

MEMBERS REVIEW

2022



THE COMMITMENT TO
DUE DILIGENCE OF FAIR
TRADE ENTERPRISES



ABOUT

FAIR TRADING PARTNERSHIPS

FEATURED MEMBERS

WHAT CAN YOU DO?

IMPRESSUM

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Thanks to all Fair Trade enterprises who participated in this review! Special thanks to the people who were interviewed.

Authors: Mikkel Kofod Nørgård, Viola Carboni, Fabian Richter

Design: Viola Carboni, Fabian Richter

Photos: Provided by the organisations interviewed



DEAR READER,

Welcome to the fourth edition of the annual Members' Review from the European branch of the World Fair Trade Organization.

Our main aim is to illustrate the best Fair Trade practices of the European members of the WFTO network. In particular, we wish to demonstrate how mission-led business models manage to contribute positively to society and safeguarding the environment as part of their core business, instead of a secondary CSR approach. It is our belief that not only are these types of business models necessary to achieve national, regional and global economies that are circular and sustainable, instead of linear and exploitative. Furthermore, as you will see in the articles of this Review, such models are both possible and viable - and many examples already exist.

It could be said that the past three years several, successive crises have demonstrated the need for transparency and accountability in global supply chains. When we think it over, efforts to highlight the issues of severe human exploitation and environmental pollution in the name of profits go back decades. The Rana Plaza incident, for example, happened 10 years ago in April. The Corporate Sustainable Due Diligence Directive of the European Commission has been in the works for more than two years now and could still take several years to be realised. WFTO-Europe has worked hard to provide input for this much needed piece of EU legislation, and in this Review we explain why it is so important to get a strong, enforceable legislation in place without delay. The practices of our members highlighted here should also demonstrate that enterprises - big and small - can and must ensure transparency, accountability in their supply chains as well as vigilance against human rights and environmental violations.



**PLEASE DO ENJOY THE
VARIETY OF WFTO MEMBERS
AND THEIR IDEAS!**

Mikkel Kofod Nørgård

Regional Coordinator, WFTO-Europe

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WHO ARE WE?

We are the European branch of the World Fair Trade Organization. Like all regional branches, we support our members on a local level to innovate trading structures and change our current economic model. Our 105 members, from which 60 are guaranteed, establish long-term relationships with their producers and artisans giving weight to factors like decent working conditions, a sufficient living income and the protection of fundamental rights and the environment.

All WFTO members show that alternative business models which put people and planet before profits are possible. Therefore, we constantly highlight their business practices, especially with regards to women.

leadership, climate initiatives and to social and environmental sustainability as a whole. We encourage our members to work together and collaborate to grow stronger and to exchange of their best practices.

Our daily work consists of promoting Fair Trade, advocating, campaigning and monitoring on a European level. Being located in Brussels, we are able to influence policy makers together with other players of the Fair Trade movement. We are the voice of Fair Trade, and the link between our members and the movement as a whole.

THE 10 PRINCIPLES OF FAIR TRADE

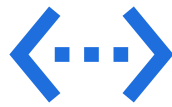


THE CORE OF OUR APPROACH

Our aim is to put people and planet first. Therefore, we base our work on 10 principles that are a minimum to make trade practices fair. Reducing inequalities and offering the workers equal opportunities, improving their health and living conditions, and protecting the environment as well as the local economies are examples of these standards. Our 10 principles specify the way in which Fair Trade enterprises work on economic as well as social, ethical and environmental levels. Hence, our members and prospective members are constantly being evaluated on their ability to comply with these

principles, and are encouraged to work together to reach them and even go beyond them, when possible.

These 10 principles of Fair Trade are a way not only to set a standard for our members, but to go further and aim for constant improvement. Our Guarantee System is there to verify the members' compliance and orient them towards solutions if they are having difficulties. Our philosophy is not to "punish" the already vulnerable enterprises, but rather help them and to find solutions to improve their business model while remaining loyal to the values we believe in.



FAIR TRADE AND THE SDGS

The UN Sustainable Development Goals (SDGs) give clear targets on different social and sustainable aspects to be reached by 2030. Fair Trade enterprises contribute significantly to the achievement of these targets, through their holistic approach and the mission embedded into their core business.

THE INTERCONNECTION AND OUR PRINCIPLES

The 17 Sustainable Development Goals (SDGs) are part of the UN Agenda 2030 and give an integral approach of addressing current and future challenges in a global partnership. With 17 concrete actions the SDGs map out the interconnection of all sectors in order to end poverty, improve health and education, achieve a green and fair economy and dealing with climate change at the same time.

This publication should highlight once more the close connections between the SDGs and the 10 principles of Fair Trade, which was part of WFTO-Europe's contribution to the "Trade Fair Live Fair" project funded by the European Commission. This project worked to raise awareness on Fair Trade and its contribution to the SDGs.

Here you can see how the Fair Trade principles directly relate with some of the SDGs. Fair Trade realises the multidimensional consequences which derive out of poverty and fights these challenges with an integral approach with a focus on creating opportunities for economically disadvantaged producers while simultaneously keeping social and environmental sustainability as core goals, too.

