carried out by hired labour.
Human Rights	The basic rights and freedoms to which every person in the world is entitled.
Due Diligence	The exercise of reasonable care in the course of business. When companies perform due diligence on potential business partners, they make a careful investigation of that partner's economic, legal, fiscal and financial circumstances.
HREDD	Human Rights and Environmental Due Diligence. A series of interrelated processes to identify adverse impacts; prevent, mitigate and remediate them; track implementation and results and communicate on how adverse impacts are addressed with respect to the enterprises' own operations, their supply chains and other business relationships.
Prevention	Taking action to ensure human rights and environmental impact does not occur.
Ceasing	Taking action to stop your contribution to a problem.
Mitigation	Taking action to reduce the risk or frequency of a problem, the number of people suffering from it, or the impact on those people.
Remediation	The processes of counteracting, or making good, the adverse impact, including: apologies, restitution or rehabilitation, financial or non-financial compensation (including establishing compensation funds for victims, or for future outreach and educational programs), punitive sanctions (whether criminal or administrative, such as fines), as well as prevention of harm through, for example, injunctions or guarantees of non-repetition.
Monitoring and Remediation System	A system for identifying the individuals at high risk of human rights violations, checking the safety of the identified individuals on a regular basis, remediating cases of human rights violations found and documenting actions taken to prevent further violations.
Policy	Agreement of organisational aims, principles and procedures on a specific topic. Human rights related policies typically focus on one high-risk area like child labour or gender rights.
Action Plan	A very concrete list of planned activities with timelines, responsible persons, budgetary allocations and indicators for tracking the implementation and outcomes. Typically, action plans are updated annually.
Grievance Mechanism	A formal process for receiving and responding to concerns and complaints from workers, local community members and other individuals and groups.

# Appendix 1

## Human Rights and Environmental Risk Areas

In human rights and environmental due diligence (HREDD) work, organisations need to consider all internationally recognised 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 recognised human rights.

Human rights and environmental area	The covered human rights	Related requirements in Fairtrade Standards	Risk (potential violation of right)
<p><b>1. Living income, living wage</b></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). Right to a decent income and the right to choose and maintain one's livelihood (UNDROP, 16).</p>	<ul style="list-style-type: none"> <li>• Wage levels and increases</li> <li>• Pay for production, quote or piece-based work.</li> <li>• In-kind payments</li> <li>• Housing provided to workers</li> <li>• Pension schemes</li> </ul>	<p>Inadequate standard of living, inadequate wages, discrimination in wages</p>
<p><b>2. Working conditions (for farmers and workers)</b></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"> <li>• Working hours</li> <li>• Availability of drinking water and toilets during work days</li> <li>• Written contracts</li> <li>• Benefits including lunch breaks and days of rest</li> <li>• Sick leave</li> <li>• Payment schedules</li> </ul>	<p>Unsafe working conditions, excessive overtime, lack of social security</p>

