

A GUIDE FOR PLANTATIONS AND OTHER ORGANISATIONS WITH HIRED LABOUR

Implementing Human Rights and Environmental Due Diligence (HREDD)

**Why and how to align your policies
and processes with HREDD?**



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 covered by the “Hired Labour” Standard and are sometimes called “Hired Labour Organisations” (HLOs). Many of these companies have not yet heard about HREDD – but have for long been implementing due diligence activities on human rights and the environment.

Some of these companies also have very limited resources for HREDD work because value distribution in many global supply chains is unequal. International HREDD guidelines recognise that these companies’ HREDD work may be limited in scale and complexity (UNGP 14), and buyers should support this work (UNGP 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.

We consider the grievance mechanism and remediation as integral components of the due diligence process. We call on others to do the same.

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This guide can be shared with companies. Fairtrade also has a Facilitation Guide, which is not meant to be shared with companies but used by trainers in Fairtrade-organised HREDD trainings.

For further information, please contact:

- **hired labour organisations:** your contact person at Fairtrade Producer Network
- **others:** bizhumanrights@fairtrade.fi

This guide and the related Fairtrade Risk Assessment Tool can be found online on: <https://www.fairtrade.net/standard/hl>

We would like to thank the following hired labour organisations for their very valuable contributions on best practices: C.I. Banafut S.A. (Colombia), Pearl Flowers Ltd (Uganda), Vision Technologies Corporation Pvt Ltd (Pakistan), Volta River Estates Ltd (Ghana)

Introduction

When your organisation engages in international trade, it opens up to the expectations of international buyers, regulators and consumers. Today, one strengthening expectation is for every company to understand and reduce any adverse impacts that 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 business organisations are nowadays 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.

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.

Table of Contents

Introduction	3
What is Human Rights and Environmental Due Diligence?	4
Questions and Answers	6
STEP 1: Commit	8
STEP 2: Identify	10
Risk Assessment	10
Grievance Mechanism	12
STEP 3: Address and Remediate	15
Policies and Procedures	15
Action Plan	15
STEP 4: Track Progress	18
STEP 5: Communicate	20
Operational definitions	22
APPENDICES	23
Appendix 1: Human Rights and Environmental Risk Areas	23
Appendix 2: Risk Assessment Indicators and Matrix	27
Appendix 3: Grievance Mechanisms – UN Effectiveness Criteria	28
Appendix 4: Sample Non-discrimination/Anti-Harassment Policy	29
Appendix 5: Example of Action Plan	31
Additional Guidance on Implementing HREDD	32
Summary: Steps of the HREDD process	33



What is Human Rights and Environmental Due Diligence?

Child labour, deforestation and water pollution are examples of problems that businesses need to address. The **HREDD process** features five basic steps¹. 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.



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

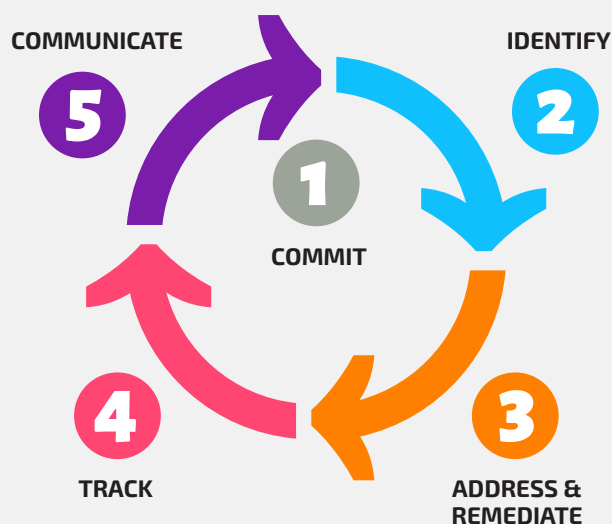
At every step, the organisation is expected to consult people, who are affected by its operations: workers, trade unions, people living close to their operations and local experts. So for companies with a sizable workforce, social dialogue with the workers and trade unions is central for due diligence.

