

FAIRTRADE'S RISK MAP

[Hovering on a pic, users get a pop up window with key risk information, a click takes to the related page]

WHY NOT TRAFFIC LIGHTS?

METHODOLOGY

WANT TO KNOW MORE?



SALIENT ISSUES

- Living wage, living income
- Child labour, forced labour
- Gender equality
- Discrimination
- Freedom of association and unionization
- Conditions of work
- Climate change resilience
- Land and forest

RISKS AND IMPACTS OF FAIRTRADE'S OWN OPERATIONS



COSTA RICA



[The data should be automatically extracted from a table that covers all Fairtrade's operating countries]

[Re commodities: Users see key risk info by hovering on a pic and get to a commodity page by clicking. In Q1/2022, we publish global information and start country level assessments.]

POVERTY

Inequality adjusted human development index <i>UNDP</i>	0,639
Multi-dimensional poverty index <i>UNDP</i>	non-available
Number of poor at 3.20/day <i>World Bank</i>	3,6%

WORKERS' RIGHTS

Global Rights Index <i>ITUC</i>	2
Working poverty at 1.90/day – total <i>ILO</i>	0,18%

GENDER EQUALITY

Gender Inequality Index <i>UNDP</i>	61
Working poverty at 1.90/day - women) <i>ILO</i>	0,11%

CHILD RIGHTS AND FORCED LABOUR

Forced labor <i>US Department of Labor</i>	non-available
Prevalence of modern slavery <i>Walk Free Foundation</i>	159
Child labor <i>US Department of Labor</i>	1,1%
Children in child labour <i>Unicef</i>	2,0%
Rural primary school completion <i>Unicef</i>	90%
Rural lower secondary school completion <i>Unicef</i>	50%

CIVIL LIBERTIES AND STATE FRAGILITY

Civil Liberties rating <i>Freedom House</i>	53
Fragile States index <i>Fund for Peace</i>	40,2

CLIMATE AND FOREST

Global Climate Risk index <i>Germanwatch</i>	96
Forest area change in 2010-2020 as percentage <i>FAO</i>	0,56%
Forest area change in 2010-2020 by hectares <i>FAO</i>	16,4

LAND AND WATER

Land degradation as percentage in 2000-2015 <i>UNDP</i>	9
Baseline water stress <i>World Resources Institute</i>	0
People in water scarce areas <i>World Data Lab</i>	0%



coffee



sugar



fruit



banana



cocoa



vegetables



COFFEE



[Simple text page]

Supply chains

[Biggest producer areas, market areas, stages in the supply chain]

Salient issues

- Market concentration
- Unfair trading practices
- Living wage, living income
- Child labour, forced labour
- Deforestation
- Gender equality
- Climate change resilience [Note: these are examples, not final!]

[Text on these salient issues.]

[In Q1/2022, we publish global information and start country level assessments.]



RISKS IN FAIRTRADE'S OWN OPERATIONS

FURTHER INFORMATION (PDF)

HUMAN RESOURCE MANAGEMENT

Key risk: Excessive overtime
Key response: Organizational code + policies

COMMUNICATIONS, CAMPAIGNS, ADVOCACY

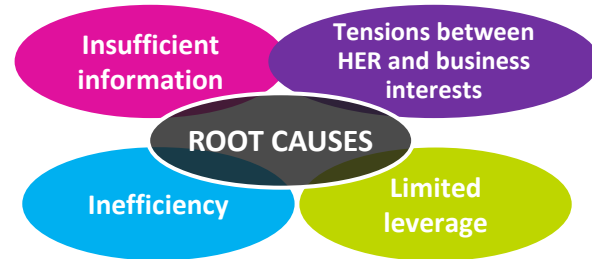
Key risk: Overselling (reduces consumer and corporate awareness of HER problems in supply chains)
Key response: Brand revision

OVERALL OPERATING LOGIC

Key risk: Focus on commercial priorities, ignoring HER violations elsewhere
Key response: Extensive rightsholder engagement in standard setting

DECISION MAKING

Key risk: Rightsholder views not heeded.
Key response: Strong rightsholder role in decision making



STANDARDS & PRICING

Key risk: Not all salient HER issues considered in standard setting
Key response: Risk and impact assessment included in standard revision process

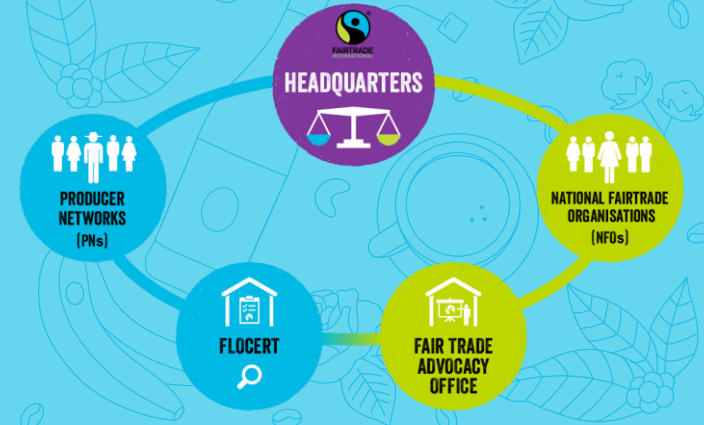
AUDITING

Key risk: Difficulty of discovering sensitive or well-concealed violations
Key response: FloCERT organizational code