BETWEEN THE SDGS OF FAIR TRADE



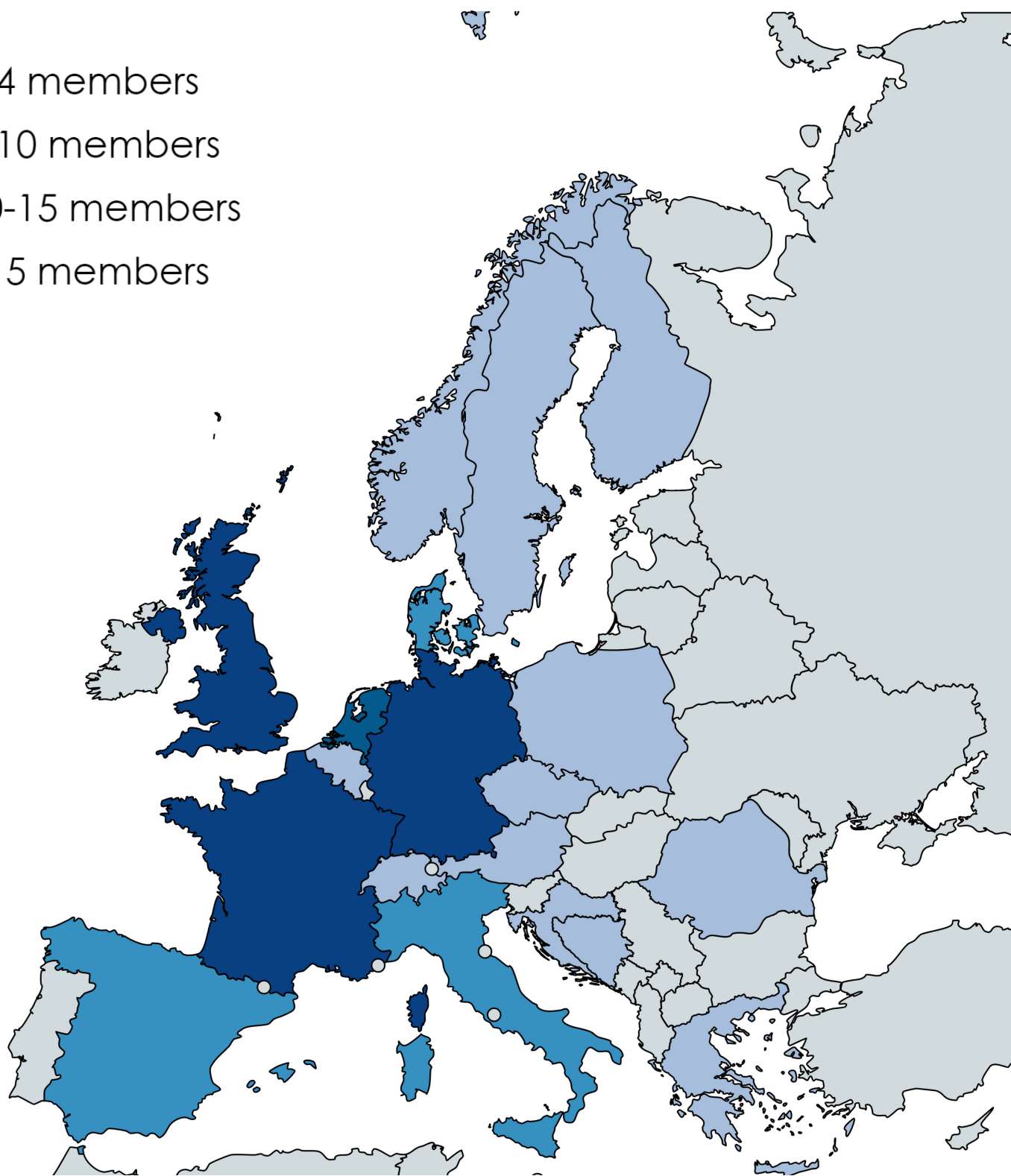
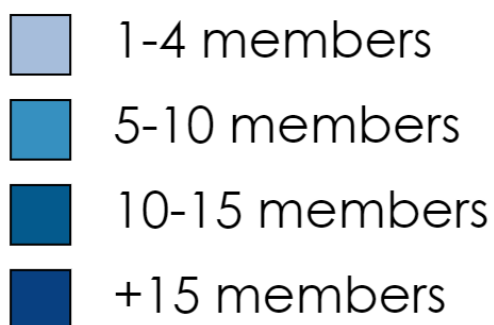


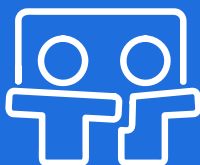
WFTO-EUROPE MEMBERSHIP

105
MEMBERS



ACROSS **19**
EUROPEAN COUNTRIES





OUR MEMBERS

AUSTRIA - 3

ARGE Weltläden
EZA Fairer Handel
Zotter Schokoladen Manufaktur

BELGIUM - 3

Belgian Fair Trade Federation
Elecosy bvba
Oxfam-Magasins du monde

BOSNIA AND HERZEGOVINA - 1

BHcrafts doo

CROATIA - 1

Linto d.o.o.*

CZECH REPUBLIC - 1

Fairtrade Czech Republic and Slovakia

DENMARK - 5

Egos ApS
Elvang Denmark A/S
En Gry og Sif
Fair Trade Denmark U-
landsforeningen Svalerne

FINLAND - 4

Mifuko
Ojoba Collective
Tampereen Kehityskauppa
The Finnish Association of Worldshops

FRANCE - 17

ALLPECO
Bouga Cacao
CAFE MICHEL - TERRA
ETICA SCOP
Commerce Equitable France
Dardenne
EMGAN (L'Atelier)
Esonalis*
Esperanza Café *
Ethiquable
Fédération Artisans du Monde
Hamac del Sol*
Karethic (Terrethic)
Les Jardins de Gaia
L'atelier *
Les Mouettes Vertes
CMC Malongo

MYUM*
Solidar'Monde

GERMANY - 18

Cha Dô Teehandels GmbH
Eco Terra GmbH
El Puente
Fair-Band
FairMail Cards
Fair-NETZ *
Forum Fairer Handel
GEPA Fair Trade Company
GLOBO Fair Trade Partner
Heidelberger Partnerschaftskaffee*
Khoisan Trading GmbH*
Mitka
Nepalaya *
Nyuzi BlackWhite
Ökotoxia *
Paigh
Weltladen-Dachverband
WeltPartner eG

GREECE - 1

ANYFION*

ITALY - 9

Associazione botteghe del mondo
CTM Altrmercato Soc. Coop.
CTM Agrofair Italy
Cooperativa Sociale Alice
Equo Garantito
FAIR*
Gino Girolimoni Coop. Agri.
Libero Mondo scs *
Palingen srl*