Human rights and environmental area	The covered human rights	Related requirements in Fairtrade Standards	Risk (potential violation of right)
<p><b>3. Health</b></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). Right to the highest attainable standard of physical and mental health (UNDROP 22, 23).</p>	<ul style="list-style-type: none"> <li>• Safe work processes</li> <li>• Hazardous work and chemicals</li> <li>• Hazardous waste</li> <li>• Harassment and bullying</li> <li>• First aid</li> <li>• Health and safety representative, officer, committee, Medical officer</li> <li>• Medical check-ups</li> </ul>	<p>Health hazards, work-related injuries and illness, degrading treatment such as violence or harassment at the workplace</p>
<p><b>4. Freedom of association and collective bargaining</b></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"> <li>• Freedom to join workers' organisations</li> <li>• Encouragement of workers' organisation</li> <li>• Respecting CBAs</li> <li>• Meetings between worker representatives and senior management</li> <li>• Records of terminated work contracts</li> <li>• Workers' rights training</li> <li>• FoA protocol and Right to Unionise Guarantee</li> </ul>	<p>Restrictions on freedom of association and collective bargaining</p>
<p><b>5. Forced labour</b></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"> <li>• Use, prevention and remediation of forced labour</li> <li>• Dependence spouses' employment</li> <li>• Recruitment fees and travel costs</li> <li>• Disciplinary deductions from salaries</li> </ul>	<p>Excessive overtime under threat or coercion; bonded labour (debt prevents a worker from changing employment)</p>
<p><b>6. Child protection and child rights</b></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"> <li>• Employing children under the age of 15, or children under 18 for hazardous work.</li> <li>• Preventing worse forms of child labour</li> <li>• Policy and procedures to prevent child labour</li> <li>• Remediation policy and program</li> <li>• School attendance</li> </ul>	<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><b>7. Gender rights</b> 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"> <li>• Intimidating or abusive behaviour at workplace</li> <li>• Sexual exploitation etc</li> <li>• Maternity leave</li> <li>• Breaks and shorter days for nursing mothers</li> <li>• Policies on gender and sexual harassment</li> <li>• Grievances on sexual harassment</li> </ul>	<p>Discrimination e.g. in recruitment, allocation of tasks or promotion based on gender, gender-based violence or harassment at work</p>
<p><b>8. Non-discrimination</b> 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"> <li>• Equal pay and opportunities</li> <li>• Vulnerable groups and Hazardous work</li> <li>• Identification of vulnerable groups</li> <li>• Policy and programmes on equal treatment</li> <li>• Fair distribution of Premium</li> </ul>	<p>Discrimination based on origin, ethnicity, disability, trade union activism; black listing of worker representatives.</p>
<p><b>9. Self-determination</b> 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"> <li>• Land and water conflicts</li> <li>• Freedom to choose one's housing</li> </ul>	<p>Repression, land grabbing, neglect of indigenous people's rights such as free, prior and informed consent (FPIC)</p>
<p><b>10. Climate resilience</b> 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"> <li>• Soil erosion and soil fertility</li> <li>• Deforestation and protected areas</li> <li>• Energy use</li> <li>• Emissions</li> <li>• Adaptation to climate change</li> <li>• Environmental awareness</li> </ul>	<p>Deforestation, excessive carbon emissions, soil erosion</p>

Human rights and environmental area	The covered human rights	Related requirements in Fairtrade Standards	Risk (potential violation of right)
<p><b>11. Water and biodiversity</b> Every person has a right to sufficient biodiversity and safe water for personal and domestic use.</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; UNDROP 20, 21).	<ul style="list-style-type: none"> <li>• Hazardous chemicals, fertiliser use and buffer zones</li> <li>• Pest management</li> <li>• Water use</li> <li>• Waste and waste water management</li> <li>• GMOs</li> <li>• Biodiversity plan and agro-forestry</li> <li>• Wild harvesting and sustainability of plant and animal species</li> <li>• Threatened and alien invasive species</li> </ul>	Depletion of water resources; pollution of soil, water or air; excessive harvesting of wild plants or animals
<p><b>12. Freedom of speech, thought and public participation</b> Every person has a right to freedom of speech, thought and religion, and to take part in public affairs and cultural life.</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).	<ul style="list-style-type: none"> <li>• Workers participation in General Assembly</li> </ul>	Suppression of free speech, thought or association
<p><b>13. Privacy</b> Every person has a right to privacy, which means a right to keep one's personal matters and relationships secret.</p>	Right to privacy (ICCPR 17)	<ul style="list-style-type: none"> <li>• Use of pregnancy or health tests during recruitment</li> <li>• Confidentiality of health records</li> </ul>	Invasion/ denial of privacy through e.g. non-confidential handling of workers' personal or health records

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
UNDROP	United Nations Declaration on the Rights of Peasants and Other People Working in Rural Areas
UNGP	UN Guiding Principles on Business and Human Rights
WFCL	Worst Forms of Child Labour



## Appendix 2

# Risk Assessment Indicators and Matrix

The following matrix is designed to assess and categorise risks based on their impact and likelihood. To assess the impact level of a risk, one is expected to consider its scale, scope and remediability:

- **Scope:** how many people are directly affected;
- **Scale:** how deep the impacts commonly are. For instance, minor injuries are a less deep violation of the right to health than permanent injuries.
- **Remediability:** how difficult it is to restore the impacted person(s) to a situation that is equivalent to the situation in which they were before the impact.

