

# OUR COMMITMENT TO HUMAN RIGHTS | FAIRTRADE

September 2020

***“People who are marginalized and disadvantaged by conventional trading structures can develop the capacity to take more control over their work and their lives if they are better organized, resourced and supported”***

## The Constitution of Fairtrade

Fairtrade exists to advance and support smallholder farmers’ and workers’ rights. Our producer support, standards, certification, and development programmes strive to support the empowerment, organization, and collective action of farmers and workers. Further, our awareness raising and advocacy work seeks to highlight and transform unfair and unsustainable trade rules, business practices, and consumption patterns.

We are committed to inclusivity and producer-led organizing; it was at the initiative of Mexican indigenous communities and coffee farmers that Fairtrade was established in 1988. Today, African, Asian and Latin American/Caribbean Producer Networks hold 50 percent of the decision-making power at Fairtrade.

Fairtrade embraces the [United Nations Guiding Principles on Business and Human Rights](#) (UNGP) as a paradigm shift in the global understanding of business’ impacts on human rights<sup>1</sup>. This paradigm shift is sorely needed as human rights violations in global supply chains are pervasive. Today, one out of every five employed people live in poverty<sup>2</sup>. Globally, 152 million children – 75 percent of those in the agricultural sector – do work that damages their health or schooling<sup>3</sup>. Almost half of the global population lives in areas that are potentially water-scarce at least one month per year<sup>4</sup> – and agriculture causes 70 percent of freshwater withdrawals globally<sup>5</sup>.

We commit to aligning Fairtrade’s policies and processes with the UNGP to demonstrate our respect for the rights of farmers, workers, Fairtrade’s own employees and other rights-holders affected by our standards and other work. We seek to respect all internationally recognized human rights as expressed in the [International Bill of Human Rights](#) and the [ILO's Declaration on the Fundamental Principles and Rights at Work](#).

## ACCOUNTABILITY PARTNER FOR BUSINESS

We recognize our opportunity – and responsibility – to encourage companies to respect human rights, including environmental rights. We work with our business partners and networks to raise understanding of human rights and human rights-based approaches

**MEANINGFUL ENGAGEMENT AND DIALOGUE  
WITH IMPACTED AND POTENTIALLY  
IMPACTED RIGHTS-HOLDERS IS OF ESSENCE  
IN HUMAN RIGHTS DUE DILIGENCE.**

<sup>1</sup> The UNGP clarifies that business enterprises should respect human rights. To meet this responsibility, business enterprises need to undertake ongoing human rights due diligence (HRDD) to identify, prevent, mitigate and account for their impacts on human rights, and enable remediation where they cause or contribute to adverse human rights impacts.

<sup>2</sup> ILO, 2019, [The Working Poor](#)

<sup>3</sup> ILO 2017, [Global Estimates of Child Labour](#); ILO, the Walk Free Foundation & IOM 2017, [Global Estimates of Modern Slavery](#)

<sup>4</sup> Burek et al., 2016, [Water Futures and Solution - Fast Track Initiative](#)

<sup>5</sup> FAO 2017, [Water for Sustainable Food and Agriculture](#)



While companies remain responsible for undertaking their own human rights due diligence (HRDD), Fairtrade certification and programmes can be one tool for retailers and manufacturers to mitigate salient human rights violations in many supply chains. We can also offer expert inputs to other steps of the HRDD process, such as impact assessment and tracking.

Where certified supply chain actors breach human rights in the Fairtrade Standards, we have the responsibility to use our full leverage to enable effective corrective measures and remediation for impacted persons.

## TRANSFORMING POWER IMBALANCES

Fairtrade believes that rights-holder empowerment and changes in power relations are central in advancing human rights. HRDD must entail meaningful dialogue among supply chain actors, including impacted and potentially impacted rights-holders.

Further, when farms and factories become more transparent about their human rights challenges, traders, brands and retailers must commit to long-term business relationships, collaboration and fair purchasing practices. Relatedly, efforts to end child and forced labour must incorporate concerted efforts to ensure living income and living wages for farmers and workers.

Lacking this, practices labelled as HRDD may even result in adverse human rights impacts. If retailers and brands merely avoid working in areas with high systemic risks or cascade ever-stricter sustainability requirements – and associated compliance costs – down their supply chains, vulnerable farmers and workers risk being excluded from supply chains through no fault of their own.

**"EVERYONE WHO WORKS HAS THE RIGHT TO FAIR AND SATISFYING WAGES THAT ENSURE FOR HIM AND HIS FAMILY AN EXISTENCE COMMENSURATE WITH HUMAN DIGNITY"**

Universal Declaration of Human Rights, 1948

## OUR HUMAN RIGHTS DUE DILIGENCE PROCESS

HRDD helps in developing Fairtrade policies, standards and processes so that they become increasingly effective at addressing our salient issues and advancing farmers', workers', Fairtrade employees' and other rights-holders' rights.

