



Fairtade's HREDD Center of Excellence



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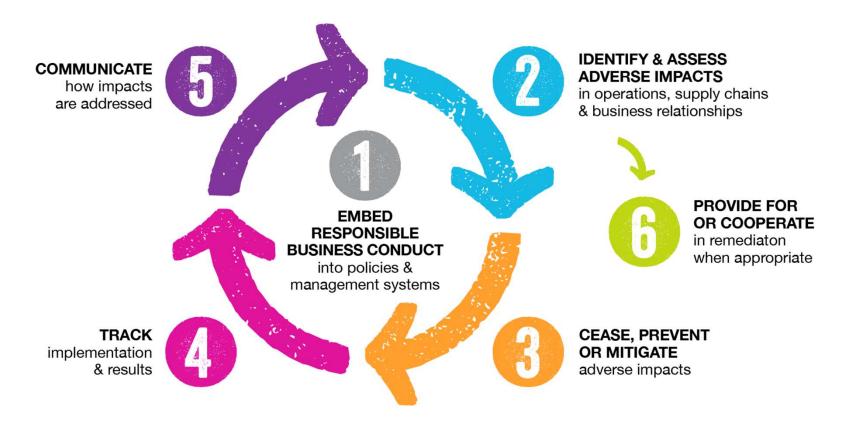


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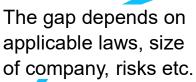
Risk Map

Human rights and environmental due diligence (HREDD)





Supply chain due diligence with Fairtrade







Advisory services



Programmes and co-investment



Awareness raising among consumers



Advocac y work

Partnerships,
Continuous
improvement

(Corporate DD measures, purchasing practices)





Audits & corrective measures



Non-negotiable minimum price & premium



--- Fairtrade sourcing

Complaints mechanism

Producer support

Rightsholder engagement







Step 2. Identify Fairtrade Risk Map



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Côte d'Ivoire is a West African country with a population of 27,1 million. Fairtrade commodities originating there

include cocoa, nuts, banana and oils. There are currently 271,993 farmers organised into 265 Fairtrade certified farmer organisations and 2,487 workers on 7 certified

plantations and companies in Côte d'Ivoire.



Cocoa

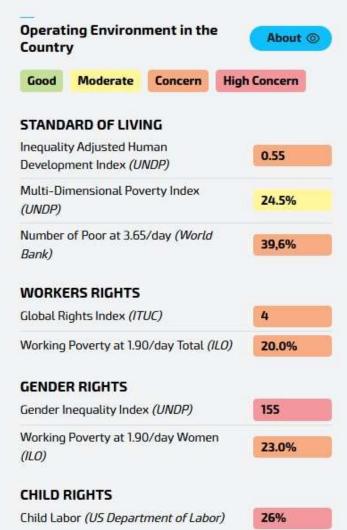




Banana

Cote d'Ivoire

Nuts & Oils



22%

Children in Child Labor (Unicef)

Most Salient Issues Indicated by the Country Data

CHILD RIGHTS

GENDER RIGHTS

FORCED LABOUR

LABOUR RIGHTS & CONDITIONS

CIVIL LIBERTIES

IMPORTANT

All farms and companies in this country are subject to these risks.

The risks are not specific to Fairtrade certified organisations. These organisations are required to assess their actual risks and act to prevent and mitigate them.





India is a South Asian country with a population of 1,4 billion. Fairtrade commodities originating there include coffee, tea, cotton, sugar and rice. There are currently 86,913 farmers organised into 82 Fairtrade certified farmer organisations and 32,792 workers on 33 certified plantations and companies in India.



Coffee









Operating Environment in the Country



Good Moderate

Concern

High Concern

STANDARD OF LIVING

Inequality Adjusted Human Development Index (UNDP)

Multi-Dimensional Poverty Index (UNDP)

Number of Poor at 3.65/day (World Bank)

44.8%

8.8%

0.633

WORKERS RIGHTS

Global Rights Index (ITUC)

5

Working Poverty at 1.90/day Total (ILO)

7.6%

GENDER RIGHTS

Gender Inequality Index (UNDP)

122

Working Poverty at 1.90/day Women (ILO)

9.5%

CHILD RIGHTS

Child Labor (US Department of Labor)

1%

Children in Child Labor (Unicef)

N/A

Most Salient Issues Indicated by the Country Data

FORCED LABOUR

DISCRIMINATION

WATER & BIODIVERSITY

LIVING INCOME

LABOUR RIGHTS & CONDITIONS

IMPORTANT

All farms and companies in this country are subject to these risks.