What are the origins of HREDD?

The idea that business organisations have a responsibility to perform HREDD – and also to support their supply chain partners' due diligence work – 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 in many countries including Germany, Switzerland, the UK, Australia and Canada. The European Union is also preparing such regulation. To perform

Summary: Steps of the HREDD process



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

Key materials

- [The UN Guiding Principles on Business and Human Rights \(UNGPs\)](#)
- [OECD Due Diligence Guidance](#)

See links to further guides and videos on page [32](#).



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

¹These five steps are based on the *OECD Due Diligence Guidance for Responsible Business Conduct*. While the OECD framework features 6 steps, we show 5 steps, because 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. It is easier to correct problems before they grow bigger and are discovered by auditors, your buyers or journalists.
- **Better worker relations.** When a company performs HREDD, including social dialogue with workers, it becomes better at recognising and identifying relevant and feasible ways to respond to its workers needs and expectations.
- **Market access.** Buyers increasingly need information about their suppliers' due diligence measures and results, because they must comply with HREDD laws. These laws increasingly require large retailers, brands, processors and traders to know and reduce the human rights and environmental challenges in their supply chains.
- **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.



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

- **Influencing your supply chain.** If you practice HREDD, you have a better chance to influence how your business partners conduct their due diligence - for example, whether they take your views into account when deciding which issues 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. This ensures that buyers, governments, and consumers continue to recognise Fairtrade as a sign of good practices.

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 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 right and environmental measures that are sensible for each company. Risk-based HREDD will increasingly be included in 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 the risks that are common in each product (group) and country, and offers hired labour organisations a Risk Assessment Tool that shows these risks. But risks 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 supports HREDD work through our ongoing producer support – we offer guidance, training and expert advice – and programmatic work funded by companies and public donors. 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 business organisation has an equal 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 downstream retailers, brands, or processors, who have the greatest responsibility for fixing the problems.

Companies at the origin of supply chains need to do HREDD, and share findings and results with downstream companies, so the latter do not alone decide what the biggest risks or most suitable responses are.

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

A: Plantations are a diverse group of organisations: Some have strong roles in global supply chains, others are very strapped for resources. This guide seeks to offer pragmatic advice and tools for the resource-strapped ones.

Fairtrade sees due diligence as a journey – each organisation can start small and simple. At the time of publishing, this guide goes further than Fairtrade's Standard for Hired Labour Organisations (HLOs), which means that Fairtrade does not yet require HLOs to undertake all the HREDD steps described in this guide.



Step 1

Commit

The first step of the HREDD process is to publicly **commit your company** to respect human rights and environmental sustainability. This commitment clarifies your goal and guides your future work. Further, when your organisation shares this commitment with business partners, workers and other stakeholders, they see that you are committed to responsible and sustainable practices.

To do this, your organisation can:

- Foster buy-in;
- Develop and operationalise a commitment;
- Raise awareness.

Foster Buy-in

Management awareness and support for HREDD work is vital from the onset. 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 32](#), you also find links to additional videos, tools and guides on HREDD.

Develop and Operationalise a Commitment

Your first human rights and environmental commitment need not be lengthy or complicated. You can find a sample process on [page 8](#) and a sample commitment, which you can adapt for your organisation, on [page 9](#). This commitment should be approved by the top management.

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

Raise Awareness

Awareness-raising is about:

- informing and educating your board, management, staff, workers, suppliers and other partners about their rights and responsibilities as well as your organisation's commitment to human rights, environmental sustainability and due diligence;
- influencing attitudes and behaviours towards protecting 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.

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:

- 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;
- Utilizing 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.



Developing and implementing a commitment or policy

You can follow the normal steps of policy setting, when developing your human rights and environmental commitment and policies:

IF YOU TAKE STAKEHOLDER VIEWS INTO ACCOUNT WHEN DRAFTING THE COMMITMENT, IMPLEMENTATION WILL BECOME EASIER.