**Identifying and assessing adverse impacts.** Fairtrade has a deep understanding of human rights challenges and their root causes in the production areas covered by our standards. This understanding accrues from long-term experience, ongoing interaction with producer organizations, and systematic collection and use of impact data, audit results and external research.

We are currently developing the manner in which we identify, monitor, and assess human rights impacts, in order to continuously improve our interventions. We will undertake the first reformed assessment process in 2021. It will include an assessment of where we are causing, contributing, or linked to adverse human rights impacts.

### Our Salient Human Rights Issues

Fairtrade mainly works with agricultural supply chains and the textile industry. Our leverage is greatest in the supply chains of coffee, cocoa, bananas and flowers. The salient human rights issues, which our efforts to mitigate, prevent, cease and remediate chiefly focus on, include:

- living wages and living incomes
- child labour, forced labour and gender-based violence
- discrimination based on gender, ethnic origin or other status
- freedom of association and unionization
- conditions of work
- environmental rights

## MITIGATING, PREVENTING, AND CEASING ADVERSE IMPACTS

Fairtrade utilizes many tools and processes to mitigate and contribute to the prevention and ceasing of adverse human rights impacts. Our main focus is at the farm level, but we also have some interventions to mitigate unfair trading practices, abuse of labour, and environmental damages throughout supply chains. We are continuously assessing and adjusting our tools and processes, which include the following:

**Fairtrade Standards** are designed to deepen respect for human rights and the environment among producers and other supply chain actors. These detailed standards are based on UN human rights covenants and ILO conventions<sup>6</sup> and are revised regularly, through inclusive processes, to raise their effectiveness.

**Independent verification.** Fairtrade's independent certifier, FLOCERT, follows rigorous practices in verifying whether a producer or trader fulfils the Fairtrade Standards. While not infallible, we find that independent auditing and subsequent dialogue remain very useful tools in HRDD. FLOCERT follows a risk-based approach, which means that unannounced on-site audits are particularly common in areas with high human rights or environmental risks. Whenever non-compliances are found, an audit leads to a dialogue and an agreement on corrective measures. Where corrective measures are not fulfilled, the organization is decertified. FLOCERT continues to explore new opportunities for communication with rights-holders.

**Support and training for farmers and workers.** We support farmers and workers to defend their human rights, tailoring our support to the needs of each producer organization and location. These needs are immense and varied, given that there are 1700 Fairtrade certified producer organizations in 75 countries and territories. Fairtrade staff in Africa, Asia and Latin America/Caribbean continually strive to develop more effective and adaptive ways of working. Work is funded through license fees and other contributions from private companies, as well as public development cooperation and other funds.

**Research.** Fairtrade undertakes, commissions, reviews and disseminates a constant stream of research, in order to generate understanding among companies, governments, civil society organizations and consumers about human rights situations and solutions in global supply chains.

**Political and commercial advocacy work.** Fairtrade seeks to highlight imbalances of power in global supply chains and advocate for changes in legislation, norms, and practices. We call, for example, for action on living incomes and living wages, regulation of unfair trading practices (UTPs), proportionate mandatory HRDD, sustainability in public procurement, and stronger support for adaptation to climate change.

**Awareness raising.** Fairtrade is rooted in a worldwide movement for fairer trade. Thousands of Fair Trade affiliated towns<sup>7</sup>, universities, faith-based organisations, schools and work places are actively raising public awareness of human rights abuses in supply chains, supported by Fairtrade campaigns and materials.

**Collaboration** with trade unions, NGOs, multi-stakeholder initiatives and governments helps to develop and amplify our efforts. We have goal-driven collaboration with, for example, the wider Fair Trade movement through Fair Trade Advocacy Office and with other sustainability standards through the Global Living Wage Coalition and Living Income Community of Practice.

---

<sup>6</sup> Including, for example, *the Universal Declaration of Human Rights, International Covenant on Economic, Social and Cultural Rights, International Covenant on Civil and Political Rights, UN Convention on the Rights of the Child, UN Declaration on the Elimination of Discrimination against Women, the eight Fundamental Conventions of the ILO, and the UN Declaration on the Rights of Peasants and Other People Working in Rural Areas.*

<sup>7</sup> [www.fairtradetowns.org](http://www.fairtradetowns.org)



**Internal Code of Conduct (Fairtrade Organization Code)** sets clear expectations for Fairtrade staff on human rights issues such as equal opportunities, harassment, and sexual exploitation.

Fairtrade offices are currently in the process of enacting aligned local policies and procedures, including effective complaints procedures for internal and external parties.

**Remediating.** Where a Fairtrade certified supply chain actor is linked to adverse human rights impacts, we seek to use and build our leverage to facilitate remediation by the responsible actors. Further, if we cause or contribute to an adverse impact, the UNGPs call us to contribute to remediation.

Fairtrade certified farmer organizations and plantations with identified human rights risks are encouraged and supported in setting up monitoring and remediation systems. For these systems to develop, we seek models for a fairer sharing of related costs among supply chain actors.