NETHERLANDS - 11

Alchemia
Amandla
EFTA (European Fair Trade
Association)
Kanika *
Resirest
Sarana
See Me
Seepje
Siyabonga *
Tahoua Import
Zimba-Arts *

NORWAY - 1

Indo Naturals

POLAND - 1

The Polish Fair Trade Association

ROMANIA - 1

S.C Networks Trading Srl - DECE

SPAIN - 5

Coordinadora Estatal de Comercio Justo
(CECJ)
EquiMercado *
Fundacion COPADE España
Fundación Isabel Martín *
Oxfam Intermón

SWEDEN - 3

Sackeus AB
The House of Fair Trade
The Swedish Organisation of
Fair Trade Retailers

SWITZERLAND - 4

Association romande des Magasins
du Monde (ASRO)
El Tucan
Gebana
Tropical Mountains

UNITED KINGDOM - 16

Artisan Life*
BAFTS
Fair Business Alliance Ltd*
Greater Goods
Just trade*
Just Trading Scotland *
Mayamiko *
People Tree
Re-wrap Association
Scottish Fair Trade Forum
Secret Projects Community Benefit
Society *
Shared Earth
Shared Interest
The Fair Trade Furniture Traidcraft

* Provisional Members are those, who are yet to complete the full auditing process of the Guarantee System.



A GLOBAL NETWORK

The World Fair Trade Organization is present around the whole globe. Through the commitment of many motivated members and over 300 Fair Trade Enterprises we can proudly present to you these impact figures depicted in a recent study of the global office.

355
FAIR TRADE ENTERPRISES



ACROSS **76**
COUNTRIES

965,700

LIVELIHOODS IMPACTED

52 %
OF CEOS ARE WOMEN

92 %
REINVEST ALL PROFITS IN
THEIR SOCIAL MISSION

74 %
OF IMPACTED LIVELIHOODS
ARE LED BY WOMEN

4 times

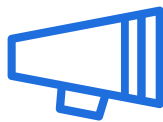
LESS LIKELY TO GO BANKRUPT

**Find out
more**

To find out more about WFTO members on a global level have a look at the Alternative Business Model report, a research revealing key insights about Fair Trade enterprises.

Published in the beginning of this year it gives a better understanding of the revolution in business which these mission-led enterprises fight for.





OUR POLICY WORK

To substantially change trade from conventional ways towards social and environmentally sustainable models multilevel discussion and collaboration is needed. This is why one of our work pillars consists of policy work, often together with other actors of the Fair Trade Movement or the wider social economy network. At the moment, one of the main files we are working on is the debate around Human Rights and Environmental Due Diligence on EU level.

Human Rights and Environmental Due Diligence

Mission-led businesses are those who do not focus just on profit, but go beyond and take on the mission to address social and environmental issues at the core of their business models. While still seeking profit, the priority remains to promote the welfare of workers, farmers and artisans. The main structural characteristics that are common across Fair Trade Enterprises are: the representation of producers on the board, formal policy on profit reinvestment into social and/or environmental objectives and producers' ownership of the enterprise.

The existence of such enterprises is a good example that an alternative approach to business is possible - one that puts people and the planet at the heart of their operations. One that practises Due Diligence along their supply and value chains.

In order to encourage the adoption of such models more widely, governance and management models committed to sustainability goals are needed to enable effective implementation of such commitment to the social and environmental missions in practice. The implementation of a form of Due Diligence can play a central role for businesses.

But what does the concept look like? An introduction:

Due diligence is the process enterprises should carry out to identify, prevent, mitigate and account for how they address actual and potential adverse impacts in their own operations, their supply chain and other business relationships. Effective due diligence should be supported by efforts to embed a responsible business conduct into policies and management systems, and aims to enable enterprises to remediate adverse impacts that they cause or to which they contribute.

In some limited cases, due diligence may help businesses to decide whether or not to go ahead with or discontinue operations or business relationships as a last resort, because the risk of an adverse impact is too high or because mitigation efforts have not been successful. While some are less risky, other business operations, products or services are inherently risky as they are likely to cause, contribute to, or be directly linked to adverse impacts on people and the planet. In any case, we believe that effectively preventing and mitigating these negative impacts does help enterprises maximize positive long term contributions to society.



Characteristics of DD - The essentials (Page 16-19: OECD Due Diligence Guidance for Responsible Business Conduct: URL: <http://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>, last seen 07/03/2023.):

- **Due diligence is preventative.**

The purpose of due diligence is first and foremost to avoid causing or contributing to adverse impacts on people, the environment and society, and to seek to prevent adverse impacts directly linked to operations, products or services through business relationships. When involvement in adverse impacts cannot be avoided, due diligence should enable enterprises to mitigate them, prevent their recurrence and, where relevant, remediate them.

- **Due diligence involves multiple processes and objectives.**

The concept of due diligence involves a bundle of interrelated processes to identify adverse impacts, prevent and mitigate them, track implementation and results and communicate on how adverse impacts are addressed with respect to the enterprises' own operations, their supply chains and other business relationships. Due diligence should be an integral part of enterprise decision-making and risk management.

- **Due diligence is risk-based.**

The measures that an enterprise takes to conduct due diligence should be commensurate to the severity and likelihood of the adverse impact. When the likelihood and severity of an adverse impact is high, then due diligence should be more extensive.

- **Due diligence is dynamic.**

The due diligence process is not static, but ongoing, responsive and changing. It includes feedback loops so that the enterprise can learn from what worked and what did not work. Enterprises should aim to progressively improve their systems and processes to avoid and address adverse impacts. Through the due diligence process, an enterprise should be able to adequately respond to potential changes in its risk profile as circumstances evolve (e.g. changes in a country's regulatory framework, emerging risks in the sector, the development of new products or new business relationships).

- **Due diligence does not shift responsibilities.**

Each enterprise in a business relationship has its own responsibility to identify and address adverse impacts. Due Diligence is not intended to shift responsibilities from governments to enterprises, or from enterprises causing or contributing to adverse impacts to the enterprises that are directly linked to adverse impacts through their business relationships. Instead, they recommend that each enterprise addresses its own responsibility with respect to adverse impacts.