### Impact indicators:

IMPACT		
Level	Definition	Criteria
<b>Serious</b>	Likely to result in death/ significant harm.	If not attended, the impact is likely to result in significant health and safety consequences (e.g., physical disability or fatality death), to affect all your stakeholders, or be impossible – or take more than 8 years to restore.
<b>Major</b>	May probably result in significant harm	If not attended, the impact could likely result in major effects on health (e.g., injury requiring a significant rehabilitation), affect a large part of your stakeholders, or take between 5 and 8 years to restore..
<b>Moderate</b>	Likely to result in damage, though not significant.	If not attended, the impact is likely to result in moderate health and safety consequences, though not significant, affect some of your stakeholders, or take between 3 and 5 years to restore.
<b>Minor</b>	Likely to result in minor damage.	If not attended to the impact is likely to result in minor health and safety consequences (e.g., minor injury or illness), affect a few of your stakeholders, or take between 1 and 3 years to restore.
<b>Minimum</b>	Not likely to result in harm.	The impact is likely to result in minimum harm or not harm to health and safety (e.g., first aid case), it does not cause negative impact to any of your stakeholders, or it takes less than a year to restore.

### To assess the likelihood, you can use this criteria:

LIKELIHOOD	
Level	Criteria
<b>Very High</b>	Such issues have occurred consistently from the past until present.
<b>High</b>	Such issues have recently occurred often.
<b>Medium</b>	Such issues have sometimes occurred.
<b>Low</b>	Such issues rarely occur in the farm or within the community.
<b>Very low</b>	Such issues almost never occur in the farm or within the community.

The output of the assessment can be incorporated in a risk matrix to identify the salient risks.

		IMPACT				
		Serious	Major	Moderate	Minor	Minimum
LIKEHOOD	Very High	1	1	2	3	3
	High	1	1	2	3	4
	Medium	1	2	2	3	4
	Low	1	2	3	4	4
	Very low	2	3	3	4	4

RISK LEVEL*	
1	<b>Extreme Risk</b> – Very High Priority/Saliency
2	<b>High Risk</b> – High Saliency
3	<b>Medium Risk</b> – Medium Saliency
4	<b>Low Risk</b> – Low Saliency

## Appendix 3: Grievance Mechanisms – UN Effectiveness Criteria

The UN Guiding Principles offer guidance for effective Grievance Mechanisms. All Grievance Mechanisms should meet key effectiveness criteria by being:

- **Legitimate:** enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes;
- **Accessible:** being known to all stakeholder groups for whose use they are intended, and providing adequate assistance for those who may face particular barriers to access;
- **Predictable:** providing a clear and known procedure with an indicative timeframe for each stage, and clarity on the types of processes and outcomes available and means of monitoring implementation;
- **Equitable:** seeking to ensure that parties have reasonable access to sources of the information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms;
- **Transparent:** keeping parties to a grievance informed about its progress, and providing sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake;
- **Rights-compatible:** ensuring that outcomes and remedies accord with internationally recognized human rights;
- **A source of continuous learning:** drawing on relevant measures to identify lessons for improving the mechanism and preventing future grievances and harms;
- **Based on engagement and dialogue:** consulting the stakeholder groups for whose use they are intended on their design and performance, and focusing on dialogue as the means to address and resolve grievances.