- 1. Appoint a staff member and a manager** to develop and supervise policy development.
- 2. Gather information.** The appointed persons can discuss with external experts, check buyers' codes of conduct and identify relevant national or international regulations.
- 3. Draft the commitment or policy.**
- 4. Gather stakeholder feedback.** 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 experts, including your worker representatives, Premium Committee members, and managers who work on human rights and environmental issues.
 - b. External experts, including Fairtrade Producer Networks, trade unions, business partners, non-governmental organisations and local officials.
- 5. Finalise the commitment or policy.**
- 6. Obtain approval** from appropriate governance body. The commitment needs to be approved at your leadership team or board.
- 7. Publish.** 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 your website and other communication platforms, if possible.
- 8. 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.
 - 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, legal compliance, procurement/contracting, risk management and project approval.
 - Monitor implementation, reward good practices and address breaches.
- 9. Revise.** It is usually smart to update a policy 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' Universal Declaration on Human Rights
 - 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 actively seek 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 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, discrimination against women and other human rights harms.
8. We recognise the role of stakeholders in contributing to the sustainability of our business. We take their opinions and concerns into consideration in making decisions that affect them, and strive to solicit our stakeholders' opinions in matters that interest them.
9. 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.

Governance

10. We will update our Board of Directors on human rights and environmental issues, and steps the company is taking to improve its performance in this area.
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]_____ in _____[city and country]_____ on _____[day, month, year]_____



Step 2 Identify

The second step in the HREDD process is to identify the salient – or most serious and common – human rights and environmental risks and problems linked to your production and business relationships. Note that this risk assessment focuses on risks and problems to people and the environment – not risks to your business.

These 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 organization may be reluctant to identify risks because you then need to take action to reduce them, which takes work and resources. However, it is much easier to address problems before they grow, harm people or the environment and are discovered by auditors, your buyers or journalists. The costs rise if the problem fuels violence, causes severe environmental damage, reputational damage, loss of commercial relationships or a court case against your organisation.

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.

It is crucial to show that you recognise and understand your salient risks. If some issues are common in your country or field of production, buyers increasingly expect you to acknowledge them and explain how you are managing these issues.

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.

Risk Assessment

As part of HREDD, risk assessment involves identifying and evaluating actual and potential adverse impacts on workers, other stakeholders, and the environment to which your organisation's activities and business relationships are related. The assessment should be conducted on an on-going basis and at least every 3 years.

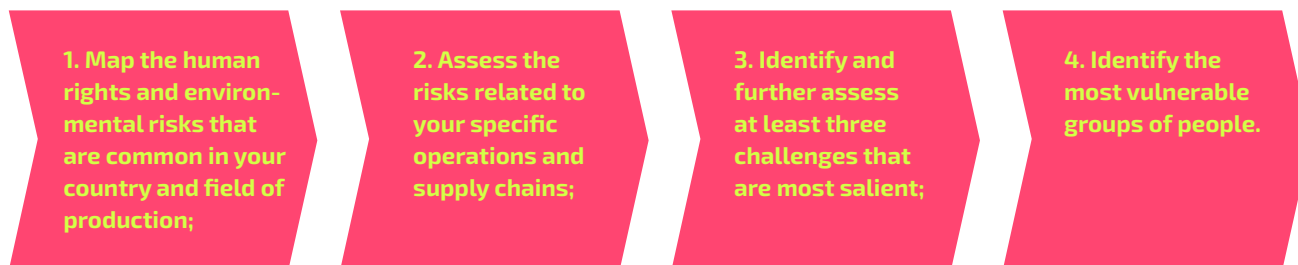
Fairtrade has developed a **"Fairtrade Risk Assessment Tool for Hired Labour Organisations"** (available [here](#))

that can guide your organisation through a basic HREDD risk assessment process. However, you can of course use other tools instead or integrate human rights and environmental analysis into your existing risk assessment processes.

On the following pages, we present the steps that organisations new to HREDD can take to carry out a basic human rights and environmental risk assessment.



Four Steps of Risk Assessment



Your risk assessment should include the following steps:

1. MAP THE RISKS IN YOUR COUNTRY AND FIELD OF PRODUCTION

Map the human rights and environmental risks that are common in your country and field of production, taking into account 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.