PRODUCER SUPPORT & PROGRAMMES

Key risk: Inappropriate conduct by Fairtrade staff
Key response: Organizational code + policies

[Users see some further risk info by hovering on each title]



SALIENT ISSUES

The salient human rights issues in our operations and certified supply chains, which our efforts chiefly focus on, are:

- Living wage, living income
- Child labour, forced labour
- Gender equality
- Discrimination
- Freedom of association and unionization
- Conditions of work
- Climate change resilience
- Land and forest

Living wage, living income

This issue is salient in every one of the commodities and commodity groups we certify. [Couple of paragraphs about how common this problem is; which commodities, geographic areas and supply chain stages it's at its highest; and what the common root causes are.]

[Sentence about Fairtrade's responses.] For further information, please visit www.fairtrade.net/issue/decent-livelihoods

Child labour, forced labour

[as above]



WHY ASSESS RISKS?

Risk assessment supports our empowerment, commercial & advocacy work:

1. It **consolidates** our view of the root causes of HER challenges in global supply chains, feeding into the development of our Standards, programme work and advocacy work.
2. It's a **health check** of the Fairtrade system – are our interventions and resources well allocated?
3. It allows us to recognize HER challenges before they become legal or **media risks** to us.
4. It helps us offer **producer perspectives** to companies' risk assessments. This **O2B** can serve the needs of farmers, workers and commercial partners.
5. It builds our **credibility** as a HER expert.
6. It **differentiates** us from our competitors.

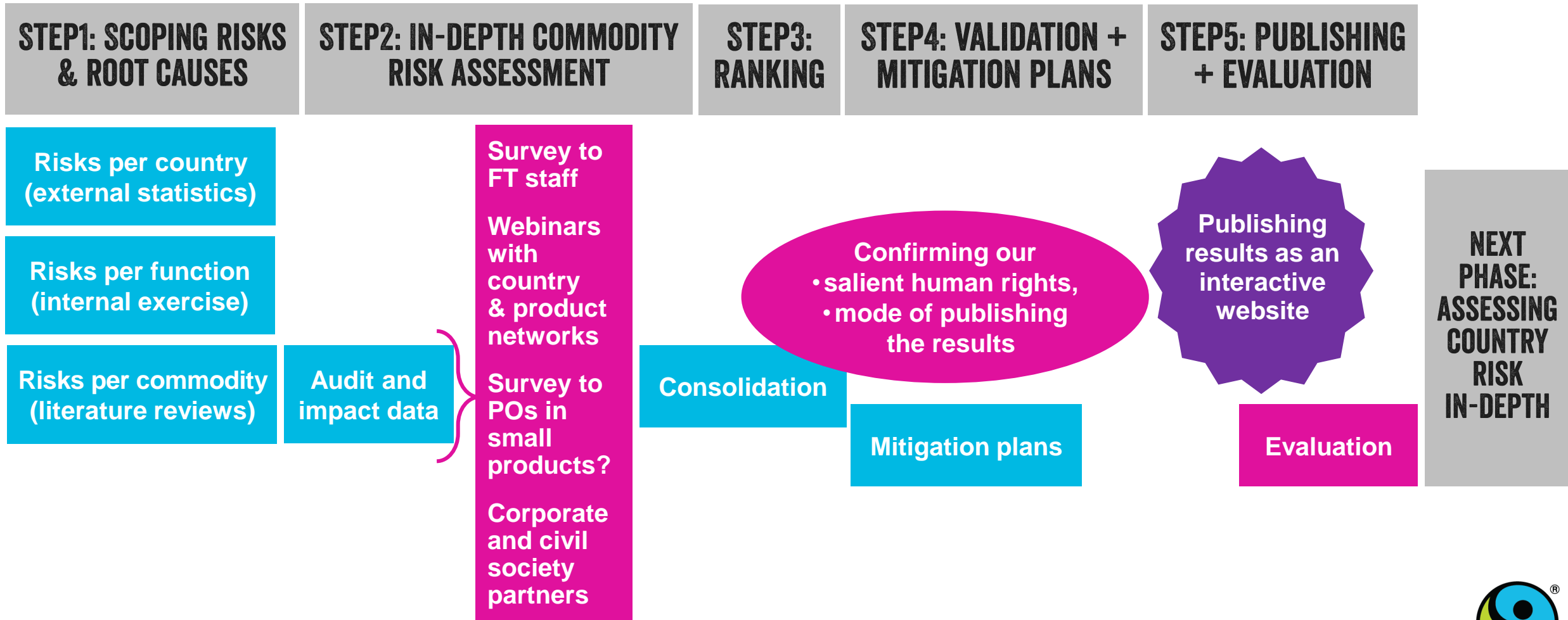
CURRENT LIST OF OUR “SALIENT HER ISSUES”

- living wage, living income
- child labour, forced labour, gender-based violence
- discrimination based on gender, ethnic origin or other status
- Freedom of Association and unionization
- conditions of work
- environmental rights

FI Board approved Human Rights Commitment (June 2020)



OVERVIEW OF OUR RISK ASSESSMENT PROCESS



The steps depicted in pink boxes entail extensive consultation of PNs and, to the extent PNs find feasible, also POs.