# Appendix 4: Sample Non-discrimination/ Anti-Harassment Policy

## Non-Discrimination Policy Objective

[Company Name] is dedicated to creating a workplace in which all persons feel respected and appreciated. All persons are entitled to a workplace where they have access to equal work opportunities, and which is free from discrimination and harassment. [Company Name] expects all relationships at the workplace to be professional and devoid of any form of bias, prejudice and harassment. This policy is being adopted by [Company Name] to ensure a congenial working environment for its employees; one where harassment, discrimination and retaliation is non-existent.

[Company Name] shall endeavour to inform all stakeholders about the existence of this policy and encourage stakeholders to acquaint themselves with the contents of the policy.

This policy shall not be used as justification for the exclusion of any individual on the basis of gender, race, colour, religion, sex, age, disability, marital status, citizenship, national origin, trade union membership, or any other characteristic from their involvement in workplace activities or conversation. This policy and the laws of [Country name] proscribes disparate treatment of individuals on the basis of any of the protected characteristics in relation to working conditions, terms of employment, privileges and workplace duties.

## Policies and Definitions

### Equal Employment Opportunity

[Company Name]'s policy is to ensure that all qualified persons are given equal employment opportunities. [Company Name] does not tolerate any discrimination or harassment from anyone involved in its recruitment process. Workers are not tested for pregnancy, HIV/AIDS or genetic disorders during recruitment.

[Company Name] is committed to paying equal pay for work of equal value, irrespective of whether a person is local or migrant and employed on permanent, temporary or piecework basis. The same or equivalent working conditions are provided for local and migrant workers.

The company does not engage pregnant or nursing women or persons with incapacitating physical or mental conditions in potentially hazardous work.

The company seeks to assess the needs of groups in vulnerable positions and develop and implement measures to advance equity in the workplace.

### Sexual Harassment

Sexual harassment is prohibited under the laws of [Country name]. For the purposes of this policy, "sexual harassment" is defined as any unwelcome and inappropriate sexual remarks, physical advances or request in a workplace setting or other professional or social situation. Examples of sexual harassment include for example:

- A flirtatious remark or gesture in relation to a person's look, attire or figure.
- An unwelcome question about a person's sexual activity.
- Making sexually offensive jokes about a person.
- A conduct of a sexual nature intended to disrupt a person's work or capture a person's attention and that has the effect of intimidating someone.
- Unwelcome request for sexual favours.

Sexual harassment may not be restricted to people of the opposite sex.

### Harassment

This policy proscribes harassment based on any protected characteristic. Under this policy, harassment is any disparaging oral, written or tangible act that demonstrates malice, rancour or anger toward a person or his/her associates as a result of race, colour, religion, sex, national origin, age, disability, marital status, citizenship, genetic information, or any other characteristic protected by law and which has the effect of creating an unnerving or threatening workplace.

Harassing conduct includes deprecating racial jokes, physical threats, written or artistic material that is directed at a certain person or groups of persons within the workplace.

## Scope

This policy covers all employees, as well as persons connected to [Company Name] e.g. consultants. Conduct regulated by this policy is prohibited on the company's premises and during external work assignments, company social events, etc.

## Procedures

### Reporting an Incident of Harassment, Discrimination or Retaliation

[Company Name] encourages all incidents of discrimination, harassment or retaliation, to be reported irrespective of the persons involved, or their position in the company. To make a complaint, the procedure below should be adopted:

- Victims, or persons who have witnessed conduct prohibited by this policy should immediately notify the offender of the unwanted behaviour and request the offender to cease the behaviour. Often, this is enough to resolve the problem.
- Victims or witnesses who prefer to further pursue the matter through complaint procedures should report to their immediate supervisor, human resources or any member of the Grievance Committee.

[Company Name] encourages affected persons to promptly report complaints to enable quick action to be taken in resolving them, as early reporting and intervention has been shown to be effective in resolving grievances.

### Investigations

All reported conduct prohibited by this policy will be promptly investigated. Investigations may cover parties involved in the alleged breach, witnesses of the offending behaviour, or persons having relevant information about the unwanted conduct.

### Retaliation

[Company Name] prohibits retaliation against any person who submits a complaint about discrimination or harassment or is involved in an investigation of an alleged case of discrimination or harassment.