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

2. MAP THE RISKS RELATED TO YOUR SPECIFIC OPERATIONS

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

To assess the risks, you should ask yourself the following two questions :

1. How serious is this problem or risk?
2. How common or likely is this problem or risk?

Consider whether risks are driven by the operations of individual companies or wider societal norms and conditions, and how your organisation can have or develop leverage to prevent, mitigate or remediate the harm. See [Appendix 2](#) for further information on this. If you use the Fairtrade Risk Assessment Tool, it suggests some key issues – or “mapping indicators” – related to

each of the 13 human rights and environmental areas. 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:

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



This assessment is not to be done by just one person but by a group of diverse people, including at least your staff, worker representatives, men, women, and young and old people.

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

3. IDENTIFY AND FURTHER ASSESS THE MOST SALIENT CHALLENGES

Identify and further assess at least three challenges that are most common and serious – or “salient”. To identify the salient issues, you may find it useful to collect all the issues into the type of a risk matrix featured in [Appendix 2](#).

Assess these three salient challenges somewhat further, to ensure that you have identified the key factors involved. This will help you after the risk assessment, when it's time to consider how you can reduce the challenges. If you use the Fairtrade Risk Assessment Tool, it suggests some “additional indicators” for this step.

Tips on mapping risks related to your business

Remember to consider all appropriate decision points in your business processes. You could map out the productive and other processes at your organisation, review who is involved, and identify activities that may pose risks to some group of people. Also examine supply chains, including direct commercial partners, sub-contractors and labour providers.

4. IDENTIFY THE MOST VULNERABLE GROUPS OF PEOPLE

Identify the most vulnerable groups of people and analyse factors affecting their vulnerability. Examples of such factors include:

- Precarious/verbal work contracts;
- Limited legal protection from the state;
- Low access to quality public services;
- Precarious employment relationships (e.g. use of agencies in which workers have no contracts or bargaining power with employers).

Examples of vulnerable workers include:

- Economically vulnerable women;
- Migrant workers lacking legal documentation, with no or limited access to public (protection) services or the right to work legally.

Grievance Mechanism

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

- allows you to respond to concerns and incidents early before the problem grows bigger and is discovered by auditors, buyers or journalists;
- 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;
- problems in working conditions or wage/salary payments;
- unfair labour practices;
- inadequate health and safety equipment;
- poor practices by job brokers or suppliers utilised by the organisation;
- excessive use of water resources, which causes problems for the local community;
- unfair utilisation of Fairtrade premiums;
- breach of Fairtrade standards.



Improving access to remedy starts with awareness raising and ongoing dialogue with workers and other rightsholders so that people are increasingly encouraged to voice their grievances.

To set up the grievance procedure - or strengthen your existing one - it is practical to appoint **a committee** that can first define the grievance procedure and then handle the complaints received. To ensure that complaints are handled fairly, the committee membership should be diverse, including management and staff; women, men, farm worker representatives, and different ethnic groups, among others.

When developing the **grievance procedure**, it's best practice for the committee to also engage stakeholders in defining how complaints can be made, handled and communicated to all parties. The committee can consider the following questions:

- *What can be done to ensure that no one is scared to make a complaint?*
- *What could be a fair way to handle complaints?*
- *How quickly should cases be handled?*
- *How can the organisation communicate the progress and decisions, so a complainant can see or access it, even if (s)he wishes to remain anonymous?*
- *How can relevant people be informed about the decisions?*



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

The grievance procedure could contain the following steps:



