



Fairtrade supporting your due diligence journey





“HREDD is the new global norm for responsible business conduct. The Fairtrade Trader and Hired Labour Standards are now aligned with it.”

“Fairtrade guides and supports certified organisations to thrive in this new business environment.”



New HREDD criteria for Fairtrade Trader and Hired Labour Standards

For 30 years Fairtrade has championed social justice and environmental sustainability through trade. However, today's challenges such as climate change, an increased cost of living, evolving consumer expectations, and legislation are constantly altering supply chains.

With new legislation, Human Rights and Environmental Due Diligence (HREDD) is now becoming the global norm for responsible business conduct. If implemented fairly, it can be groundbreaking in advancing farmers and workers' rights and environmental sustainability. HREDD is a process where a company manages the social and environmental risks and harms linked to its business.

To support companies and help them thrive in the context of strengthening due diligence expectations and laws, Fairtrade has updated its Trader and Hired Labour Standards to include HREDD criteria.

The role Fairtrade plays

Fairtrade Standards are designed to support the development of small producer organizations and fair value chains. They incorporate a holistic blend of social, economic and environmental criteria.

Two of the Fairtrade Standards (Traders and Hired Labour) are now updated to closely align with Human Rights and Environmental Due Diligence practices, providing a clear framework for both to embed HREDD into their operations. With these new Standards, Fairtrade guides and requires human rights and environmental due diligence (HREDD) from Fairtrade certified manufacturers, processors and traders (Traders), as well as plantations and other primary producers that rely on hired labour (Hired Labour Organisations, HLOs).

Both revisions were undertaken through an extensive consultation process between May and November 2023, which included several stakeholders' workshops held throughout Africa, Asia, Latin America and the Caribbean.



“HREDD is a shared responsibility: Fairtrade Standards emphasise dialogue and concrete collaboration between producers, buyers and other duty bearers.”



How Fairtrade complements the regulation

HREDD is a five-step process:

1. Committing to respecting human rights and environment
2. Identifying the most serious human rights and environmental problems
3. Addressing and remediate those harms
4. Tracking the effectiveness of their measures
5. Communicating about this work to their stakeholders

The revised Fairtrade Standards are applicable as of 1 January 2025. For currently certified companies, the new requirements become applicable in a phased manner between January 2025 and January 2027 – because the initial strides of the HREDD process set the foundation for the subsequent ones.

We believe compliance with Human rights and environmental due diligence is a shared responsibility and our standards reflect this. We outline measures to be taken by different supply actors but also highlight how collaboration between them is key to drive change. The standards put particular emphasis on dialogue and concrete collaboration between producers, buyers and other duty bearers. The table on page 4 sets out how Fairtrade complements HREDD through our standards and programmes.

Fairtrade's support of HLOs and Traders

Hired Labour Organization support: Fairtrade Producer Networks support farmers and workers to know their human rights, get organised, develop their business, and build environmental and social sustainability.

The producer support delivered through in-person and remote training, site visits and networking opportunities, includes support for HREDD work. This work builds on Fairtrade's HREDD guides and tools, including the [HREDD guide for HLOs](#) and [risk assessment tool for HLOs](#). Further, the [Fairtrade Risk Map](#) is designed to support all supply chain actors in assessing their human rights and environmental risks.

Trader support: Beyond certification, Fairtrade offers companies guidance and tailored support with HREDD. Our recent guidance include an [HREDD guide for small traders who buy directly from producers](#), [HREDD guide for small and micro companies](#) and a [guide to credible sustainability communications](#).

Further, we offer advice and training for your team on your due diligence obligations, input to your risk assessment and support in identifying and implementing risk mitigation measures. Please view our portfolio of [HREDD advisory services](#) for commercial partners.



The revised standards approved by the Fairtrade Standards Committee are as follows:

	New Trader requirement	New HL requirement
Commitment	Year 0	Year 0
Comply with national laws	Year 0	Year 0
Awareness raising	Year 1	Year 1
Align with commitment	Year 3	Year 3
Share audit results with workers	-	Year 1
Risk assessment	Year 1	Year 1
Manage env. Impacts	Year 1	Year 1
Grievance mechanism (GM)	Year 0, Simpler requirement to small traders	Year 0
Promoting GM	Year 1	Year 1
Policies	Year 1, No requirement to small traders	Year 1
Action plan	Year 3, Simpler requirement to small traders	Year 3
Remediation procedure	Year 1	Year 1
Monitoring and remediation system	-	Development requirement, Year 3
Dialogue on HREDD	Year 3, Applies to medium and large first buyers	Year 3
Support for suppliers	Year 3, Applies to large traders	-
Tracking	Year 3	Year 3



Fair is working together

Fairtrade offers multiple ways that companies and brands can put their values into action. Work with us to transform your supply chain and discover what is fair. Visit fairtrade.net/act/fairtrade-for-business or contact your local national Fairtrade organisation. Please view our portfolio of [HREDD advisory services](#) for commercial partners.