- Due diligence involves ongoing communication and transparency.

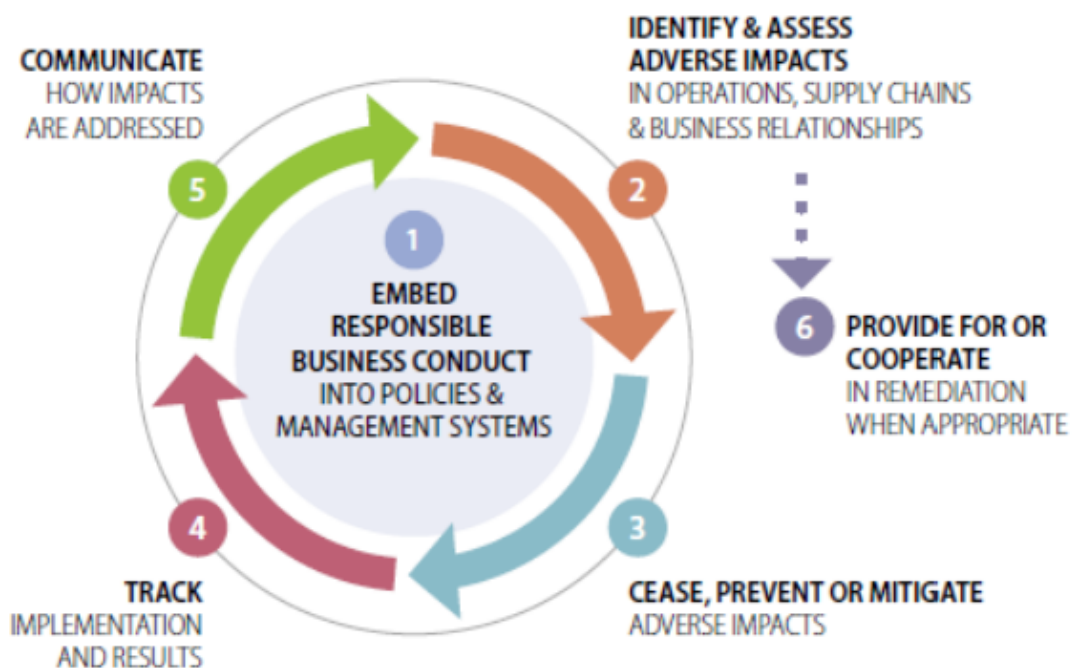
Communicating information on due diligence processes, findings and plans is part of the due diligence process itself. It enables the enterprise to build trust in its actions and decision-making, and demonstrate good faith. An enterprise should account for how it identifies and addresses actual or potential adverse impacts and should communicate accordingly. Information should be accessible to its intended audiences (e.g. stakeholders, investors, consumers, etc.) and be sufficient to demonstrate the adequacy of an enterprise's response to impacts.

The definition by the UN as well as the OECD, on which WFTO-Europe relies on, is clear that the process should include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed

(URL:

https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinessshr_en.pdf, last seen February 27, 2023).

The Due Diligence process:



Copy right: OECD: <https://mneguidelines.oecd.org/duediligence/>



WFTO-Europe's work on Corporate Sustainable Due Diligence

The recognition and increasing awareness around the concept of Due Diligence is part of the drive behind recent Human Rights and Environmental Due Diligence (HREDD) debate on EU level, like the Loi sur le devoir de vigilance in France and the most recent Lieferkettensorgfaltspflichten Gesetz (or Supply Chain Law) in Germany. The HREDD discussion and its Sustainable Corporate Governance initiative at EU level aims at improving the EU regulatory framework on company law and corporate governance. A legislative proposal for a directive has been presented on the 23rd of February 2022 by the European Commission. Since then the Council has been discussing their position in December 2022 and the proposal went to the European Parliament where it is currently being discussed in several Committees until the Trilogue takes place in May 2023.

The World Fair Trade Organization Europe (WFTO-Europe) believes that HREDD is an absolutely necessary part of any business and urges the European Parliament to vote for a strong Directive including the aspects outlined in [our Position Paper on HREDD](#):



WFTO-Europe believes that the directive should not be seen as an end in itself: Companies do not become sustainable nor responsible solely by following only the standards of mandatory HREDD (mHREDD). Indeed, it is important to emphasize the value of mission-led business models and stress that they are the ideal solution to making Human Rights and environmental sustainability integral parts of business conduct. This is the best means to ensure that businesses proactively strive to ensure good working conditions and mutual benefit for their workers as well as for that of their suppliers, and to constantly improve the sustainability of the production, distribution and even disposal of their products. Thus, this type of business model should be seen as the goal, or rather the long-term aim of the mHREDD legislation. By extension, mission-led businesses are best placed to practice HREDD and to ensure responsible and sustainable supply chains within companies, thanks to their specific governance model that ensures these points are included not just as natural, but as vital parts of the aims and goals that steer management decision-making. In this sense, mainstream companies could learn from WFTO members, which are already practicing Due Diligence to a certain extent and possess a thorough know-how of its processes and tools that guarantee their effectiveness. HREDD should not just be a secondary part of business separate from the core business. Instead, mainstream companies could go a long way by beginning a process of integrating these standards into their primary business conduct and governance model, and to improve on their implementation as they go along.

The Fair Trade movement has contributed with input via several channels during the drafting of the CSDD Directive proposal and an overview of the efforts, the information available and the different position can be found here:



As part of these efforts, WFTO-Europe also takes part in the Justice is Everybody's Business campaign (left).



Other policy work on EU level throughout 2022

- **Fair, Accessible, Sustainable & Short Food Chains - FASS Food EU**

WFTO-Europe participated in the FASS Food EU project by University of Antwerpen, which researched alternative models for food systems via our European members, Syn Allois in Greece and Solidale Italiano in Italy, as well as an additional case, Kort'om Leuven in Belgium.

