

BUILD YOUR COMPANY'S DUE DILIGENCE WITH FAIRTRADE



FAIRTRADE

Whether you're a business taking the first steps on your human rights and environmental due diligence (HREDD) journey or looking for more in-depth risk assessments and action plans, Fairtrade is your partner.

Our expertise and direct dialogue with farmers and workers mean the solutions we provide put the rights-holder at the heart of due diligence.

We offer four new services for businesses looking to fulfil their due diligence responsibilities.

Expert support – built around

Fairtrade can support business partners and suppliers at each step of the due diligence process. From getting a grounding in human rights to finding guidance on effective measures to prevent and mitigate environmental damage, **we have four key packages.**

1. The fundamentals of due diligence and your company

What it covers: This advisory service will give you a comprehensive understanding of due diligence expectations, and most importantly highlight the obligations directly relevant to your company. We will explore the crucial role of rights-holders in arriving at impactful solutions, and how Fairtrade can support you on your journey. This could include advice in planning a robust HREDD process that complies with the relevant laws, or how to design meaningful stakeholder engagement.

Together we'll also analyse the gaps in your sustainability work regarding due diligence requirements.

How you'll benefit: Aside from a better understanding of human rights topics, commodity-specific challenges and geographical hotspots, you'll come away with a high-level and robust HREDD gap assessment and action plan with pragmatic, implementable suggestions to strengthen your HREDD process.

✓ **Best suited for:** This service is a perfect fit for those companies that are at the beginning of their due diligence journey and are perhaps not sure where to start. Companies already conducting due diligence can in particular benefit from a deeper view of why and how to engage with rights-holders and sustainability initiatives like Fairtrade.

2. Risk assessments and your supply chain

What it covers: This option will support your company to understand the arising expectations and obligations of human rights and environmental risk assessment – fundamental to knowing where to focus your efforts. If you already assess these risks, we can provide feedback on your existing risk assessment process and advise on how to include meaningful rights-holder engagement.

How you'll benefit: We'll help you to get you started or provide feedback on your current risk assessment process to strengthen it at the selected level (your sourcing, or a specific product group/sourcing area), alongside recommendations on next steps.

✓ **Best suited for:** This is a good step forward for companies that have already started their due diligence journey and are planning their first risk assessment. Companies who wish to align their existing risk assessment methods and processes with due diligence expectations would also benefit.

what your company needs

3. Tailored risk report

What it covers: This risk assessment service supports companies to understand the human rights and environmental risks and challenges, and related root causes, in regards to a particular commodity and area of origin (for example, coffee beans from Ethiopia or Ecuador).

How you'll benefit: You'll get a tailored risk assessment on a particular product and country or region. Your report will highlight your specific risks, with contextual information, and the root causes. Risk reports are produced through meaningful rights-holder engagement including direct exchange with farmers, workers and Fairtrade staff. You'll also receive recommendations on how to proceed.

✓ **Best suited for:** Companies looking for risk information on a selected product and specific country of origin. Suitable for organisations that have already identified high-risk commodities and sourcing area and would like to understand them better.

4. Prevention and mitigation plans

What it covers: This service supports you in identifying effective and legitimate measures to tackle the risks and challenges in your high-risk commodities and sourcing areas. It offers a holistic and pragmatic set of recommendations. The plan can be accompanied by opportunities for real-time exchange with rightsholders and Fairtrade staff from the chosen area of origin.

How you'll benefit: You'll receive a prevention and mitigation plan that describes key programmes, initiatives and activities currently operating, or that could be launched, to prevent and mitigate the selected risk or risks. This also includes recommendations for your company, taking into account your resources, networks and leverage.

✓ **Best suited for:** Companies that have completed a comprehensive risk assessment and are looking for effective and legitimate ways to fulfil their obligations to prevent and mitigate the salient issues.



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Photo: Sean Hawkey / Fairtrade

Next steps

- To get started, contact the national Fairtrade organisation (NFO) in your country: fairtrade.net/business
- If there is no NFO where you are, please contact Fairtrade's Centre of Excellence on HREDD: bizhumanrights@fairtrade.fi
- Find more information on Fairtrade and HREDD: fairtrade.net/business-due-diligence

Why Fairtrade?

We support stakeholder engagement that aims to:

- Offer rights-holders genuine opportunities for voicing their views and influencing due diligence activities.
- Provide companies with information that supports identification of the most serious harms, and appropriate and effective measures for addressing them.

Fairtrade brings together millions of smallholder farmers, workers, traders, manufacturers, retailers and consumers to improve living and working conditions. We believe that it takes collaboration to

identify the most salient human rights and environmental risks, their root causes, and effective solutions.

Meaningful stakeholder engagement is a central part of due diligence – and the most important stakeholder group are the people whose rights

business may harm. In human rights-related work, it's a fundamental principle that no one can decide for other people how their challenges should be ranked and addressed. They must be involved.