### Confidentiality

Persons to whom a report is made as well as complaint investigators will maintain confidentiality to the greatest extent possible to allow for adequate investigation and complaint resolution.

## Remedies

Remedial action for conduct constituting harassment, discrimination or retaliation may include training, referral to counselling or disciplinary action like warnings, reprimands, withholding promotion or pay increase, reassignment, temporary suspension without pay, or termination, as may be appropriate within the circumstances.

## Appeals

A party to a complaint who is dissatisfied with a decision outcome may appeal to the [.....Manager 1.....] or [..... Manager 2.....].

## False Claims

False and malicious complaints of harassment, discrimination or retaliation may be subject to disciplinary action if the situation so requires.

## Policy Revision

This policy will be reviewed as and when a need arises, but revised every two years or at any time with the approval of the Board of Directors.

## Concerns, Enquiries and Reports

Any person who has questions or concerns about this policy can reach out to the [.....Manager Name.....] or a member of the grievance committee through:

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

## Approval

This policy has been approved by \_\_\_\_ [for example the Board] \_\_\_\_ in \_\_\_\_ [city and country] \_\_\_\_ on \_\_\_\_ [day, month, year] \_\_\_\_

## Appendix 5

### Example of Action Plan

Objective	Activities	Person(S) Responsible	Time Frame	Resources Needed	Support Needed	Reporting Requirements
<b>Objective 1:</b> State clearly the solution(s) you propose to implement to address the problem as identified in your risk assessment	Name the key activities to be implemented to achieve your proposed solution.	Indicate the key person(s) responsible for ensuring the activity is carried out.	Indicate start and end dates as well as the duration of the activity (for example, 1 month or 3 months, etc.)	List the resources that would be needed to undertake the activities listed.	Indicate the kind of support needed and from whom it is needed.	Indicate to whom reports on progress towards achievement of the objective should go.
<b>Example</b> To clearly reduce discrimination against women within 2 years	Create a policy on discrimination against women	HR Manager	1 <sup>st</sup> Quarter 2023	Budget, Time	Review of Policy by Operations Team, Production Manager and Programs Director	HR Director
	Set up a system to receive reports on discrimination against women	Operations Manager	2 <sup>nd</sup> Quarter 2023	Budget, internal and external Expertise	IT support by IT Team	COO
	Establish a process for resolving reported issues of discrimination	Operations Manager	2 <sup>nd</sup> Quarter 2023	Budget, internal and external Expertise	Review by HR Manager and Production Manager	HR Director
	Provide managers and supervisors with a soft skills training	Programs Director	3 <sup>rd</sup> Quarter 2023	Management time	HR Manager	COO
	Train workers and staff on equal opportunities	HR Manager/ Production Manager	2 <sup>nd</sup> Quarter 2024	Budget, time, venue	Logistics support by office assistant and training support by HR and operations Team	HR Director
<b>Objective 2:</b> As above	As above	As above	As above	As above	As above	As above

# Additional Guidance on Implementing HREDD

## Step 1 – Commit:

- OECD-FAO, 2016. Model Enterprise Policy for Responsible Agriculture Supply Chains on p.25–29. [here](#)
- Fairtrade's own Human Rights Commitment, 2020. [here](#)
- Global Compact, 2015. How to Develop a Human Rights Policy Guide. [here](#)
- Global Business Initiative, (n.d.). Making a Policy Commitment. [here](#)
- Fairtrade Organisation Code, 2019. Includes e.g.a principle that Fairtrade respects, protects and champions human rights. [here](#)

## Step 2 – Identify:

- OECD Due Diligence Guidance, 2018. 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, Oxfam and Global Compact Network Netherlands, n.d. Human rights impact assessment guidance and toolbox. [here](#)
- Shift, 2014. Business and Human Rights Impacts: Identifying and Prioritising Human Rights Risks. Workshop Report. [here](#)
- SME Compass, n.d. Criteria of commonness and seriousness – scope, scale and irremediability. [here](#)