WFTO-Europe assisted with expanding a network of similar initiatives in several European countries for sharing best practices and for a bottom-up reality check on the recommendations of the project. The recommendations relate to the Farm-to-Fork Strategy and the Framework Law for Sustainable Food Systems, which WFTO-Europe continues to assist in advocating to the relevant bodies at the Commission. Below are enabling policy factors identified in the project and more information via the QR-code:



- **Work on the Social Economy Action Plan (SEAP) and promoting Sustainable & Inclusive Business Models (SIBMs)**

Together with CONCORD Europe, Caritas Europa and other partners, WFTO-Europe promotes so-called Sustainable and Inclusive Business Models (SIBMs) and urges the EU to support this type of social businesses as they better contribute to local sustainable development in line with the EU's priorities on International Partnerships. In particular, SIBMs have a big role to play in the external dimension of the EU Social Economy Action Plan that was adopted by the European Commission in December 2021. Our coalition continues to advocate to the Commission the recommendations from our joint publication "Mind Our Business" (see the QR code on the right).



COMMON FEATURES THAT ENABLE SUSTAINABLE AND INCLUSIVE BUSINESSES TO REDUCE INEQUALITIES



Structural characteristics: they are...

driven by a social and
environmental mission

inclusively governed

led by a long-term vision



They benefit people and the planet by ...

creating decent
work opportunities

empowering
women and youth

reaching out
to marginalised people

contributing to
the green transition

CONCORD
European NGO confederation for relief and development

cooperatives
europe

Fair Trade
ADVOCACY OFFICE

• EU Competition Law, Horizontal Guidelines and cooperation agreements for sustainability

Throughout 2021 and 2022 the WFTO-Europe was involved in the drafting of the new Horizontal Guidelines, published in June 2023.

In October 2021 the WFTO-Europe contributed to the submission of the Fair Trade Advocacy Office to the public consultation on the revision of EU competition rules on horizontal agreements between companies, undertaken by the European Commission. This was an opportunity to promote a better use of competition policy to achieve sustainability objectives, such as living incomes and wages for farmers. On 20 October 2021, following the consultation process, the European Commission's Directorate General for Competition organised a workshop on "voluntary sustainability standards and the current competition law guidance" which was attended by WFTO-Europe.

In the first half of 2022 the WFTO-Europe was calling for competition rules that work for social sustainability through a [joint letter](#) to Margrethe Vestager:



Additionally, WFTO-Europe was involved in the joint response to the European Commission's public consultation on the first draft revised Horizontal Block Exemption Regulations and Guidelines. (left)

MISSION

El Puente is a reliable and well-established social enterprise and one of the pioneers of the Fair Trade movement in Germany. Through their unusual business ownership structure, in which the entire value chain is represented from the producer to the consumer, they are able to put people and the planet before profit in everything they do. El Puente has been pursuing the goal of providing producers with a living wage through fair prices and sustainably improving working conditions for 50 years. They are transparent, committed to organic farming and climate justice, to secure livelihoods and are combating discrimination and exploitation.

El Puente's Internal Monitoring System to analyse risks and prevent harm

In all its business practices El Puente refers to the WFTO standards and works according to the 10 principles of Fair Trade. They are moreover integrated in El Puente's Responsible Business Conduct and thus in all their business processes.

Another important component that guarantees El Puente's ethical and sustainable conduct is their shareholder agreement. According to that the company is owned by five different groups of shareholders, each holding 20% of the business. One group is held by El Puente's trading partners. "Our Shareholder groups represent the entire value chain - producers, workers, educational associations, shops and individuals" says Jette. .

This ensures them to take a certain ownership over the supply chain, El Puente's trading and purchasing practices, and that they always have a voice in El Puente's decision-making process.



Jette with trading partner. In April 2023, WFTO-Europe spoke with Jette Ladiges (Executive Director) and Nina Labode (Communication and Marketing).

Moreover, El Puente has its own Internal Monitoring System (IMS) and quality management that ensure their values are respected in all steps of their processes. As part of their trading and purchasing practices, El Puente is sourcing almost exclusively from Fair Trade companies and/or making sure that materials and goods are being certified to prevent harm on human rights and the environment along its supply chains.



I Puente, Due Diligence and its upcoming EU-Directive

If certain parts of a product are not certified or not yet organic, El Puente together elaborates with the trading partner what elements need to be in place to set up the right mechanisms to turn the product into a more organic one. In this regard, EL Puente also engages in existing Multi-Stakeholder Initiatives and the Fair Trade movement to exchange on those key sustainability issues such as purchasing practices or the payments of Living Incomes and Living Wages. This is particularly relevant when El Puente does not have the capacity to generate their own data. The WFTO Living Wage Tool as well as the LI reference price of Fairtrade International have been helpful tools in the past.

Moreover, El Puente uses its IMS, through which they organise regular visits and check-ins, document findings and fill in self-assessment reports, also following WFTO standards. Jette, CEO of El Puente, made clear: "We are trying to document the supply chains of our products as best as possible and trying to get as far down the chain as we can get."

Also, El Puente manages to have good and long-term relationships with its partners, based on their shareholder agreement. In the past this was also a driver for reciprocal trust between El Puente and their business partners. This trustful and long term relations are an essential part for El Puente when it comes to mitigating risks, as it enables an open and mutual dialogue between all the shareholders, including the producers. It helps El Puente to better understand different realities in the supply chains, which is key to identifying potential risks. When issues arise, these long-term relations give El Puente the possibility to work together with their partners and find solutions collectively.

Finally, El Puente has a monetary fund specifically collected for projects of their partners that can also be used to account for adverse impacts in their own operations, their supply chain and other business relationships. Due Diligence principles are deeply embedded in El Puente's business model which is based on long term relation with their business partner. For El Puente the separated steps of the concept of Due Diligence are embedded in a united way in all of their business practices. "You cannot take it apart in the way we are doing business. The separated steps of DD have been created for mainstream business models, while our way of doing business is so different from the mainstream." This also bears risks, says Jette: "There is a real risk in the CSDD-D to be tailored to mainstream business which will make it difficult for smaller Fair Trade businesses to implement and apply the upcoming Directive. Not because we are not able to fulfil certain criteria on human rights and the environment but because the process aims at a different business model."