The risks are not specific to Fairtrade certified organisations. These organisations are required to assess their actual risks and act to prevent and mitigate them.













Cotton

Sugar

What is in the Fairtrade Risk Map?

COMMODITIES





Salient issues

Smallholder coffee farmers struggle to earn enough for a decent standard of living. Research suggests that among the ten largest coffee producting countries in 2018-2019, only farmers in Vietnam and Brazil were on average earning enough from coffee to escape poverty. Child labour has been reported in coffee production in 17 countries.

Many coffee growing areas are among the most biodiverse ecosystems in the world. But this biodiversity is at risk as climate change shrinks the land area suitable for coffee production and pushes coffee farmers to relocate. By 2050, major coffee producing countries are predicted to lose 30-60% of the land fit for coffee cultivation.

The salient issues in the coffee sector are (in the order of saliency):

Living Income +

Living Wage +

Water & Biodiversity +

Climate Change -

Coffee production may contribute to global warming through the use of nitrogen fertilizers, deforestation, emissions from soils, pruning, wastewater and crop residues decomposing on the ground.

Gender Rights +

Child Rights +







Living Income



Living Wage



Water & Biodiversity



Child Rights



Climate Change



Discrimination



Forced Labour



Gender Rights

RISKS

Salient Issue

Child rights

Child labour, health hazards and other child rights violations are common in many countries and throughout global supply chains. It is estimated that 160 million children around the world – 70% of them in the agricultural sector – are engaged in work that threatens their health and safety or interrupts schooling.

Child Labour - Around the globe, child labour is widely documented in the production of gold (in 24 countries, as per US Department of Labour in October 2022), sugar (18), coffee (17), cotton (15), rice (12) and cocoa (7).

In Ghana and Côte d'Ivoire, where most of the world's cocoa is produced, children constitute a third of the total workforce in cocoa production. It is estimated that approximately 1.54 million children - or 45% of the children living in cocoa growing areas - are engaged in child labour.

Children engaged in hazardous work or forced labour have been especially noted in sugar and West African coope production. This many children, especially in the vicinity of gold mines and conventional banana plantations. Aerial spraying of pesticides on banana plantations can affect children living up to 1.5 kilometres away, hindering child and fetal development. Children living near to or working at artisanal gold mines are often exposed to toxic mercury, which is used for gold processing. This can cause brain damage and other serious conditions.

Safety - In India, child trafficking on tea plantations and forced child marriage among sugar cane workers are other high-risk areas. Mothers' overtime work and long commutes can jeopardise the safety of children. Especially mothers working on flower, fruit and venetable estates report that childrare facilities are inadequate



According to research

Fairtrade certified farmer organisations show positive effects on addressing child labour.

Review of research on Fairtrade from 2015-2020, 2022, page 32.



Action

Fairtrade's Response

Fairtrade works in supply chains where the risk of child labour is high, which is precisely where our work is most needed. The Fairtrade approach to child labour mitigation and remediation is human rights-based and inclusive, and targets direct root causes.

We support efforts by farmer organisations, plantations and other organisations using hired labour 1 to utilise a community-centred approach to identify, mitigate, prevent and remediate abuse and

FAIRTRADE'S RESPONSE

1: Preventive and mitigating measures

Fairtrade utilises a variety of tools to mitigate³ the risks of child labour and other child rights violations at farmer organisations and plantations.

The Fairtrade Standards are one of our tools and includes several child rights requirements:

- TALK ABOUT FAIRTRADE
- Prohibition of child labour The Standards promote compliance with international standards, including a prohibition on child labour as
 defined by ILO conventions: All labour by children under the age of 15 and all work that jeopardises the schooling or health of under-18year-olds.
- **Risk Assessment** Farmer organisations need to assess the risk of child labour and, where risk is high, they are encouraged to implement preventive measures. One common measure is the establishment of a systematic internal control system. Around 30% of Fairtrade certified farmer organisations with a child labour risk run an internal control system to monitor compliance with Fairtrade Standards, including child labour related requirements.
- Child labour policy Fairtrade certified plantations are required to establish and implement a Child Labour Policy, where they commit to a rights-based approach to protecting children and remediating any adverse impacts on children. Farmer organisations are also encouraged to develop such a policy.