Where cases of child labour, forced labour or gender-based violence are identified or alleged on Fairtrade certified farms, our global and regional Protection Policies for Children and Vulnerable Adults guide the remediation. These remediation processes are human rights-based, which means, for example, that the top priority is always the protection and best interest of the impacted person and that the person's views are heard and respected.

**Tracking.** To track the effectiveness of our human rights interventions, we draw on external research, FLOCERT audit data, our own impact data and on the ground observations of the Producer Networks. In a typical year, several academic articles are independently published about Fairtrade's impact<sup>8</sup>.

Our own impact data is collected through an annual survey of many Fairtrade producer organizations as well as in-depth household surveys designed to assess long-term impacts. Further, we annually commission two or three external evaluation studies.

We are working hard to develop our data management systems and practices, so that our data can be better analysed and more transparently shared with external stakeholders. We recognize the importance of being transparent about the impact, challenges and limitations of our work and approach to human rights.

**Communicating.** Fairtrade exists to highlight and address human rights issues— such as the voice, self-determination, living incomes and living wages of farmers and workers. In spite of our best efforts, such violations sometimes take place on Fairtrade certified farms as well. To foster greater awareness among consumers and companies, we strive to be increasingly open about the complexities of human rights issues – and our means of addressing them.

**Rights-holder engagement.** Without rights-holder engagement, HRDD does not live up to its name. We have a constant dialogue with Fairtrade certified producer organizations and product networks. In the continuous development of Fairtrade Standards, farmers and workers are engaged via surveys, consultation meetings and through their representatives in the Fairtrade Standards Committee, which endorses the Standards.

Further, rights-holders influence our development programmes, awareness-raising, and advocacy work through Producer Networks. At the General Assembly and in the Board of Fairtrade International, Southern producers and National Fairtrade Organizations from the North have equal decision-making power. Trade unions have an advisory role through the Workers' Rights Advisory Committee and decision-making power as members of several National Fairtrade Organizations. We

---

<sup>8</sup> For research on Fairtrade's impact, see e.g. Overseas Development Institute (ODI), 2017. [The Impact of Fairtrade: CEval](#), 2018. [Follow up Study: Assessing the Impact of Fairtrade on Poverty Reduction through Rural Development](#).



are also seeking new models and tools for strengthening our dialogue with individual farmers, workers, and hired labour.

## GOVERNANCE OF OUR HRDD WORK

The Board of Fairtrade International oversees the design and effectiveness of Fairtrade's human rights and HRDD policies and processes. Human rights issues are discussed at every Board meeting and one Board member is assigned as the first point of contact for HRDD related work.

The leadership team of Fairtrade International is responsible for Fairtrade's human rights and HRDD work. Human rights policies and processes are developed by senior advisor staff at Fairtrade International, and the HRDD policies and processes by Fairtrade's internal HRDD Working Group, who also build internal capacity. The HRDD Working Group ensures engagement by different Fairtrade offices and functions.

Many other key actors are involved in human rights at Fairtrade International, including units on Global Products, Programmes and Policies (responsible for human rights policies and programmes), Standards and Pricing (revises Fairtrade's human rights criteria for all business partners), Impact (tracking) and External Relations (advocacy work, partnerships, and communications).

The African, Asian and Latin American/Caribbean Producer Networks are member organisations governed by Fairtrade certified producer organizations. The Producer Networks offer these rightsholder organizations advice, training, and support. National Fairtrade Organizations, which have independent Boards of Directors, raise consumer awareness and do advocacy work towards companies and governments in 24 countries. Fairtrade Marketing Organizations operate in eight countries and focus primarily on raising consumer and business awareness.

FLOCERT is an independent certification body with its own governance structure and is a wholly owned subsidiary of Fairtrade International. The Fair Trade Advocacy Office (FTAO) coordinates and does advocacy work towards the European Union.

## GOING FORWARD

Fairtrade commits to developing our HRDD process, piloting new ways to facilitate collaboration between producers and other supply chain actors, and to encouraging and supporting companies to respect human rights. Fairtrade certification, producer support, and development programmes can be tools for retailers and manufacturing companies to mitigate salient human rights violations in some of their supply chains.

Fairtrade calls for proportionate binding legislation and treaties at national, regional and global levels that define the responsibility of companies clearly and unambiguously, guiding companies to use and build their leverage to address adverse human rights impacts in their operations and value chains. The positive contribution of business towards the Sustainable Development Goals (SDGs) can only be fully realised if all companies fulfil their responsibility to respect human rights.

Fairtrade is a human rights-based movement and certification scheme. We seek to bring the voice, knowledge, and experiences of farmers and workers to commercial and political HRDD discussions. For HRDD to effectively address human rights issues, it must not just be about corporate reporting and heightened requirements on suppliers, but enduring dialogue, partnership, and fair division of value between companies and producers.

**This commitment has been endorsed by the Board of Fairtrade International on 23 June 2020.**