El Puente is clear in saying: "If you look into the UN's/OECD's system on Due Diligence that has been created, we need to ask ourselves, whether we as small and medium mission-led enterprise fit into that. The concepts and schemes are created for mainstream business and bring a lot of bureaucratic burden. We see this being a risk also in the upcoming EU legislation. There is not only one type of business. This must be acknowledged".

MISSION

Oxfam Intermón (OI) was founded in 1956 and became a WFTO-Europe member in 2000.

Oxfam is determined to systemic change by mobilizing the power of people against poverty. It is committed to end social and economic inequalities, so that all people can have the same rights and opportunities to prosper and not just to survive .

Currently OI is working with more than 112 producers organizations around the world. All the 30 shops in Spain are managed by volunteers, one of the great values of the organization.

In light of the European Union's new Due Diligence Directive WFTO-Europe spoke with Leonor Garcia Dios, who is working for the Fair Trade Impact Unit of Oxfam Intermon, about Fair Trade principles, Due Diligence and more sustainable business practices.



A Responsible Business Conduct based on the WFTO Fair Trade Principles

Based on the WFTO 10 principles of Fair Trade and the WFTO Guarantee System, Oxfam Intermon aligns its business conduct with them. "The principles are also signed by and applied to our business partners - both local partners and business partners in the South - to ensure coherence along the supply chain", Leonor explains in the interview. At Oxfam and the Fair Trade movement conversations are more about the guarantee system than Due Diligence, while in reality the two have many links and connecting factors. One as a very good pre-condition for the other.

Even though almost all of Oxfam Intermon business partners are part of at least one certification scheme, Oxfam Intermon also relies on their regular communication with the main partners to ensure the certifications and basic information are up to date, and also visits to continue the exchange with business partners and assess them.

The visits allow OI to understand more in depth how their partners are working and to what extent they are actually complying with the 10 principles. They don't have a specific period to conduct the visits, every year they make the decision according to the budget and priorities.

In case of a non-conformity, Oxfam Intermon would first go into exchange with the partner, to find a solution collectively. However, if after 6 months the problem is not solved, the consequence is to stop the agreement with the supplier.

Oxfam Intermon's Monitoring System is

- For all its business partners. OI updates all the basic and compliance information every 3 years, in coordination with other European fair trade organizations (working together in the EFTA network).
- For the partners that do not have a fair trade certification. OI also undertakes a full assessment on the field to verify that they are following the 10 principles of fair trade. The assessment is a methodology agreed within the EFTA network and validated by WFTO.

Engaging with other stakeholders as an important part for Oxfam Intermon

As mentioned before, one very essential part of IO's work are the exchanges with members - part of the European Fair Trade Association (EFTA). Within the EFTA network, there are two specific working groups dedicated to compliance of fair trade principles:

- EFTA Information Managing System Group: Interchange of information of partners: basic information documents, compliance documents, impact information, etc. They share the information in a common database (Fairdata). The aim of the group is to keep the information updated and available.
- EFTA Assessment groups: this group works together on a common system to exercise Due Diligence (assessment tools) for those partners that don't have any fair trade certification. The purpose of the group is to:
 - Define the assessment tools and compliance system for non-certified partners.
 - Undertake the assessments of non-certified partners.
 - Share the results of the assessments so all the members can use the results.
 - Exchange of information regarding partners.

Moreover, another working group within the EFTA network was created in April 2023 to meet the challenge on the achievement of Living Income and Living Wages in Global Value Chains in which Oxfam Intermon has an active part.

Finally, Oxfam Intermon is also part of the Spanish Platform for fair Trade organizations (Coordinadora Estatal de Comercio Justo (CECJ)) and Fairtrade Ibérica. Here ideas around local fair trade production are currently being developed.

MISSION

Gebana is a Swiss pioneer for Fair Trade. It started in 1973 as a grassroots movement of women fighting for better working conditions for banana workers. Since 1998 gebana has operated as a Fair Trade company that buys organic products from family farmers, processes them locally and sells them into the wholesale market but also via its online shop directly to consumers. So far, the company has built up sustainable supply chains in Burkina Faso, Togo, Brazil, Tunisia, Benin and Greece. Gebana works with a holistic approach on sustainability along the whole supply chain, striving for the company's vision "Together we change global trade in favour of family farmers, local economies and the environment."

In spring 2023 we spoke with **Carolyn Schaar** (below), head of activist marketing as well as with **Cathrine Cornella** (right), head of impact development, to better understand their business practices with the link to the concept of Due Diligence.



An Impact Tree as a Responsible Business Conduct

The answer to most of the steps being part of the concept of Due Diligence can be found in gebana's so-called "Impact Tree" which is based on three pillars: changing global trade in favour of family farmers, the environment and the local economy.

For each pillar actions are defined and then measured by around 120 KPIs. The impact tree ensures that gebana's business continues to be genuinely sustainable. "It is at the core of our business," said both, Carolyn and Cathrine. To more easily analyse risks and prevent harm along supply chains gebana works in long term relationships with its business partners.

“To operate more sustainably is feasible regardless of the size of a company.”

"We know our suppliers and we know the farms and its farmers", says Cathrine. "Being in constant exchange with suppliers and knowing their reality already helps to analyse risks and prevent harm." This is also a reason why one of gebana's business practices is to pay a premium on top of market price and organic and fairtrade premiums not to cooperatives but to farmers directly.

Where unexpected harm occurs or certain farming practices do not go in line with gebana's impact tree, it would be a priority to align with suppliers and farmers before ending the business relationship. This has happened before when certain pesticides were found in the products supplied to gebana. Instead of looking for a new supplier in such a case, gebana works closely with the partner and farmers to ensure the quality of the product.

