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FROM VOLUNTARY TO MANDATORY - FAIRTRADE PUSHES FOR MORE HUMAN RIGHTS DUE DILIGENCE

Fairtrade is moving forward with renewed determination in its efforts to work with businesses and governments towards ensuring that future laws address systemic human rights and environmental violations in global supply chains. While the economic consequences of the Covid-19 pandemic continue to amplify the vulnerability of farmers and workers in the global south, Fairtrade joins the call for mandatory human rights due diligence legislation (HRDD).

“Our message today is a turning point. Even Fairtrade, which manages a voluntary instrument for responsible business conduct, clearly states that voluntary measures undertaken by companies aren’t enough to tackle human rights violations, poverty and environmental harms”, says Darío Soto Abril, CEO of Fairtrade International. “Public authorities and businesses must be legally obligated to take their responsibilities seriously if we are ever going to halt increasing injustice in supply chains. Our position and the recommendations announced today will help pave the way for our future work to promote due diligence and binding legislation,” he adds.

The European Union and several governments have also explicitly pushed forward their commitments to strengthen or create such due diligence mechanisms. Other NGOs and trade unions are also calling for HRDD legislation. Today, Fairtrade joins that growing list by publishing [Fairtrade’s Vision for Human Rights and Environmental Due Diligence](#) that outlines the Fairtrade position and provides concrete recommendations on how to strengthen legal frameworks for responsible business conduct and corporate social responsibility.

Due diligence legislation is needed to ensure that no company is able to evade its responsibilities without legal consequences where human rights violations and/or environmental harm are proven. This is especially important for smallholder farmers and vulnerable workers, such as women and children, whose living conditions have worsened due to the COVID-19 crisis and who are on the front line of the climate crisis.

SO WHAT IS DUE DILIGENCE? A SMART MIX OF MEASURES

Fairtrade believes that tackling and remediating human rights violations requires a smart mix of measures that include both mandatory legislation and voluntary initiatives.

“Today, Fairtrade as a global movement, is joining other international NGOs and trade unions in calling for such HRDD legislation. However, thanks to our experience on the ground covering many sensitive commodities, we will be particularly watchful on how such legislations are developed and their exact content,” says Konstantina Geroulakou, Social Compliance Coordinator of the **Latin American and Caribbean Network of Fair Trade Small Producers and Workers** (CLAC).

With more than three decades of experience working with producer organizations, farmers and workers in high risk products, such as cocoa and textiles, Fairtrade cautions that well-intentioned legislation could have unintended negative consequences.

“Debates around due diligence and responsible business conduct are not new to us,” adds Marike de Pena, representing the alliance of the African, Asian and Latin American Producer Networks. “We have seen unproductive initiatives rising up in recent years, most notably because they were blind to vulnerable groups and turned into a proliferation of requirements for farmers and workers already living in poverty. The coming legislations will have to be set up in a more inclusive way to address issues raised by affected communities themselves, such as extreme poverty, vulnerability to climate change and low commodity prices. HRDD



legislations should empower farmers and workers to play a leading role in HRDD processes to build credible effective prevention, mitigation and remediation mechanisms.”

An increasing number of companies are also calling for EU-wide binding HRDD regulation. Some companies are in fact making considerable efforts to meet their responsibility to respect human rights and the environment in their operations. However, too many others contribute to exploitation and abuse in global supply chains – whether knowingly or passively. The United Nations Guiding Principles on Human Rights notes that every business organization has the duty to respect human rights.

RESPECTING HUMAN RIGHTS IN SUPPLY CHAINS

In line with those principles to strengthen and protect farmers’ and worker’s fundamental human and environmental rights, to name a few key requirements, Fairtrade is calling for HRDD legislation that:

- mandates companies to assess and change trading and purchasing practices that contribute to or cause human rights violations and/or environmental harm in their supply chains.
- requires companies to address the most serious human rights and environmental issues rather than abandon or avoid high risk sourcing areas
- covers the whole supply chains
- recognizes living wages and living incomes as indivisible human rights which are indispensable steps in human rights and environmental protection and promotion on the ground
- calls on governments and companies to put farmers and workers at the heart of HRDD policies in a bottom-up approach to HRDD and include their engagement as an essential part of corporate HRDD – similar to any other human rights based process or approach.

A recent study commissioned by the Brussels-based Fair Trade Advocacy Office and Brot fuer die Welt reveals some companies tend to focus on human rights harms that seem easier to address instead of the most serious violations. They also don’t seem to favor long-term commitments towards vulnerable suppliers in their trading practices. This puts the burden of human rights compliance on producing organizations instead of purchasing companies such as traders, brands and retailers.

According to Tytti Nahi, Lead on Business and Human Rights at Fairtrade’s HRDD Centre of Excellence, HRDD policies have to ensure that prices or wages paid to producers are aligned with respect for human rights and the environment. “Fairtrade is a long-time advocate of engaging both public authorities and businesses to cease unfair conducts in the fields we operate,” says Nahi, adding, “If Northern companies can cross the HRDD expectations off by including tighter requirements into their codes of conduct and evading purchases and business in lowest-income areas, the HRDD approach can marginalize vulnerable workers and farmers even further. What we need is more collaboration and co-investment among supply chain actors. That’s why Fairtrade is working to promote the highest standards of due diligence and responsible business conduct through new and much needed legislations,” Nahi concludes.

Source : <https://www.fairtrade.net/news/from-voluntary-to-mandatory-fairtrade-pushes-for-more-human-rights-due-diligence>