## Step 3 – Address and Remediate:

- SAI, n.d. Buyer-Supplier Mutual Code of Conduct. [here](#)
- International Cocoa Initiative, 2021: Overview and definition of Child Labour Monitoring and Remediation Systems. [here](#)
- International Cocoa Initiative, 2021b: Effectiveness Review of Child Labour Monitoring and Remediation Systems in the West African Cocoa Sector. [here](#)

## Step 4 – Track:

- Shift, n.d. Indicator Design Tool. [here](#)

## Step 5 – Communicate:

- Oxfam, 2023. Inclusive Language Guide. [here](#)
- Fairtrade International, n.d. Five steps to better sustainability communications. [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](#)
- Global Deal, n.d., Enabling effective due diligence on human rights risks through social dialogue. [here](#)

## The foundational documents

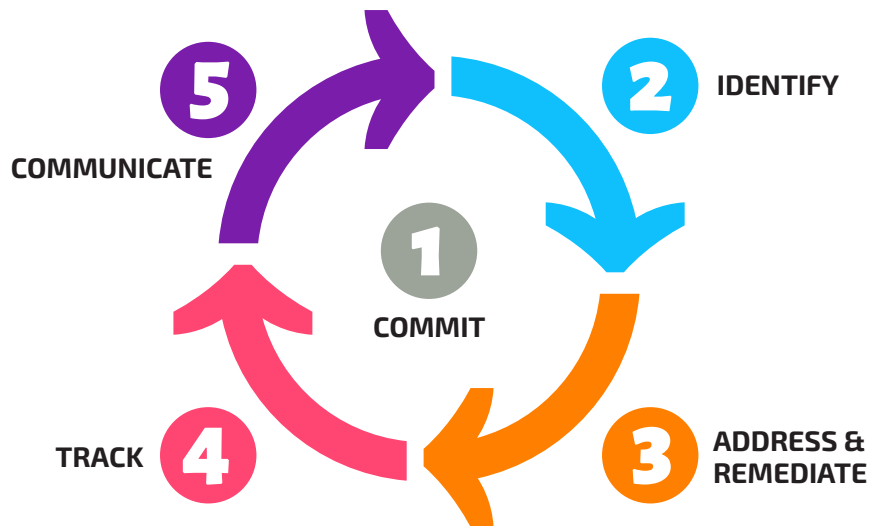
- The UN Guiding Principles on Business and Human Rights (UNGPs). [here](#)
- OECD Due Diligence Guidance for Responsible Business Conduct. [here](#)
- OECD-FAO Guidance for Responsible Agricultural Supply Chains. [here](#)
- OECD-FAO Business Handbook on deforestation and due diligence in agricultural supply chains 2023. [here](#)
- OECD Handbook on due diligence for enabling living incomes and living wages in agriculture, garment and footwear supply chains, 2024. [here](#)
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. [here](#)

## Videos

- Econsense, 2017. Why should your company care about human rights. [here](#)
- Shift, 2015. Introduction to UNGPs. [here](#)
- Business and Human Rights, in Spanish with English subtitles (by Global Compact Spain). [here](#)
- Danish Institute on Human Rights, 2018. Due diligence. [here](#)

**NOTE:** If you have received this Guide on paper, please find the Guide online at [www.fairtrade.net/standard/hl](http://www.fairtrade.net/standard/hl) 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

- Develop a commitment to respect human rights and environmental sustainability.
- Raise awareness about the commitment among workers, staff and management.
- Align other policies with the commitment.



## 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.
- 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 an expert or committee to develop and coordinate the grievance procedure.
- 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 organisation, 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 PLANTATION OR OTHER HIRED LABOUR-DEPENDENT ORGANISATION AT THE BEGINNING OF A GLOBAL SUPPLY CHAIN.**

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.

When plantations, mines and factories strengthen their social and environmental work and align with the HREDD process, their work should be supported by companies that utilise their produce.



**FAIRTRADE**