- 1. Receive grievance.** Allow grievances to be made anonymously or non-anonymously, in multiple ways: for instance in person, in a suggestion box, over the phone, via email or an online form. You need to collect enough information to assess the grievance.
- 2. Screen.** Screen each grievance to see how serious they are and who is best placed to resolve it. Severe grievances should be addressed quickly.
- 3. Acknowledge.** Acknowledge each non-anonymous grievance within a specific period, for example 3 days.
- 4. Investigate.** Seek to investigate cases quickly. Train the investigators, maintain confidentiality and observe all parties' right to privacy.
- 5. Communicate findings** to the grievant and affected parties. When relevant, report to police or other relevant authority, in collaboration with the affected parties.
- 6. Act.** Create and approve an action plan that resolves the grievance. Update the complainant on the progress.
- 7. Follow up and close out.** Give the complainant an opportunity to appeal if they are not happy with the outcome. Monitor the action plan implementation to ensure it is effective. Conduct an annual analysis of the received grievances, and utilise the findings in strengthening your policies, processes and the grievance mechanism itself.



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

Essential points to ensure trust in the system include:

- Making sure that persons who make complaints face no retaliation or harm;
- Ensuring that no information is disclosed without the express permission of the person to whom the information relates;
- Conducting objective inquiries;
- Hearing all involved parties;
- A procedure for cases of sexual harassment, where cases are handled sensitively. For example, where a woman has been harassed, the case could be handled by a women's committee and female senior manager where possible;
- Taking active measures to raise awareness about the grievance mechanism among workers and other key stakeholders;
- Engaging trade union representatives in developing the procedure, and training worker representatives in the procedure.

The UN has developed effectiveness criteria for non-judicial grievance mechanisms and these criteria can be found in [Appendix 3](#).

It is a good sign, when your organisation is receiving grievances: It means that people are aware and trust the grievance mechanism. If a company receives a high number of some particular type of grievance, it may be an indication of a persistent problem and related policies, practices or resourcing may have to be updated.

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](#).



Step 3

Address and Remediate

The third step in the HREDD process is addressing the most salient human rights and environmental issues linked to your organisation. More specifically, these actions aim to prevent, mitigate or remediate the salient issues or cease your linkage to those issues.

It depends on many things what kind of activities are most effective: the exact problem, its root causes, the operating environment, the capacities of your organisation, and support from other actors' related activities.

There are three activities that are generally advised:

1. Develop and implement **policies and procedures** for each of 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 human rights harms.

It is advisable to consult several groups of people when drafting a policy or action plan, to ensure that the policy and activities are relevant and key people support them. Such people include your workers, youth, women,

committees, staff, management, public officials and other external experts.

In particular, remember to consult the 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.

Policies need to be adopted by the highest-level management body of your organisation.



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.

Policies and Procedures

The following elements are commonly included:

- Purpose of the policy;
- Definitions of key terms;
- General principles that guide the policy, often drawn from international agreements;
- Roles and responsibilities in 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 nine steps laid out above, on [page 8](#).

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 that some problems are avoided.
- **Ceasing** means stopping your action that contributes 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.
- **Remediation** is about correcting a harm that an individual victim or a group of victims has experienced. In short: making wrong right again.



Suitable actions can include

Clarifying the rules and guidelines on what is allowed and what is not allowed.

Strengthening procedures like hiring process or the process of selecting subcontractors.

Raising awareness of the guidelines, solutions to a particular risk or problem, the vulnerability of a specific group of people, or human rights in general.

Training on the issue, for instance environmentally sustainable production practices, labour rights, appropriate tools, or ways to manage job brokers.

Providing tools or services, such as personal protective equipment, knapsack sprayers, solar panels or kindergarten.

Improving access to information, for example about services provided by other actors.

Piloting good practices through a development project.

Supporting good practice through training, peer support or advice.

Supporting alternative sources of income to vulnerable workers.

Implementing a monitoring and remediation system, for example on forced labour or gender-based violence.

Relevant activities if acute violations are found (see key steps below).

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

- 1. Set your HREDD goal(s)**, informed by your risk assessment, policies and assessment of your current situation and opportunities for change. Ensure that the goals are SMART (S – Specific, M – Measurable, A – Attainable, R – Relevant, T – Timely or time-based).
- 2. Decide how you seek to meet the goal(s)**. Consult relevant groups of people, including those affected by the problem you are trying to address, to check that the activities are relevant and take you closer to the goal.
- 3. Allocate responsibility and resources**. Allocate people with the right skills, sufficient staff time and budget, and identify any external partners or support needed for each task.
- 4. Decide timelines**. Set start and end dates for activities, prioritising tasks based on urgency and importance.
- 5. Identify suitable indicators**, that show when the activity is successfully completed.