When Gebana was asked whether they face issues regarding implementation of Due Diligence given their rather small size, the answer was clear: "Looking in your supply chain and operating more sustainably is feasible regardless of the size of a company. It does not matter if you have 100 or 1000 business partners." For gebana, trustful and direct relationships with their suppliers and business partners are key. In many ways, this leads to a situation where risk analysis can be carried out more effectively.

Moreover gebana has good experience in the involvement of networks and multi stakeholder settings. This is something in which good practices around Due Diligence can be shared and can bring a lot of knowledge to a company. This is something that a company can get involved in regardless of their size. For instance, gebana is engaged in B2B discussions and capacity buildings on poverty, pricing practices and the achievement of Living Incomes.

Other than that, there have been many multi-stakeholder involvements over the past years that have been of great importance for gebana's own business development on some key sustainability issues but also to raise public and political awareness around the very same matters.

While having been involved in the Swiss Fair Trade Network, Klima-Allianz Schweiz Konzernverantwortungsinitiative, Good Food Collective, and many others, gebana is currently calling for a strong Corporate Sustainable Due Diligence Directive at EU level with their "Angry Gorilla" campaign.



MISSION

Equo Garantito is the Italian General Assembly of Fair Trade. It represents nearly 70 Italian Fair Trade businesses and organizations (World Shops, import organization, Italian Fair Trade producers) and its vision is a world in which business practices are more fair and sustainable and contribute to development and social justice, erasing poverty and protecting the environment

In May 2023 WFTO-Europe spoke with Micol Arena who is the System Manager at Equo Garantito in Italy.



The Italian Fair Trade Charter as a responsible business conduct

The work of Equo Garantito is broad and encompasses different areas: from promoting Fair Trade through information and advocacy campaigns to monitoring and supporting their members on more sustainable business practices through training and educational activities.

Equo Garantito's core policy is based on the Italian Fair Trade Charter which covers all business practices, from transparent prices to purchasing and trading practices. Despite their members own vision and mission, it is obligatory for the business to operate in accordance with the Charter.

Each of their member has to comply with Equo Garantito's Fair Trade standards

In 2003 Equo Garantito (EG) set up its own Monitoring System to make sure that all criteria part of the FT Charter are respected. Through audits and self-assessments reports, the organization verifies its members' compliance with the given standards. Moreover, in order to know who to monitor more closely, EG conducts a risk analysis. Part of the analysis divides Equo Garantito members into three categories: high, medium and low risk. "This tells us whose supply chain we need to monitor more closely", explains Micol.

At the same time, all Fair Trade enterprises that are part of EG also have their own internal monitoring system to analyse and evaluate the risk towards the producers. Moreover, their trading practices must be based on long lasting relationships with their suppliers. "This is key to minimising potential risks and impact on human rights and the environment."

In the past there have been cases in which EG found that this needed improvement. Micol gave the example of an Italian importer whose supplier from Palestine would rely on casual workers. Here EG and the importer supported with tools, training and external consultancy, in order to change the root cause.

Raising public and political awareness to mainstream corporate Due Diligence

It would be wrong but is also difficult for small and medium Fair Trade enterprises to simply demand higher standards further down the supply chain given their little purchasing power.

Being born as a Fair Trade organization, Due Diligence business practices are at the core of Equo Garantito internal policies. It is thus no surprise that EG is also involved in the CSDD debate at EU level and advocacy projects at a national level.

Together with a network of organizations, Equo Garantito promotes Impresa 2030, an Italian campaign for mandatory European due diligence on human and environmental rights. Moreover, the organization issued and promoted a publication on Due Diligence: Imprese e sostenibilità: il cammino verso il dovere di diligenza.

MISSION

El Tucan is a family business that has been committed to fair trade for more than 30 years, it is member of the international fair trade organisation IFAT since 2007 member of the WFTO-Europe. Alongside business activities El Tucan is involved in Fair Trade projects together with its producers to improve livelihoods along supply chains in Guatemala, Mexico, Bolivia and Peru.

In April 2023, WFTO-E spoke with Peter and Fabio Hoeltschi. While Peter is founder and Executive Director of El Tucan, Fabio is managing Sourcing and Sales.

In the photo you can see Fabio (mid-back) and Peter (right).



A Responsible Business Conduct as the basis of the foundation

“While the concept of Fair Trade and its principles were the basis for the foundation of El Tucan it is still today a red line that guides all business decisions and practices.”, opens Peter the conversation and makes clear that social and environmental sustainability is deeply enshrined in the business concept of El Tucan. He leaves no doubts that El Tucan takes responsibility as a business along its supply chains. From farmers and workers to consumers. On both ends of the spectrum, it is transparency that is essential and a key component when it comes to Due Diligence.

Minimising negative impacts and risks along the value chain?

“The first step is internal.” It is about El Tucan’s policy and clear vision, as explained above and comes with high expectations and socio-environmental requirements on suppliers and business partners. “The second step is a risk analysis that is done together with business partners.”, explains Peter. He gives the example that a risk analysis in the area of environmental impact is much more effective if measures are exercised with the people on site. Also he says that when it comes to Living Wages and Incomes an assessment of the cost of living is most accurate if it comes from the people itself.

For El Tucan, corporate responsibility and Due Diligence is about including everyone involved in the chain and jointly defining Due Diligence obligations. And even if “things are never completely perfect”, this practice has asserted and the continued exchange with suppliers never led to a situation in which significant harm occurred.

On the question whether El Tucan faces issues around the steps of Due Diligence due to the fact of being a small business the answer was clear: “As a small business it happens naturally to have personal contacts with your supplier. In our case it is 30 to 40 people that we all know personally. This helps in all the steps of Due Diligence, be it a risk analysis or other practices to prevent Human Rights abuses.” However, El Tucan is afraid that problems are likely to arise from a Due Diligence Directive that is tailored to big and mainstream business. “This would increase efforts and put a burden on our operational and administrative business activities.”, Fabio and Peter agree.