Standards alone are insufficient to eradicate child labour. That is why Fairtrade goes further to tackle the root causes of child labour in several ways, including:

Child rights training for farmer organisations and plantations. These trainings support producer organisations to identify which tasks
are safe and which ones hazardous and forbidden for children. Research indicates that in the cocoa sector in Ghana, for example, Fairtrade
farmers show significantly higher awareness of child labour norms and the benefits of schooling⁵. In 2019 across all organisations,
Fairtrade provided training to more than 14.600 participants, reaching 19% of certified farmer groups and 23% of plantations.

BUILD YOUR COMPANY'S DUE DILIGENCE WITH FAIRTRADE

Our four new services

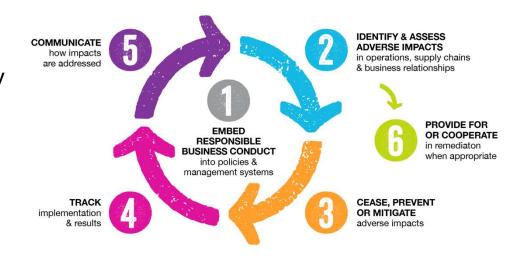


Four new services to accompany you in your HREDD journey

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, we can help.

Our new services are:

- 1. The fundamentals of HREDD and your company
- 2. Risk assessments and your supply chain
- 3. Tailored risk report
- 4. Prevention and mitigation plans



1. The fundamentals of due diligence and your company

An advisory service giving you a comprehensive understanding of due diligence expectations and obligations relevant to your company.

- 1. Your obligations
- 2. The role of rightsholder engagement
- 3. An analysis of the gaps in your sustainability work regarding HREDD
- 4. How Fairtrade can support you



2. Risk assessments and your supply chain

A service supporting your company to understand the arising expectations and obligations of human rights and environmental risk assessment.

- 1. The expectations and oblications
- 2. Feedback on your possible existing risk assessment processes
- 3. Advise on how to include meaningful rightsholder engagement
- 4. Recommendations on next steps



3. Tailored risk report

This risk assessment service supports your company to understand specific human rights and environmental risks and challenges.

- 1. A tailored risk assessment on a particular product and country or region
- 2. A report highlighting specific risks, with contextual information, and the potential root causes and analysis
- 3. A risk report which is produced through meaningful rightsholder engagement including exchange with farmers, workers and Fairtrade staff
- 4. Recommendations on next steps



4. Prevention and mitigation plan

A service to identifying effective and legitimate measures to tackle the risks and challenges in your risk commodities and sourcing areas.

- 1. A prevention and mitigation plan that describes key programmes, initiatives and activities currently operating, or that could be launched.
- 2. Recommendations for your company, taking into account your resources, networks and leverage.
- 3. Can be accompanied by real-time exchange with rightsholders and Fairtrade staff from the chosen area of origin.



Why are the voices of rights-holders central to due diligence?

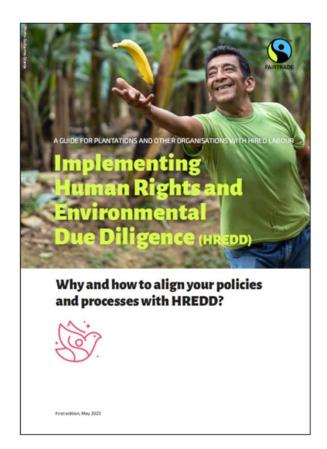
Meaningful stakeholder engagement is a central part of due diligence – and the most important stakeholder group are the people whose rights business may harm.

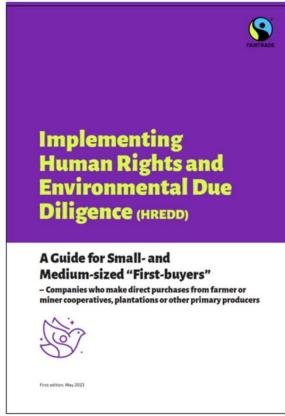
In human rights-related work, it's a fundamental principle that no one can decide for other people how their challenges should be ranked and addressed. They must be involved.

We believe that it takes collaboration to identify the most salient human rights and environmental risks, their root causes, and effective solutions.













First edition, June 2023

A Guidefor xxxxx 7

Due diligence is a learning process

Why Fairtrade?

We support stakeholder engagement that aims to:

- Offer rightsholders 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.





Grazie mille!

Any questions/ comments?

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