Guidance and a template of an Action Plan can be found in [Appendix 5](#).





Social dialogue – a key pillar of due diligence

Social dialogue between companies and workers plays a key role in effective HREDD. It assists companies in identifying adverse impacts – and finding and implementing effective measures to address and remediate those impacts.

Social dialogue is any type of negotiation, consultation or information exchange between

employers and workers, at company, regional or national level. Sometimes government authorities participate as well.

Successful social dialogue structures and processes can resolve economic and social problems, advance industrial and social stability and boost business.

Remediation

If you identify cases where a person's human rights have not been respected, you need to take remediating measures. The key steps 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. **Support the impacted person(s)**, 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.
3. **Take actions to prevent the violation from happening again**. This can entail any of the preventive or mitigating activities as listed above.

In addition, remediation may include:

4. **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.

Monitoring and Remediation System

Where the risk of child labour, forced labour or gender-based violence is high, you should consider establishing a Monitoring and Remediation System on that issue. This would include:

1. identifying the individuals at high risk;
2. checking the safety of the identified individuals on a regular basis;
3. remediating any cases of violations found;
4. documenting this work, including the number of individuals at high risk, number of violations, number of safe withdrawals, and activities taken to prevent further violations.

For suggestions on how to establish a monitoring and remediation system, please request materials from Fair-trade Producer Networks or Fairtrade International.

Who is responsible for remediation?

Where a company has caused or contributed to a human rights violation, it has a responsibility to participate in remediation. This is expected by HREDD norms and, for child labour, also by Fairtrade Standards.

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 fulfil all four remediation steps.



Step 4

Track Progress

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

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. So, it makes sense to do tracking earnestly.

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

- Select indicators;
- Decide how you collect the data;
- Decide ways to 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) your due diligence activities and (b) changes in your salient issues.

Examples of indicators for tracking progress in due diligence activities

1. Awareness raising

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

2. Risk Assessment

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

3. Grievance Mechanism

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

4. Addressing and Remediating

- List of human rights and environmental policies your organisation is implementing
- Activities implemented during the past year: Objectives, groups of people influenced, descriptions, results, challenges encountered, and support gained from any partners
- Types of stakeholders consulted in developing the action plan
- Number and type of human rights violations identified
- Number of victims and share of victims who have been withdrawn and supported so that the violation does not continue (without mentioning any names)
- Types of support given

5. Communication and partnerships

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



To track (b) changes in your salient issues, you need to annually:

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

Decide how you collect the data

To track progress in your due diligence activities, you need to integrate the data collection to your HREDD activities. 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.

Decide ways to analyse the data and use the findings

Once you have data, it's time to analyse it and evaluate your performance. Report the key findings and trends to your senior management and board. Measuring your performance will help you document gains you have made in your HREDD work and improve on areas where you are underperforming.

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 incidents of diseases, sickness rates and accidents;
- 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 in monitoring, it's important to conduct the checks, calculations or reporting regularly and compare and analyse the results to see if the issue is becoming more or less serious.



Step 5 Communicate

The last step of HREDD is to communicate to your stakeholders what your salient issues are, how you have conducted due diligence, and what effect your activities have had. It's good to notice that if you don't discuss these issues with your buyers, you cannot reap the full 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.

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.



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

Your communication also needs to respect the privacy of your workers and other individuals, for example by presenting data in aggregated form.

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.

- 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 notice board, 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. Evaluation:** How can you evaluate the effectiveness of your communication? Could you gather feedback from your audiences to see if and where they have heard and understood your messages?



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 show buyers, consumers and governments that Fairtrade certified hired labour organisations work hard to be responsible and sustainable – and 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.