For El Tucan, an upcoming EU Directive on Due Diligence must acknowledge that there are different types of business. Moreover, it calls for a comprehensive coverage that recognizes environmental aspects to the same extent as it recognizes social aspects, from Living Incomes and Living Wages to the importances of freedom for associations of trade and worker unions.



MISSION

Seepje was founded in 2013, with the mission of creating a cleaner and brighter world. Seepje makes sustainable laundry and cleaning products based on natural ingredients, without using fossil fuel resources while at the same time having as much positive impact on people and the planet as possible. Seepje is Europe's first Fair Trade washing brand.

WFTO-Europe spoke with Ilse Pijnenburg who is Impact Manager at Seepje. In her position she is confronted with questions around the company's sustainability practices and to become as socially and environmentally friendly as possible.



For Seepje, building more sustainable business practices requires a concrete idea and action on many ends. Starting with carefully choosing their ingredients, sourcing from natural and renewable sources, to long-term and meaningful relations with their supplier. Last but not least it is also about the way the products are packaged and Seepje aims to have the lowest possible negative impact on the environment with this, such as a more circular approach like with recycled plastic, but also with low packaging solutions like the solid Seepje and refills for the liquid Seepje.

Hereafter a journey through Seepjes business practices that touches upon the steps part of Due Diligence as defined by the UN and OECD.

For their washing and cleaning products it all starts with a good understanding of resources needed and exchanges with people along the value chain. "We source as locally as possible to minimize environmental impact, whenever we source from the global south we apply fair trade principles, to create opportunities for marginalized groups, where we have a positive impact on people and the environment. We then have full focus on this by either actively making the chain more sustainable ourselves, or we work together with a party that is already fair trade.", explains Ilse. If Fair Trade suppliers cannot be found for the products needed Seepje closely monitors the chain of non-certified suppliers through audits and by building transparent and long lasting commitments.



"It is essential to talk to your suppliers, understand their practices and listen to them. They are the experts! ", states Ilse and continues: "You need that transparent chain to tackle most of the key sustainability issues we face. It does take time to get there but for Seepje this is the basis of a good due diligence system. Often those involved in the chain of ingredients in the soap products category are invisible. Many companies only know their supplier, but not the people involved behind it, such as the farmers, and they are often in the most vulnerable situation. Seepje has put a lot of work into building that direct relationship, that basis is very important and only then can you know what the real situation is and make improvements together."

Example with non Fair Trade certified supplier from Nepal:

Exchanges with non-certified suppliers, and local NGOs have enabled to increase income and working conditions of 150 soapnut farmers from whom Seepje buys at a fair price. Since then the Seepje team regularly visits their supplier in Nepal, in order to get to know the people involved, talk and listen to them and make sure farmers are connected with each other. "This can help them to get a better market position", Ilse explains. Moreover, this type of relationship based on transparency allows Seepje to talk directly with the farmers and understand their reality and make sure fair wages are received. In case of need Seepje supports farmers and workers through training on cost calculation or providing them with specific tools.

With this, the brand aims to create better working and living conditions and ensure more equality and fair opportunities.

"Engage with stakeholders and your suppliers, you need to do it together. Have confidence, and once you have a good system for transparency you are able to take a lot of steps and make that positive impact."

Depending on the topic Seepje engages with a wide range of stakeholders. Throughout the last years they have been involved in initiatives to exchange good practices around Living Wages and Living Incomes and the replacement of fossils by natural and renewable energies . From public and private sector actors to Civil Society organisations, involving everyone is an essential part to become genuinely sustainable. But also the raise of public and political awareness has played a role in the past. Throughout campaigning initiatives on the EU Green Claim Directive, the Corporate Sustainable Due Diligence Directive or other national or international legislations, Seepjes message has been clear. "We understand that it can be a challenge to check for risks in your chain and prevent them. But that doesn't mean we just let it happen, we can't look away. Modern slavery, pollution of the environment, serious damage to the earth and the people who make our products - we are all against that, aren't we? Where companies still not take enough action, we at Seepje think the government must take its role to push this."



WHAT CAN YOU DO?

All of us as individuals can help contribute to the fair and sustainable future we need, but of course we cannot do it alone. Business and policy-makers will have to do their part, too. Don't despair if the task seems overwhelming - here are the two most important actions you can take:

SPEAK OUT!

To achieve a sustainable world economy, business will have to change at its foundation. The enterprises highlighted in this Review all demonstrate how mission-led business models work to contribute directly to social and environmental sustainability by simply doing their core business and remain commercially viable. They operate in accordance with SDG 12 - Sustainable consumption and production - and are one model towards a sustainable future.

Help spread the word and raise awareness of such business as a working alternative to business as usual! This is an action everyone can do where you don't need to balance your budget first, and the impact if all of us speak out strongly in support for such business models is tremendous.



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Fair Trade Fashion Catalogue

Fair Trade Enterprises are producing sustainable, ethical and beautiful fashion. Browse our members who produce and supply clothes, jewellery, bags and scarves.

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wfto.com/fashion

If you are worried about the harmful impacts of the fashion industry when shopping clothes, have a look at the Fair Trade Fashion Catalogue. It shows how fashion can be done in a fair manner which also respects environment and climate.

wfto.org/webshops

Take a look at the Fair Trade web shop to find beautiful and handy products from enterprises constantly striving to improve on responsible and sustainable production. All products you find there are crafted and produced adhering to the 10 principles of Fair Trade and contribute to bettering the livelihoods of marginalised communities worldwide.


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SIMBOLICA FAIR TRADE

Netherlands




BOUGA CACAO


France





ELVANG DENMARK A/S

Denmark









“

WFTO members are already practicing due diligence and showcasing that another economy is possible. They are a driving force in business to respect human rights.

Leida Rijnhout, Chief Executive of WFTO

World Fair Trade Organization Europe ASBL

Rue Washington 40, 1050 Brussels (Belgium)

(Registre des personnes morale) 888.374.005



<http://wfto-europe.org>



(+32) 2 386 62 68



projects@wfto-europe.org

coordination@wfto-europe.org

