

Terms of Reference for Centre of Excellence on Human Rights and Environmental Due Diligence

Adopted by Fairtrade Executive Team on 24 May 2022

1. Objective

The HREDD CoE (the Centre) leads on the development and supports the implementation of Fairtrade's HREDD proposition, designed to address the needs and expectations of farmers, workers and our commercial partners.

This entails the development of Fairtrade-wide HREDD policies, key processes, services and messaging, and facilitation, advice and implementation support for Fairtrade Member Organisations, Fairtrade International and FLOCERT.

2. Ways of Working and Composition

The Centre cherishes a solution-oriented mentality, aiming to develop HREDD services in an agile manner.

Strategic decisions of the Centre must be approved by the Core Group of the HREDD Working Group. These decisions cover the "what and why" of the CoE's work, choosing which routes we pursue to reach our long-term goals. The Working Group and the Core Group are described in more detail below.

The responsibility for operational decisions lies with the Centre. These decisions cover the "how" of the CoE's business, such as the management of the Centre's day to day work and individual tasks required to implement Core Group's decisions.

The Centre is led by Fairtrade's Director on Business and Human Rights, who reports to and works under the supervision of CEO of Fairtrade Finland. The Centre employs at least one expert.

3. Mandate and Accountability

HREDD CoE is fully authorised and empowered to make decisions, on behalf of the system, regarding the responsibilities listed in this ToR. If the mandate of the Centre is unclear, the Centre is undecided or significant budget changes are needed, the CEO of Fairtrade Finland has the responsibility to escalate the issue to the FET.

HREDD CoE is accountable to the FET and the CEO forum, who monitor the KPIs on delivery in line with their respective roles. The Centre will pro-actively offer progress updates to the FET and/or CEO forum / CEO calls at least twice a year, and whenever necessary and requested.

The Centre's workplan and budget need a sign off from the FET before implementation.

HREDD CoE and FI units have a shared responsibility to develop agile ways of working, sharing information and supporting the global Fairtrade network together to further Fairtrade 2025 strategic ambitions.

4. Responsibilities

The key responsibilities of the Centre are:

- Develop Fairtrade-wide HREDD policies, key processes, services and messaging, in line with the UN Guiding Principles on Business and Human Rights (UNGPs, 2011)
- Business services:

- Consolidate Fairtrade's current HREDD-related O2B.
- Develop new service models that serve both producers and commercial partners needs and expectations, ultimately beyond FT certified supply chains. Support Fairtrade organisations in piloting them. Collaborate with Growth Task Force.
- Advocacy:
 - Facilitate collaborative advocacy work among Fairtrade Member Organisations to influence HREDD policies and business practices, and strengthen Fairtrade's thought-leadership on human rights and HREDD in the eyes of external stakeholders. Collaborate with FTAO, GAWG and Advocacy CoE.
 - Recommend revisions to Fairtrade's HREDD related position papers to the relevant Director or FI Board on a needs basis. Sign statements.
- System development:
 - Develop a HREDD process for Fairtrade, in line with international HREDD guidelines.
 - Offer expert support for the incorporation of HREDD into Fairtrade Standards and Assurance, Impact work, Data management systems, and Comms work.
 - Act as a facilitator and advisor for Fairtrade network and members in taking into consideration the due diligence related external expectations and requirements
 - Build synergies and complementarities with the GPPP: the Centre leads on HREDD policies, processes, services and messages, while Senior Experts lead on the content of Fairtrade's work on particular human rights.
- Represent and support colleagues in representing Fairtrade in external HREDD events. Suggest public communications content and partnerships to FI External Relations.
- Support and monitor the implementation of our HREDD proposition by Fairtrade Member Organisations, Fairtrade International and FLOCERT and in particular the Producer Networks. Build capacity and share HREDD-related news among Fairtrade organisations.
- Coordinate the HREDD WG, organize and chair its meetings, guide WG subgroups and task forces in aligning with each other and the Fairtrade 2025 Strategy (see point 7 below).
- Serve as a central contact point for HREDD-related issues within FT.
- Adhere to Fairtrade 2025 strategy and FI's code of conduct.

5. HREDD Working Group

The Centre may create working groups to research or otherwise deal with specific issues. Such working groups are set up on a temporary basis. The Centre will continue to coordinate a HREDD WG for the purposes of

- speeding up the development of our HREDD proposition by facilitating contributions to specific tasks by all interested Fairtrade experts
- advancing the implementation of our HREDD proposition by facilitating collaboration and peer-support among experts from different Fairtrade organisations
- ensuring sufficient member consultation and outputs that serve Fairtrade Members' needs by facilitating rich, ongoing input from relevant Fairtrade experts to the Centre. As rightsholder perspectives are essential in HREDD work, it's particularly important to gain rich input from PN experts.
- building capacity for the implementation of our HREDD proposition Member organisations, FI and FLOCERT.

The Working Group shall form a Core Group from among its members. It is composed of 9 individuals:

- three experts from PNs, one from each PN
- three experts from NFOs

- one FI representative
- Director, CoE (chair)
- Human Rights Coordinator, CoE (without voting power)

The Core Group is first and foremost an expert body. Its members bring in expertise from different parts of the Fairtrade system and are to aim at advancing the HREDD related ambitions of the Fairtrade 2025 Strategy. The Core Group takes the strategic decisions about the development of Fairtrade's HREDD proposition, including the following:

- Annual workplan and budget of the Centre
- Semi-annual updates for FET and CEO Forum

The Group seeks to make decisions by consensus, but normal majority decision-making procedures can be used. The working language of the Core Group is English.

HREDD WG has a separate ToR.

6. Term of Office and Remuneration

The term of office of the HREDD CoE will last until the end of 2023. Extensions can be approved by the FET, based on the CoE's performance, an assessment of results from all three CoEs in regards to testing a de-centralised delegation model in a network type governance structure, and continued strategic relevance for Centre's work.

The level of remuneration for CoE staff will be determined by the salary levels at the hosting Fairtrade member organization. FET will be informed about the remuneration on need-to-know basis.

7. Confidentiality

The CoE is determined to be as transparent as possible in sharing relevant information with all Members. However, CoE staff and WG members commit to full confidentiality, with regards to all sensitive and/or non-anonymised information they may acquire through their HREDD work. By signing a personal confidentiality agreement, they explicitly acknowledge that they may gain information on aspects that are confidential even within the system. As applicable, the CoE Director may decide and will be held accountable for disclosure of information to a defined audience on a need-to-know basis.