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

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

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

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

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

Human rights and environmental area	The covered human rights	Related requirements in Fairtrade Standards	Risk (potential violation of right)
1. Living income, living wage 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.	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).	<ul style="list-style-type: none"> • Wage levels and increases • Pay for production, quote or piece-based work. • In-kind payments • Housing provided to workers • Pension schemes 	Inadequate standard of living, discrimination in wages
2. Working conditions (for farmers and workers) Every person has a right to just conditions of work and social security.	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).	<ul style="list-style-type: none"> • Working hours • Availability of drinking water and toilets during work days • Written contracts • Benefits including lunch breaks and days of rest • Sick leave • Payment schedules 	Unsafe or unjust working conditions

Human rights and environmental area	The covered human rights	Related requirements in Fairtrade Standards	Risk (potential violation of right)
3. Health Every person has a right to health, security of the person and life.	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)	<ul style="list-style-type: none"> • Safe work processes • Hazardous work and chemicals • Hazardous waste • Harassment and bullying • First aid • Health and safety representative, officer, committee, Medical officer • Medical check-ups 	Work-related injuries and illness, degrading treatment
4. Freedom of association and collective bargaining Every person has a right to freedom of association and assembly, to form and join trade unions and to bargain collectively.	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.	<ul style="list-style-type: none"> • Freedom to join workers' organisations • Encouragement of workers' organisation • Respecting CBAs • Meetings between worker representatives and senior management • Records of terminated work contracts • Workers' rights training • FoA protocol and Right to Unionise Guarantee 	Restrictions on freedom of association and collective bargaining
5. Forced labour Every person has a right not to be subjected to slavery, forced labour or trafficking.	Right not to be subjected to slavery, servitude or forced labour (ICCPR 8, ILO 29 and 105) Includes freedom from trafficking and debt bondage.	<ul style="list-style-type: none"> • Use, prevention and remediation of forced labour • Dependence spouses' employment • Recruitment fees and travel costs • Disciplinary deductions from salaries 	Forced labour, human trafficking
6. Child protection and child rights Every child has a right to education, protection and freedom from child labour.	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))	<ul style="list-style-type: none"> • Employing children under the age of 15, or children under 18 for hazardous work. • Preventing worse forms of labour • Policy and procedures to prevent child labour • Remediation policy and program • School attendance 	Child labour, child trafficking, health hazards, lacking access to education

Human rights and environmental area	The covered human rights	Related requirements in Fairtrade Standards	Risk (potential violation of right)
7. Gender rights Every person has a right to equality between men and women.	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)	<ul style="list-style-type: none"> • Intimidating or abusive behaviour at workplace • Sexual exploitation etc • Maternity leave • Breaks and shorter days for nursing mothers • Policies on gender and sexual harassment • Grievances on sexual harassment 	Discrimination based on gender, gender-based violence or harassment at work
8. Non-discrimination Every person has a right to equal dignity, respect and protection, including non-discrimination of minorities, migrants, indigenous people and persons with disabilities.	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).	<ul style="list-style-type: none"> • Equal pay and opportunities • Non-discriminatory membership rules • Vulnerable groups and Hazardous work • Identification of minority and disadvantaged groups • Policy and programmes on equal treatment • Vulnerable groups in FPC • Unfair distribution of Premium 	Discrimination based on race, origin, ethnicity, disability, etc.
9. Self-determination 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.	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).	<ul style="list-style-type: none"> • Land and water conflicts • Freedom to choose one's housing 	Repression, land grabbing, neglect of indigenous people's rights such as free, prior and informed consent (FPIC)
10. Climate resilience Every person has a right to a safe and predictable environment that is not destroyed by climate change or deforestation.	Right to a safe and predictable environment (Human Rights Council resolution 48/13).	<ul style="list-style-type: none"> • Soil erosion and soil fertility • Deforestation and protected areas • Energy use • Emissions • Adaptation to climate change • Environmental awareness 	Inadequate standard of living, unstable natural environment

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

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

Appendix 2

Risk Assessment Indicators and Matrix

To assess the impact level, 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
Serious	Likely to result in death/ significant harm.	If not attended, the impact is likely to result in significant impact to health and safety (e.g., physical disability or fatality death), to affect all your stakeholders, or it be impossible, or take more than 8 years to restore.
Major	May probably result in significant harm	If not attended, the impact can probably result in major effects on health (e.g., injury that needs a significant rehabilitation), affect a large part of your stakeholders, or take between 5 and 8 years to restore.
Moderate	Likely to result in damage, though not significant.	If not attended, the impact is likely to result in moderate impact to health and safety, though not significant, affect some of your stakeholders, or take between 3 and 5 years to restore.
Minor	Likely to result in minor damage.	If not attended to the impact is likely to result in slight impact to health and safety (e.g., minor injury or illness), affect a few of your stakeholders, or take between 1 and 3 years to restore.
Minimum	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
Very High	Such issues have occurred consistently from the past until present.
High	Such issues have recently occurred often.
Medium	Such issues have sometimes occurred.
Low	Such issues rarely occur in the farm or within the community.
Very low	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.

LIKEHOOD	IMPACT					
		Serious	Major	Moderate	Minor	Minimum
	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	Extreme Risk – Very High Priority/Saliency
2	High Risk – High Saliency
3	Medium Risk – Medium Saliency
4	Low Risk – 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
Objective 1: 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.
Example To clearly reduce discrimination against women within 2 years	Create a policy on discrimination against women	HR Manager	1 st 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 nd 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 nd 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 rd Quarter 2023	Management time	HR Manager	COO
	Train workers and staff on equal opportunities	HR Manager/ Production Manager	2 nd Quarter 2024	Budget, time, venue	Logistics support by office assistant and training support by HR and operations Team	HR Director
Objective 2: As above	As above	As above	As above	As above	As above	As above

Additional Guidance on Implementing HREDD

Step 1 – Commit:

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

Step 2 – Identify:

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

All HREDD steps

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

Stakeholder engagement

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

The foundational documents

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

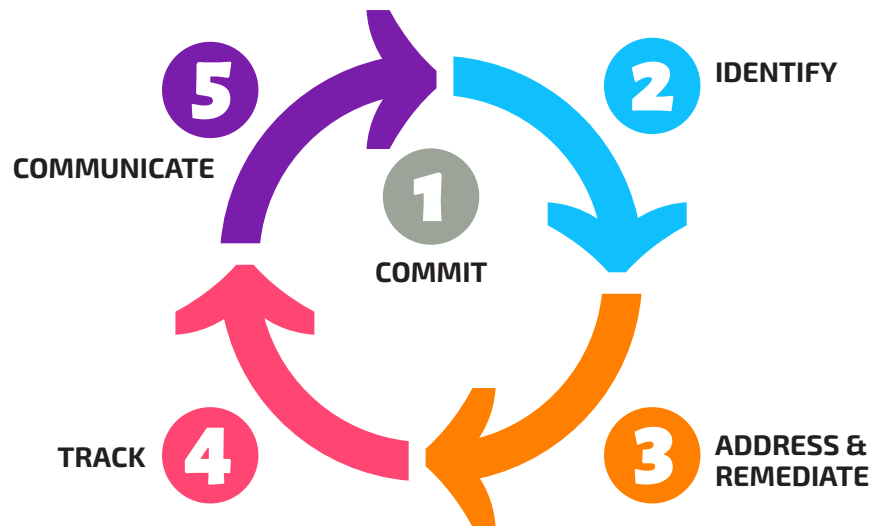
Videos

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

NOTE: If you have received this Guide on paper, please find the Guide online at www.fairtrade.net/standard/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

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



Step 2: Identify

Identify the most serious and common human rights and environmental problems

Conduct a risk assessment every three years

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

Set up a grievance mechanism

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



Step 3: Address and Remediate

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

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



Step 4: Track progress

Set up a tracking system

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



Step 5: Communicate

Communicate your findings and efforts to stakeholders

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

**IMPLEMENTING HUMAN
RIGHTS AND ENVIRONMENTAL
DUE DILIGENCE (HREDD) AT
A 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.



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